STRONGBOW EXPLORATION INC.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

JULY 31, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Reader's Note

These consolidated condensed interim financial statements of Strongbow Exploration Inc. ("Strongbow") for the six months ended July 31, 2019 have been prepared by and are the responsibility of Strongbow's management.

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

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

	July 31, 2019	January 31, 2019
ASSETS		
Current		
Cash	$ 757,108	$ 2,161,772
Marketable securities (Note 4)	934,632	1,168,932
Receivables	16,788	14,676
Deferred financing fees (Note 5)	582,617	552,758
Prepaid expenses	51,743	133,165
	2,342,888	4,031,303
Deposits	63,641	67,585
Property, plant and equipment (Note 6)	5,160,677	4,999,617
Royalties (Note 7)	1,500,000	1,500,000
Exploration and evaluation assets (Note 8)	7,537,278	7,379,019
	$ 16,604,483	$ 17,977,524
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 309,926	$ 270,016
Short-term portion of lease liability (Note 9)	83,435	-
Line of credit (Note 10)	1,500,000	-
	1,893,361	270,016
Long-term portion of lease liability (Note 9)	63,172	-
Debt (Note 11)	4,854,304	4,525,893
Royalty option (Note 11)	2,886,514	2,886,514
Line of credit (Note 10)	-	1,475,504
	9,697,351	9,157,927
SHAREHOLDERS' EQUITY		
Capital stock (Note 12)	37,271,571	37,271,571
Capital contribution (Note 12)	507,665	507,665
Share-based payment reserve (Note 12)	816,274	816,274
Deficit	(31,688,378)	(29,775,913)
	6,907,132	8,819,597
	$ 16,604,483	$ 17,977,524

Nature and Continuance of Operations and Going Concern Assumption (Note 1)
Subsequent Events (Note 18)

Approved and authorized on behalf of the Board on September 27, 2019:

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

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

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

	Three months ended		Six months ended	
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018
EXPENSES				
Accretion (Notes 10 and 11)	$ 46,853	$ 196,365	$ 107,427	$ 387,853
Advertising and promotion	157,443	127,839	307,221	337,426
Depreciation (Note 6)	23,152	568	45,860	1,136
Insurance	19,292	12,003	39,110	24,670
Office, miscellaneous and rent (Note 15)	625	15,605	13,710	64,332
Professional fees (Note 15)	67,195	114,603	127,835	320,532
Generative exploration costs	2,355	2,139	2,355	2,139
Regulatory and filing fees	5,138	5,524	12,585	14,399
Share-based compensation (Notes 12 and 15)	-	55,427	-	155,806
Salaries and benefits (Note 15)	169,586	159,433	349,909	254,619
Total operating expenses	(491,639)	(689,506)	(1,006,012)	(1,562,912)
Foreign exchange loss	(1,132,837)	(28,439)	(934,525)	(49,539)
Finance cost recovery (Note 9)	5,197	-	2,479	-
Interest income	2,467	18,516	6,914	20,443
Realized loss on marketable securities (Note 4)	(23,872)	-	(23,872)	-
Unrealized gain (loss) on marketable securities (Note 4)	156,100	87,601	(64,300)	194,850
Total comprehensive loss for the period	$ (1,484,584)	$ (611,828)	$ (2,019,316)	$ (1,397,158)
Basic and diluted loss per share	$ (0.02)	$ (0.01)	(0.02)	$ (0.02)
Weighted average number of common shares outstanding:	86,768,585	85,413,127	86,768,585	80,290,562

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

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

	For the six months ended July 31, 2019	For the six months ended July 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (2,019,316)	$ (1,397,158)
Items not involving cash:		
Accretion	107,427	387,853
Depreciation	45,860	1,136
Share-based compensation	-	155,806
Finance cost recovery	(2,479)	-
Realized loss on marketable securities	23,872	-
Unrealized loss (gain) on marketable securities	64,300	(194,850)
Unrealized foreign currency loss	890,517	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(2,112)	48,201
Decrease in prepaid expenses	81,421	79,898
Decrease in accounts payable and accrued liabilities	(52,043)	(251,571)
Net cash used in operating activities	(862,553)	(1,170,685)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,282)	(2,607,152)
Acquisition of exploration and evaluation assets	(610,344)	(567,787)
Increase in deposits	3,943	18,129
Proceeds from the sale of marketable securities, net	146,129	-
Acquisition of marketable securities	-	(25,318)
Net cash used in investing activities	(464,554)	(3,182,128)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued – warrant exercise	-	52,833
Increase in deferred financing fees	(34,634)	(128,456)
Lease principal and interest payments	(38,162)	-
Net cash used in by financing activities	(72,796)	(75,623)
Change in cash during the period	(1,399,903)	(4,428,436)
Foreign currency translation	(4,761)	-
Cash, beginning of the period	2,161,772	6,948,928
Cash, end of the period	$ 757,108	$ 2,520,492
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 16)

