STRONGBOW EXPLORATION INC.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

APRIL 30, 2016

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Reader's Note

These consolidated condensed interim financial statements of Strongbow Exploration Inc. ("Strongbow") for the three months ended April 30, 2016 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)

	April 30, 2016	January 31, 2016
ASSETS		
Current		
Cash	$ 86,710	$ 528,301
Marketable securities (Note 4)	289,200	91,200
Receivables (Note 5)	6,549	3,487
Prepaid expenses	35,738	21,484
	418,197	644,472
Deposits	9,300	9,300
Equipment (Note 7)	8,189	8,853
Exploration and evaluation assets (Note 8)	2,213,850	713,850
	$ 2,649,536	$ 1,376,475
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 284,208	$ 165,293
Asset retirement obligation (Note 12)	12,492	54,181
	296,700	219,474
Debt (Note 9)	1,500,000	-
	1,796,700	219,474
CAPITAL AND RESERVES		
Capital stock (Note 10)	28,031,097	28,031,097
Share-based payment reserve (Note 10)	4,244,355	4,217,482
Investment revaluation reserve (Note 4)	85,675	(112,325)
Deficit	(31,508,291)	(30,979,253)
	852,836	1,157,001
	$ 2,649,536	$ 1,376,475

Nature and Continuance of Operations and Going Concern Assumption (Note 1)
Commitments (Note 14)
Subsequent Event (Note 17)

Approved and authorized on behalf of the Board on June 29, 2016:

"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	
	April 30, 2016	April 30, 2015
EXPENSES		
Accretion (Note 12)	$ 91	$ 94
Advertising and promotion	17,797	900
Depreciation (Note 7)	664	716
Insurance	4,396	2,766
Office, miscellaneous and rent	18,516	681
Professional fees	214,431	32,752
Generative exploration costs	182,022	521
Regulatory and filing fees	20,558	6,685
Share-based compensation	26,873	-
Salaries and benefits	44,183	-
	(529,531)	(45,115)
Interest income	619	-
Foreign exchange gain (loss)	(126)	370
	493	370
Loss for the period	(529,038)	(44,745)
Unrealized gain (loss) on marketable securities	198,000	(4,000)
Comprehensive loss for the period	$ (331,038)	$ (48,745)
Basic and diluted loss per share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	25,607,694	9,107,716

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 Three Months Ended April 30, 2016	April 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (529,038)	$ (44,745)
Items not involving cash:		
Accretion	91	94
Depreciation	664	716
Generative exploration costs	1,157	521
Share-based compensation	26,873	-
Changes in non-cash working capital items:		
Increase in receivables	(3,062)	(1,689)
Increase in prepaid expenses	(14,254)	(896)
Increase in accounts payable and accrued liabilities	118,915	24,541
Net cash used in operating activities	(398,654)	(21,458)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	(1,500,000)	-
Expenditures to reduce asset retirement obligation	(42,937)	-
Net cash used in investing activities	(1,542,937)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt (Note 9)	1,500,000	-
Private placement subscription receipts advanced	-	75,000
Net cash provided by financing activities	1,500,000	75,000
Change in cash during the period	(441,591)	53,542
Cash beginning of the period	528,301	67,021
Cash end of the period	$ 86,710	$ 120,563
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 13)

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

STRONGBOW EXPLORATION INC.
CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED APRIL 30
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Capital Stock		Reserves			
	Number of shares	Amount	Share-based payment reserve	Investment revaluation reserve	Deficit	Total
Balance at January 31, 2015	9,107,716	$26,415,443	$ 4,095,128	$ (7,125)	$(29,881,739)	$ 621,707
Unrealized loss on marketable securities	-	-	-	(4,000)	-	(4,000)
Loss for the period	-	-	-	-	(44,745)	(44,745)
Balance at April 30, 2015	**9,107,716**	**$26,415,443**	**$ 4,095,128**	**$ (11,125)**	**$(29,926,484)**	**$ 572,962**
Balance at January 31, 2016	25,607,694	$28,031,097	$ 4,217,482	$ (112,325)	$(30,979,253)	$ 1,157,001
Share-based compensation	-	-	26,873	-	-	26,873
Unrealized gain on marketable securities	-	-	-	198,000	-	198,000
Loss for the period	-	-	-	-	(529,038)	(529,038)
Balance at April 30, 2016	**25,607,694**	**$28,031,097**	**$ 4,244,355**	**$ 85,675**	**$(31,508,291)**	**$ 852,836**