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

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

	Number of shares	Amount	Commitment to issue shares	Capital contribution	Share-based payment reserve	Investment revaluation reserve	Deficit	Total
Balance at January 31, 2018	77,857,088	$ 35,180,604	$ 2,000,000	$ 507,665	$ 4,868,494	$ 61,357	$ (34,382,842)	$ 8,235,278
Reclassification on the adoption of IFRS 9	-	-	-	-	-	(61,357)	61,357	-
Common shares issued upon warrant exercise	264,166	52,833	-	-	-	-	-	52,833
Commitment to issue shares pursuant to property option agreement (Note 9)	8,456,664	2,000,000	(2,000,000)	-	-	-	-	-
Share-based compensation	-	-	-	-	155,806	-	-	155,806
Loss for the period	-	-	-	-	-	-	(1,397,158)	(1,397,158)
Balance at July 31, 2018	**86,577,918**	**$37,233,437**	**$ -**	**$ 507,665**	**$ 5,024,300**	**$ -**	**$ (35,718,643)**	**$ 7,046,759**
Balance at January 31, 2019	86,768,585	$ 37,271,571	$ -	$ 507,665	$ 816,274	$ -	$ (29,775,913)	$ 8,819,597
Foreign currency translation	-	-	-	-	-	-	106,851	106,851
Loss for the period	-	-	-	-	-	-	(2,019,316)	(2,019,316)
Balance at July 31, 2019	**86,768,585**	**$ 37,271,571**	**$ -**	**$ 507,665**	**$ 816,274**	**$ -**	**$ (31,688,378)**	**$ 6,907,132**

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

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN ASSUMPTION

Strongbow Exploration Inc. (the "Company" or "Strongbow") 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. ("SBW UK"), which was incorporated under the laws of the United Kingdom.

The Company's principal business activity is the acquisition, exploration and future development 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 condensed interim 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 and development of its exploration and evaluation assets 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 consolidated condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

As at July 31, 2019, the Company had current assets of $2,342,888 to settle current liabilities of $1,893,361. Although the Company has positive working capital of $449,527 as at July 31, 2019, 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 8).

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended January 31, 2019, except for the adoption of IFRS 16 – Leases ("IFRS 16") as outlined below. These consolidated condensed interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual audited consolidated financial statements and accordingly should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended January 31, 2019 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated condensed interim financial statements are based on IFRS issued and outstanding as of September 27, 2019 the date the Board of Directors approved the statements.

2. SIGNIFICANT ACCOUNTING POLICIES - *Continued*

b) Basis of presentation

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

c) Change in accounting policy – leases

Overview of IFRS 16 leases

On February 1, 2019, the Company adopted IFRS 16 - Leases ("IFRS 16"), which 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.

The Company has analyzed its contracts to identify whether they are or contain a lease arrangement for the application of IFRS 16. The only substantive lease arrangement in place relates to the Company's office located in Vancouver, Canada whose lease term expires on April 30, 2021. The Company has applied the recognition exemptions in IFRS 16 for 'low value' leases and leases that end within 12 months of the date of initial application, and accounts for them as low value and short-term leases, respectively. The Company also has several mineral leases, which are in the process of being extended, but they are all scoped out of IFRS 16.

As the Company develops the South Crofty Tin Project in Cornwall, further lease contracts may be entered into in due course.

Effects of adoption of IFRS 16

The Company has adopted IFRS 16 using the modified retrospective application method, where comparatives are not restated under the specific transition provisions in the standard. The reclassifications and adjustments arising from IFRS 16 are therefore applicable from February 1, 2019. Prior to this date, leases were classified as operating leases and payments were charged to profit or loss over the period of the lease.

On adoption of IFRS 16, the Company has recognized a right-of-use asset and a lease liability at the transition date for the lease arrangement noted above for an amount of $187,248. The lease liability was initially measured at the present value of the lease payments, discounted using the Company's estimated incremental borrowing rate, rather than the interest rate implicit in the lease, as that rate could not be readily determined. Each lease payment is allocated between the lease liability and finance cost. The finance cost, or amortization of the discount, is charged to profit or loss using the effective interest method. Lease payments for the interest and principal portion of the lease liability are shown in the consolidated statement of cashflows.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and is included within property, plant and equipment. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Since the lease arrangement for the Company's Vancouver office is considered part of corporate activities, depreciation is charged to profit or loss.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, lease liabilities, debt and a line of credit. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity and have been classified at amortized cost. Cash has been classified at fair value through profit or loss ("FVTPL") and is recorded at fair value consistent with level 1 of the fair value hierarchy. Marketable securities which are publicly traded, have been classified at FVTPL and 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). Lease liabilities, debt and line of credit are initially 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 liquidity risk, credit risk, foreign currency risk, interest rate 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 and position. 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 and asset sales, 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, future development and corporate activities and anticipating investing and financing activities. Failure to realize additional funding, as required, could result in the delay or indefinite postponement of further exploration of the Company's properties, and could result in the Company being unable to meet the continued listing requirements of the TSX-V. As at July 31, 2019, the Company had current assets of $2,342,888 to settle current liabilities of $1,893,361.

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 maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash. 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.

Foreign currency risk

The Company has its most significant exposure to foreign currency risk through expenditures incurred on its exploration and evaluation assets and property, plant and equipment in the United Kingdom. Most of the Company's expenditure incurred on its exploration and evaluation assets, and property, plant and equipment 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 exploration, evaluation and future development of the South Crofty Tin Project.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the future cash flows of a financial instrument fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is minimal as cash is placed in deposits held with Canadian and British financial institutions that generate low investment returns and furthermore, the Company has no financial liabilities subject to variable interest rates.

(Expressed in Canadian dollars)

3. 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 FVTPL. 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, particularly tin. The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices in forecasting its cash flow requirements for the funding of its ongoing exploration and corporate activities and estimated development costs in bringing assets into production. The Company does not presently invest in commodity hedges to mitigate this risk.

4. MARKETABLE SECURITIES

The Company holds common shares in two TSX-V listed companies (January 31, 2019 – two TSX-V listed companies) and in two private mineral exploration companies (January 31, 2019 – two private mineral exploration companies).

	July 31, 2019		January 31, 2019	
	Cost	**Fair market value***	Cost	Fair market value
Various public companies	$ 76,000	$ 617,900	$ 94,000	$ 852,200
Private company shares	216,779	316,732	216,779	316,732
	$ 292,779	**$ 934,632**	$ 310,779	$ 1,168,932

*Includes 800,000 (January 31, 2019 – 1,000,000) common shares (fair market value of $616,000; January 31, 2019 - $850,000) of Westhaven Ventures Inc. ("Westhaven"), a company related to the Company by virtue of a common director (D. Grenville Thomas).

During the six months ended July 31, 2019, the Company received net proceeds of $146,129 and recognized a loss of $23,872 from the sale of Westhaven shares.

During the six months ended July 31, 2019, the Company recorded an unrealized loss of $64,300 (July 31, 2018 – unrealized gain of $194,850) associated with the change in fair value of marketable securities.

During the six months ended July 31, 2018, the Company acquired common shares of a private company at a value of $25,318.

5. DEFERRED FINANCING FEES

Deferred financing fees of $582,617 (January 31, 2019 - $552,758) 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.

(Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer equipment	Software	Furniture & fixtures	Land & site	Motor vehicles	Right-to-use real estate	Water treatment plant* (in progress)	Equipment	Total
As at January 31, 2019	$ 49,305	$ 36,698	$ 25,205	$1,610,765	$ 18,918	$ -	$ 3,241,364	$ 284,471	$ 5,266,726
Adoption of IFRS 16	-	-	-	-	-	187,248	-	-	187,248
Additions	1,723	10,498	2,217	-	-	-	105,180	2,945	122,563
Capitalized borrowing costs	-	-	-	59,279	-	-	186,202	-	245,481
Foreign currency translation	(2,411)	(2,032)	(1,756)	(105,295)	(1,317)	-	(210,530)	(19,813)	(343,154)
As at July 31, 2019	**$ 48,617**	**$ 45,164**	**$ 25,666**	**$1,564,749**	**$ 17,601**	**$ 187,248**	**$ 3,322,216**	**$ 267,603**	**$ 5,478,864**
Accumulated depreciation									
As at January 31, 2019	$ (15,410)	$(32,934)	$ (7,215)	$ -	$ (11,822)	$ -	$ -	$ (199,728)	$ (267,109)
Depreciation	(2,279)	(1,970)	-	-	-	(41,611)	-	-	(45,860)
Capitalized depreciation	(5,262)	-	(1,030)	-	(2,280)	-	-	(14,775)	(23,347)
Foreign currency translation	860	2,032	503	-	823	-	-	13,911	18,129
As at July 31, 2019	**$ (22,091)**	**$ (32,872)**	**$ (7,742)**	**$ -**	**$ (13,279)**	**$ (41,611)**	**$ -**	**$ (200,592)**	**$ (318,187)**
Net book value									
As at January 31, 2019	$ 33,895	$ 3,764	$ 17,990	$1,610,765	$ 7,096	$ -	$ 3,241,364	$ 84,743	$ 4,999,617
As at July 31, 2019	**$ 26,526**	**$ 12,292**	**$ 17,924**	**$1,564,749**	**$ 4,322**	**$ 145,637**	**$ 3,322,216**	**$ 67,011**	**$ 5,160,677**

As discussed in Note 2, upon adoption of IFRS 16, the Company has recognized a right-of-use asset and a lease liability at the transition date for the lease arrangement relating to its office located in Vancouver, Canada. Previously, this lease was classified as an operating lease. Right-of-use assets are now included in property, plant and equipment as shown in the table above.

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

(Expressed in Canadian dollars)

7. ROYALTIES

Mactung and Cantung Royalty Acquisition

In March 2016, the Company purchased from Teck Resources Limited ("Teck") a 4% NSR on the Mactung tungsten project (one-half of which (2%) may be purchased by the property owner at any time for $2,500,000) and a 1% NSR on the Cantung tungsten project (collectively, the "Royalties"). The Mactung project (non-producing) is located in the Yukon and the Northwest Territories in Canada; the Cantung project (non-producing) is located in the Northwest Territories in Canada. 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 Gold Royalties Ltd. ("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 which has since been settled in full (Note 10).

8. EXPLORATION AND EVALUATION ASSETS

	January 31, 2019	Expended during the period	**July 31, 2019**
Tin Properties, Alaska, USA			
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	-	262	**262**
	858,471	262	**858,733**
South Crofty, Cornwall, UK			
Exploration costs	829,678	130,143	**959,821**
Tenure and utility costs	721,165	68,699	**789,864**
Office and remuneration costs	1,841,412	389,947	**2,231,359**
Capitalized depreciation	296,380	23,347	**319,727**
Asset acquisition	3,023,374	-	**3,023,374**
Recovery of costs	(191,461)	-	**(191,461)**
Foreign currency translation	-	(454,139)	**(454,139)**
	6,520,548	157,997	**6,678,545**
	$ 7,379,019	$ 158,259	**$ 7,537,278**

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.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS - *Continued*

a) South Crofty Tin Project, Cornwall, UK

On March 16, 2016 the Company entered into a Share Purchase Agreement ("SPA") with Galena Special Situations Fund ("Galena") and Tin Shield Production Ltd. ("Tin Shield") (collectively, the "Sellers"). Under the terms of this SPA, 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 SBW UK 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.

The purchase price of the acquisition was as follows:

Purchase price		
Common shares issued (2,000,000 shares)	$	400,000
Cash consideration (including transaction costs)		1,453,374
Commitment to issue shares		2,000,000
	$	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 under the terms of the SPA:

- Strongbow to 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 had the right to settle 50% of this payment in cash, the Company decided to settle 100% of this payment with the issuance of common shares and recorded a commitment to issue shares totaling $2,000,000 at the date of acquisition. During the year ended January 31, 2019, the Company issued 8,456,664 shares in satisfaction of this commitment.