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") is incorporated federally under the laws of the Canada Business Corporations Act ("CBCA"). The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company. The Company trades on the TSX Venture Exchange ("TSX-V"), (TSX-V – SBW) and its head office is located at Suite 960 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2. The Company has two subsidiaries: Strongbow Alaska, Inc. which is incorporated under the laws of Alaska, USA and Strongbow Exploration UK Ltd., incorporated under the laws of the United Kingdom in February 2016.

The Company's principal business activity is the acquisition and exploration of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete the development of its exploration and evaluation assets and upon future profitable production.

These consolidated 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 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 April 30, 2016, the Company had current assets of $418,197 to settle current liabilities of $296,700. Although the Company has positive working capital of $121,497 as at April 30, 2016, 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).

On June 28, 2016 the Company closed a non-brokered private placement for gross proceeds of $1,795,000 by issuing 14,360,000 units at $0.125 per unit (Note 17). Proceeds from this financing will be used to complete the South Crofty project acquisition (subject to regulatory and other approvals) and for working capital.

2. BASIS OF PRESENTATION

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, 2016. 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 ending January 31, 2016 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 June 29, 2016, the date the Board of Directors approved the statements.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities and debt. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity. Marketable securities are recorded at fair value based on the quoted market prices in active markets at the statement of financial position date, which is consistent with level 1 of the fair value hierarchy. Debt is recorded at the transaction value and subsequently carried at amortized cost less impairment losses.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, liquidity risk, foreign currency risk and equity market risk. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's receivables consist primarily of sales tax receivables due from the federal government and receivables from companies with which the Company has exploration agreements or options. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings, asset sales, exploration option agreements, or a combination thereof. The Company has no regular cash flow from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities, and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. Failure to realize additional funding, as required, could result in the delay or indefinite postponement of further exploration of the Company's properties, and could result in the Company being unable to meet the continued listing requirements of the TSX-V. As at April 30, 2016, the Company had current assets of $418,197 to settle current liabilities of $296,700.

In March 2016, the Company announced an agreement to acquire a 100% interest in the South Crofty tin project in Cornwall, UK (Note 8). The Company's ability to conclude this acquisition and conduct future exploration activities at this property will require funds in excess of its current working capital. Failure to achieve financing in a timely manner would result in the Company being unable to complete the proposed acquisition. In June 2016, the Company completed a non-brokered private placement financing for gross proceeds of $1,795,000 (Note 17) which will be used to complete the South Crofty property acquisition, subject to regulatory approval.

Foreign Currency Risk

The Company has exposure to foreign currency risk through its exploration and evaluation assets in the United States and foreign exchange exposure to the UK Pounds Sterling related to the proposed acquisition of the South Crofty tin project (Note 8). To the extent that the Company has assets, liabilities or expenses denominated in US Dollars or UK Pounds Sterling, the Company will be affected by changes in exchange rates between the Canadian dollar and these currencies. The Company does not presently invest in foreign currency contracts to mitigate this risk. It is management's opinion that the Company is not exposed to significant foreign currency risk as at and for the period ended April 30, 2016.

(Expressed in Canadian dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - *Continued*

Interest rate risk

The Company is exposed to interest rate risk to the extent that the fair value or future cash flows of a financial instrument fluctuate due to changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of any short-term investment included in cash is limited because these investments, although readily convertible to cash, are generally held to maturity.