- Strongbow to 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 to 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 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 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.

8. EXPLORATION AND EVALUATION ASSETS – *Continued*

a) South Crofty Tin Project, Cornwall, UK – *Continued*

- 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, Galena and Tin Shield entered into a side letter to the SPA (the "March 2018 side letter"). This side letter amended the terms of the deferred cash and share compensation payable to the Sellers in connection with the acquisition of the South Crofty Tin Project, 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 (as noted above), and this payment will be applied against the AIM Listing Payment. On June 10, 2018, the Company issued 8,456,664 in common shares, totaling $2,000,000 to Galena and Tin Shield satisfying this requirement.

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 (completed on 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 NPV of the project upon making a decision to go into production.

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. On December 10, 2018, a further side letter was executed with Galena and Tin Shield which extended the longstop date to June 30, 2019, and on June 18, 2019 a further extension to the longstop date to December 31, 2019 was agreed.

b) Cornish Lithium Exploration Option Agreement

In January 2017, SBW UK 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.

8. EXPLORATION AND EVALUATION ASSETS – *Continued*

b) 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 (received – January 2019), 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. During the year ended January 31, 2019, the Company recorded a recovery against exploration and evaluation assets of $66,990 for the fair value of the CLL shares received.

c) 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. Mr. Netolitzky was a director of the Company at the time of the acquisition. The Company acquired the Properties for total consideration of 6,500,000 common shares of the Company and a 2% NSR on the properties. The common shares were issued at $0.10 per share for a value of $650,000 with transaction costs of $6,134 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 the Company’s Properties.

d) Shovelnose Property, Gold and Base Metal Properties, British Columbia, Canada

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

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

On May 8, 2019, it was announced that agreement had been reached with Osisko for the transfer of the royalty on the Shovelnose property, which subsequently closed on September 6, 2019 after receipt of shareholder approval (Note 18(a)).

(Expressed in Canadian dollars)

9. LEASE LIABILITY

		Six months ended July 31, 2019		Year ended January 31, 2019
Opening balance	**$**	**187,248**	$	-
Lease payments		**(38,162)**		-
Amortization discount		**(2,479)**		
Ending balance	**$**	**146,607**	$	-

As discussed in Note 2, upon adoption of IFRS 16, the Company has recognized a right-of-use asset and a lease liability at the transition date for the lease arrangement relating to its office located in Vancouver, Canada. Previously, this lease was classified as an operating lease. The lease liability was initially measured at the present value of the lease payments, discounted using the Company's estimated incremental borrowing rate of 5%, rather than the interest rate implicit in the lease, as that rate could not be readily determined. Lease liabilities are now included within current and long-term liabilities in the consolidated statements of financial position.

The finance cost, or amortization of the discount, is charged to profit or loss using the effective interest method.

The following table is a summary of the carrying amounts of the Company's lease liabilities that are recognized in the consolidated statement of financial position as of:

		July 31, 2019		January 31, 2019
Current portion of lease obligation	**$**	**83,435**	$	-
Long-term portion of lease obligation		**63,172**		
Ending balance	**$**	**146,607**	$	-

The table below analyzes the Company's lease liabilities into relevant contractual maturity date groupings based on the remaining period at the reporting date to the contractual maturity date of the lease. The amounts shown in the table below are the contractual undiscounted cash flows related to lease liabilities.

		1 year or less		1-2 years		Total contractual cash flows		Carrying amount
Total contractual obligations	$	94,364	$	70,773	$	165,137	$	146,607

The difference between the total contractual undiscounted cash flows related to lease payments to lessors and the carrying amount of the lease liability is the amortization of the discount related to the lease liability.

10. LINE OF CREDIT

		Six months ended July 31, 2019		Year ended January 31, 2019
Opening balance	**$**	**1,475,504**	$	1,283,047
Accretion		**24,496**		192,457
Ending balance	**$**	**1,500,000**	$	1,475,504

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 7). The Company was to repay the Loan upon any sale of the Mactung project by the Government of the Northwest Territories. Repayment of the Loan was to have been 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 would have been considered an event of default (a "Default"). In the event of a Default, the $1,500,000 principal would be repayable immediately in cash and interest of 5% would also be payable, calculated from the drawdown date of the Loan to the date of repayment. The Loan was secured by a charge on the two royalties.

(Expressed in Canadian dollars)

10. LINE OF CREDIT – *Continued*

The estimated present value of this payment obligation was 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 was treated as a capital contribution to the Company from Osisko, since Osisko is a significant shareholder of the Company.

On May 8, 2019, agreement was reached with Osisko for the settlement of the $1,500,000 Loan in return for the transfer of a royalty on the Shovelnose property held by Westhaven (Note 8(d)). This agreement closed on September 6, 2019 after receipt of shareholder approval. The ownership of the Shovelnose royalty was transferred to Osisko for a purchase price equal to the amount of the Loan provided by Osisko to the Company in March 2016 for the purchase of the Mactung and Cantung royalties. The purchase price paid by Osisko was by way of set-off against the outstanding debt in full satisfaction of the Loan. Since the agreement was substantially negotiated prior to the reporting date, the Loan has been classified as current as of July 31, 2019.

11. DEBT AND ROYALTY OPTION

On January 26, 2018, the Company completed a secured 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 Tin Project (the “Osisko NSR”). The Note is secured by a first-ranking lien on all of the assets of the Company 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 the Company’s assets.

Osisko may not make a demand on the Note until the commencement of commercial production at the South Crofty Tin 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 Tin Project by December 31, 2025, all amounts owing under the Note would become due and payable.

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

The Company received gross proceeds of $7,170,000 from the sale of the Note, which was 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 ($3,917,432), will be accreted up to the debt’s face value over the estimated term of the debt. 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 in the year ended January 31, 2018.

		Six months ended July 31, 2019		Year ended January 31, 2019
Opening balance	**$**	**4,525,893**	$	3,917,432
Accretion – charged to profit or loss		**82,931**		290,958
Accretion – capitalized to property, plant and equipment		**245,480**		317,503
Ending balance	**$**	**4,854,304**	$	4,525,893

(Expressed in Canadian dollars)

12. CAPITAL AND RESERVES

Authorized share capital

At July 31, 2019, the authorized share capital is an unlimited number of common shares without par value. All issued shares are fully paid.

Share issuances

There were no share issuances during the period ended July 31, 2019. During the period ended July 31, 2018, 264,166 shares were issued in conjunction with the exercise of warrants resulting in net proceeds of $52,833 and 8,456,664 shares were issued to Galena and Tin Shield to satisfy a $2,000,000 property option agreement (Note 8(a)).

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 July 31, 2019, the following stock options were outstanding:

	Number of shares	Exercise price	Number exercisable	Expiry date
Options	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

There were no warrants outstanding as of July 31, 2019 (January 31, 2019 – 18,376,000).

(Expressed in Canadian dollars)

12. CAPITAL AND RESERVES - *Continued*

Stock options and warrants – *Continued*

Stock options

As at July 31, 2019, the following stock options were outstanding:

	Number of options	Weighted average exercise price
Balance, January 31, 2019 and July 31, 2019	**6,810,000**	**$ 0.16**
Number of options exercisable as at January 31, 2019	**6,810,000**	**$ 0.16**

Warrants

As at July 31, 2019, the following warrants were outstanding:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2019	18,376,000	$ 0.20
Warrants expired	(18,376,000)	0.20
Balance, July 31, 2019	**-**	**-**

Share-based compensation

During the period ended July 31, 2019 and July 31, 2018, the Company granted no stock options.

During the six months ended July 31, 2019, the Company recorded $Nil (July 31, 2018 - $155,806) in share-based compensation expense.

13. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in capital and reserves as set out in the consolidated statement of financial position. The Company manages its capital structure based on the nature and availability of funding, and the timing of expected or committed expenditures. The Company's capital management policy is to maintain sufficient capital to support the acquisition, exploration and future development 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 asset sales, or a combination thereof, to finance its activities. The Company forecasts its future capital requirements by planning the exploration and future development activities to be undertaken on its exploration and evaluation assets, and assessing the level of corporate activities that are necessary to support the growth and development of the Company.

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 period.