Equity market risk

The Company is exposed to equity price risk arising from its marketable securities, which are classified as available for sale. The Company plans to sell its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

4. MARKETABLE SECURITIES

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

	April 30, 2016			January 31, 2016		
	Cost	**Unrealized Gain***	**Fair Market Value****	Cost	Unrealized Loss*	Fair Market Value
Various public companies	**$ 203,525**	**$ 85,675**	**$ 289,200**	$ 203,525	$ (112,325)	$ 91,200

*before deferred taxes

**Includes 2,200,000 common shares (fair market value of $286,000) of Westhaven Ventures Inc. ("Westhaven") a company related to Strongbow by virtue of a common director.

5. RECEIVABLES

	April 30, 2016	January 31, 2016
GST receivables	**$ 6,549**	$ 3,487
Total	**$ 6,549**	$ 3,487

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2016	January 31, 2016
Trade payables	**$ 121,990**	$ 51,228
Related party payable	**3,489**	4,528
Accrued liabilities	**158,729**	109,537
Total	**$ 284,208**	$ 165,293

(Expressed in Canadian dollars)

7. EQUIPMENT

		Computer Equipment
Cost		
As at January 31, 2016 and April 30, 2016	**$**	**50,757**
Accumulated Depreciation		
As at January 31, 2016	$	(41,904)
Charge for the period		(664)
As at April 30, 2016	**$**	**(42,568)**
Net book value		
As at January 31, 2016	$	8,853
As at April 30, 2016	**$**	**8,189**

8. EXPLORATION AND EVALUATION ASSETS

	January 31, 2016	Expended During the Period	Write-off of Costs	**April 30, 2016**
Tin Properties, Alaska, USA				
Exploration costs	$ 17,339	$ -	-	**$ 17,339**
Acquisition costs	690,123	-	-	**690,123**
Geological and assays	6,388	-	-	**6,388**
	713,850	-	-	**713,850**
Mactung and Cantung Royalties, Yukon and NWT, Canada				
Acquisition costs	-	1,500,000	-	**1,500,000**
	-	1,500,000	-	**1,500,000**
	$ 713,850	$ 1,500,000	$ -	**$ 2,213,850**

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.

8. EXPLORATION AND EVALUATION ASSETS - *Continued*

South Crofty Tin Project, Cornwall, UK

In March 2016, the Company entered into an agreement to acquire, from administration, a 100% interest in the South Crofty Tin Project and associated mineral rights in Cornwall, UK. The agreement is between the Company, Galena Special Situations Fund, and Tin Shield Production Ltd. and, to take effect, will require the Company to make certain payments in cash and/or common shares to the sellers, including an issuance of 2,000,000 common shares upon approval of the agreement by the TSX-V (in progress); the issuance of 1,000,000 common shares upon receipt of an increase in the water discharge permit; and, the issuance of 2,000,000 common shares upon receipt of a positive feasibility study. In addition, the Company will be required to make a payment of $2 million to Galena, in cash or the equivalent value in common shares, on the second anniversary of the exit from administration; pay up to $350,000 to various creditors for the exit from administration of the companies which hold the rights to the South Crofty project, reimburse Tin Shield up to $340,000 for certain operating costs and make a payment of US$80,000 to Tin Shield. The agreement is subject to regulatory and other approvals.

On June 10, 2016 the unsecured creditors of Western United Mines Limited (“WUML”) approved a Company Voluntary Arrangement (“CVA”) proposed by the Administrators. On or before July 11, 2016, the Company will be required to make a lump sum payment of ₤110,000 to allow WUML to exit administration via a CVA and to make a lump sum payment of ₤33,000 for Cornish Minerals Ltd. (Bermuda) (“CML”) to also exit administration. The Company’s acquisition of the South Crofty Tin Project, including payments totaling ₤143,000 to remove WUML and CML from administration, remain subject to receipt of all required regulatory approvals (in progress).

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 is located in the Yukon and the Northwest Territories; the Cantung project 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 9).

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

On July 24, 2015, the Company acquired the Sleitat and Coal Creek tin properties in Alaska (collectively, the “Properties”) subject to the terms of a property purchase agreement (the "Agreement") with Osisko Gold Royalties Ltd. ("Osisko") and Mr. R. Netolitzky, and their respective wholly-owned companies, Brett Alaska Resources Inc. ("Brett") and Thor Gold Alaska, Inc. ("Thor"). Thor held a 20% undivided interest in the Sleitat property and Brett held an 80% undivided interest in the Sleitat property and a 100% interest in the Coal Creek property. Mr. Netolitzky is a director of the Company and is therefore non-arm's length to the Company. The Company acquired the Properties for total consideration of 6,500,000 common shares of the Company allocated as to 5,000,000 common shares to Brett and 1,500,000 common shares to Thor, and a 2% Net Smelter Return (“NSR”) royalty on the Properties. The NSR royalty was allocated 1.75% to Brett and 0.25% to Thor. The common shares were issued at $0.10 per share for a value of $650,000. In addition, property acquisition costs of $40,123 were incurred.

In addition to the shares and the NSR royalty, the Company granted Osisko a first right of refusal on the sale of any future royalties on any of its properties. Closing of the acquisition of the Properties and a private placement financing resulted in Osisko and Brett holding together 7,000,000 shares of the Company or 27.3% of the post-closing issued shares of the Company. As a result, Osisko is considered a 'control person' as defined by the TSX-V policies.

8. EXPLORATION AND EVALUATION ASSETS – *Continued*

Other Exploration Properties and Generative Exploration, Canada

Other Properties

The Company maintains a number of mineral claims in British Columbia, Saskatchewan, and the Northwest Territories, including the Nickel King Project described below, as part of the Company's generative exploration programs.

Nickel King Project, NWT

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

9. DEBT

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 8). 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 to the date of repayment.

10. CAPITAL AND RESERVES

Authorized Share Capital

At April 30, 2016, 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 for the period ended April 30, 2016.

Stock options and warrants

In July 2015, the Company's shareholders approved the Company's Stock Option Plan (the "Plan"), which establishes a rolling number of shares issuable under the plan in the amount of 10% of the Company's issued shares at the date of grant.

Under the terms of the Plan, the exercise price of each stock option granted cannot be less than the market price at the date of grant, less a discount up to 25% in accordance with the policies of the TSX-V. Options granted can have a term up to five years with vesting provisions determined by the directors in accordance with TSX-V policies for Tier 2 Issuers.

(Expressed in Canadian dollars)

10. CAPITAL AND RESERVES - *Continued*

As at April 30, 2016 the following stock options and warrants were outstanding:

	Number of Shares	Exercise Price	Number Exercisable	Expiry Date
Options	2,220,000	$ 0.11	1,332,000	October 23, 2020
Warrants	5,000,000	$ 0.20	5,000,000	July 24, 2017

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2016	2,354,000	$ 0.42
Expired	(134,000)	5.50
Balance, April 30, 2016	**2,220,000**	**$ 0.11**
Number of options currently exercisable as at April 30, 2016	**1,332,000**	**$ 0.11**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2016 and April 30, 2016	**5,000,000**	**$ 0.20**

Share-based compensation

During the three months ended April 30, 2016 and April 30, 2015, the Company granted no stock options.

During the year ended January 31, 2016, the Company granted 2,220,000 stock options to directors, officers, employees and consultants with an estimated fair value of $171,524. These stock options vest 20% on the date of grant and will vest 20% every three months thereafter, becoming fully vested one year from the grant date. As at April 30, 2016, the stock options were 60% vested. The stock options are exercisable at $0.11 until October 23, 2020.

During the three months ended April 30, 2016, the Company recorded $26,873 in share-based compensation expense (April 30, 2015 - $Nil). The Company estimated a fair value of $171,524 for the 2,220,00 stock options granted in October 2015 using the following assumptions:

	Assumptions
Risk-free interest rate	**0.84%**
Expected dividend yield	**0%**
Expected stock price volatility	**100%**
Expected option life in years	**5 years**
Forfeiture rate	**0%**

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements (see also Notes 4 and 8):

a) Charged rent of $Nil (April 30, 2015 - $351) to North Arrow, a company with two common directors;

b) Paid $4,500 to North Arrow for office space and administrative services (April 30, 2015 - $Nil); and

c) Paid $11,775 for office rent (April 30, 2015 - $Nil) to Helio Resource Corp., a company with two common directors, and $1,213 (April 30, 2015 - $Nil) as a cost reimbursement. In addition, the Company provided Helio with a $4,300 security deposit pursuant to a sublease agreement for office space.