(Expressed in Canadian dollars)

14. CONTINGENT LIABILITY

Upon the Company achieving admission to AIM, the Company is contracted to pay US$6,000,000 to the Sellers, as defined in Note 8(a), under the terms of a side letter to the SPA, less application of a payment of $2,000,000 made on June 10, 2018 satisfied through the issuance of 8,456,664 common shares. Furthermore, if a positive production decision is made for the South Crofty Tin Project, the Company will make a second payment of US$6,000,000 to the Sellers when funding for the project is completed and advanced (Note 8).

Such payments constitute contingent liabilities at the reporting date. Should these payments crystallise, the charge for these liabilities would be recognised directly in the related exploration and evaluation assets.

15. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the period ended July 31, 2019 and 2018:

a) Paid $3,900 to North Arrow Minerals Inc. ("North Arrow"), a company with two common directors, for office space and administrative services (July 31, 2018 - $9,000); and

b) Paid $Nil as a cost reimbursement (July 31, 2018 - $2,872) to Helio Resource Corp. ("Helio"), a company with two common directors.

Included in accounts payable and accrued liabilities is $Nil due to North Arrow for information technology support services (January 31, 2019 - $4,000); and $Nil (January 31, 2019 - $2,511) and $80 (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.

Transactions with related parties concluded in previous years are disclosed in Notes 4, 8, 10, 11 and 18 of these consolidated condensed interim financial statements.

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

	Three Months Ended		**Six Months Ended**	
	July 31, 2019	July 31, 2018	**July 31, 2019**	July 31, 2018
Salaries and benefits[1]	**$ 142,892**	$ 147,169	**$ 288,772**	$ 262,280
Share-based payments[2]	**-**	37,643	**-**	105,813
Total	**$ 142,892**	$ 184,812	**$ 288,772**	$ 368,093

1 Allocated $279,772 (July 31, 2018 - $207,753) to salaries and benefits and $9,000 (July 31, 2018 - $54,527) 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. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six months ended July 31, 2019 the significant non-cash transactions were:

a) The recognition of an $64,300 unrealized loss on marketable securities and $890,218 unrealized foreign currency loss through the income statement;

b) Included in exploration and evaluation assets is capitalized depreciation of $23,347 and $48,042 which relates to accounts payable and accrued liabilities;

c) Included in deferred financing fees is $56,682 which relates to accounts payable and accrued liabilities;

d) Included in property, plant and equipment is capitalized borrowing costs of $245,481 (Note 6), the capitalized portion of the right-to-use real estate of $145,637 (Note 9) and $126,529 which relates to accounts payable and accrued liabilities;

During the six months ended July 31, 2018 the significant non-cash transactions were:

a) The recognition of an $194,850 unrealized gain on marketable securities through the income statement;

b) Included in exploration and evaluation assets is capitalized depreciation of $45,554 and $79,989 which relates to accounts payable and accrued liabilities;

c) Included in deferred financing fees is $82,500 which relates to accounts payable and accrued liabilities; and

d) Included in property, plant and equipment is $174,963 which relates to accounts payable and accrued liabilities;

(Expressed in Canadian dollars)

17. SEGMENTED INFORMATION

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

	As at July 31, 2019				As at January 31, 2019			
	Canada	**United States**	**United Kingdom**	**Total**	Canada	United States	United Kingdom	Total
Deposits	$ 10,964	$ -	$ 52,677	**$ 63,641**	$ 10,964	$ -	$ 56,621	$ 67,585
Property, plant and equipment	167,270	-	4,993,407	**5,160,677**	15,384	-	4,984,233	4,999,617
Royalties	1,500,000	-	-	**1,500,000**	1,500,000	-	-	1,500,000
Exploration and evaluation assets	-	858,733	6,678,545	**7,537,278**	-	858,471	6,520,548	7,379,019

18. SUBSEQUENT EVENTS

a) Settlement of Loan advanced by Osisko

On May 8, 2019, an agreement was reached with Osisko for the settlement of the $1,500,000 Loan (Note 10) in return for the transfer of a royalty on the Shovelnose property held by Westhaven (Note 8(d)). This agreement closed on September 6, 2019 after receipt of shareholder approval at the Company's AGM held on August 29, 2019.

b) Disposal of marketable securities

In the period between August 1, 2019 and September 27, 2019, a further 236,000 common shares of Westhaven were disposed resulting in net proceeds of $225,229.