Included in payables is $3,489 due to North Arrow (January 31, 2016 - $4,528) for reimbursement of shared administrative expenses.

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

		Three Months Ended		
		April 30, 2016		April 30, 2015
Salaries and benefits	**$**	**40,000**	$	Nil
Share-based payments[1]		**25,420**		Nil
Total	**$**	**65,420**	$	Nil

[1] Share-based payments are the fair value of options that have been granted to directors and key management personnel which vested during the period ended April 30, 2016.

12. ASSET RETIREMENT OBLIGATION

		Three Months Ended April 30, 2016		Year Ended January 31, 2016
Opening balance	**$**	**54,181**	$	55,024
Reduction in asset retirement obligation		**(42,937)**		-
Accretion		**91**		388
Change in estimate		**1,157**		(1,231)
Ending balance	**$**	**12,492**	$	54,181

The Company has recorded an asset retirement obligation, which reflects the present value of the estimated amount of undiscounted cash flow required to satisfy the asset retirement obligation in respect of the Nickel King and Dumas Lake properties. The pre-tax market based discount rate at which the estimated cash flows have been discounted to arrive at the obligation was 0.67% and the inflation rate was 2.2%. The undiscounted amount of inflation-adjusted estimated future cash flows is $12,549.

During the period ended April 30, 2016, the Company paid $42,937 to substantially complete the clean-up of the Nickel King property. The $1,157 change in estimate was recorded as a reduction of generative exploration costs on the consolidated condensed interim statements of loss and comprehensive loss for the period ended April 30, 2016.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three months ended April 30, 2016 the significant non-cash transaction was the recognition of a $198,000 unrealized gain on marketable securities through the investment revaluation reserve.

During the three months ended April 30, 2015 the significant non-cash transaction was the recognition of a $4,000 unrealized loss on marketable securities through the investment revaluation reserve.

(Expressed in Canadian dollars)

14. COMMITMENTS

As at April 30, 2016, the Company is committed to minimum future lease payments for office premises as follows:

Year ending January 31, 2017	$	51,600
Year ending January 31, 2018	$	12,900

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

15. 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.

16. SEGMENTED INFORMATION

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

	As at April 30, 2016			As at January 31, 2016		
	Canada	**United States**	**Total**	Canada	United States	Total
Deposits	$ 9,300	$ -	**$ 9,300**	$ 9,300	$ -	$ 9,300
Equipment	$ 8,819	$ -	**$ 8,819**	$ 8,853	$ -	$ 8,853
Exploration and evaluation assets	$ 1,500,000	$ 713,850	**$ 2,213,850**	$ -	$ 713,850	$ 713,850

17. SUBSEQUENT EVENT

On May 31, 2016, the Company announced a non-brokered private placement financing of up to 40,000,000 Units at a price of $0.125 per Unit for gross proceeds of up to $5,000,000.

On June 28, 2016, the Company closed the first tranche of this financing, issuing 14,360,000 units at $0.125 per unit for gross proceeds of $1,795,000. 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 June 28, 2019, subject to the acceleration right described below. In connection with this financing, the Company paid a 5% finder's fee in cash of $32,500 and issued 260,000 warrants (the "Finder's Warrants") equivalent to 5% of the subscription 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. The common shares issued as part of this private placement and any common shares issuable upon exercise of the Subscriber Warrants or Finder's Warrants are subject to a hold period which will expire October 29, 2016. Insiders of Strongbow acquired 5,300,000 units for gross proceeds of $662,500 to the Company on the same terms and conditions as arm's-length subscribers.

17. SUBSEQUENT EVENT – *Cont'd.*

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.