Form 51-102F1
Management's Discussion and Analysis
for
Strongbow Exploration Inc. ("Strongbow" or the "Company")

Containing Information up to and including May 26, 2011

Description of Business

Strongbow Exploration Inc. (the "Company") is a Canadian mineral exploration company focused on exploring prospective gold properties in the Carolina slate belt of the southeastern United States, nickel/copper properties within the Snowbird Tectonic Zone in northern Saskatchewan and the Northwest Territories and gold and copper properties in British Columbia. The Company also continues to review and evaluate gold and base metal exploration opportunities in North America. Shares of the Company trade on the TSX Venture Exchange under the symbol SBW.

The following discussion and analysis of the Company's financial condition and results of operations for the year ended January 31, 2011, should be read in conjunction with the audited financial statements of the Company for the years ended January 31, 2010 and January 31, 2011, together with the notes thereto. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

Forward-Looking Statements

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in the Company's most recently filed Annual Information Form, and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on our behalf, except as required by law.

Highlights for the year ended January 31, 2011 and subsequent events up to May 26, 2011

- In September 2010, the Company announced the acquisition of the Midway gold project within the Haile-Brewer gold trend in South Carolina, USA. In October the Company started exploration activities, including geochemical surveys;

- The Company reported it has identified between 10 and 27 million tonnes of potential mineral deposits (PMD) outside of the defined resources at the Nickel King Main Zone Ni-Cu-Co sulphide deposit, NWT;

- The Company acquired, by staking, three exploration properties in the Chilcotin region of south central British Columbia. The Mons Creek, Piltz Mountain and Raven properties are considered prospective for epithermal gold and porphyry copper-gold mineralization. The Company also completed an initial exploration program on the properties;

- In November 2010, the Company closed a 15,000,000 share, $3.6 million brokered private placement financing;

- In November 2010, the Company reported that exploration work at its Shovelnose gold property in British Columbia had expanded gold targets identified within the property;

- In January 2011, the Company announced an agreement with Westhaven Ventures whereby Westhaven may earn up to a 70% interest in the Shovelnose gold project by meeting certain terms and conditions, including incurring a minimum of $250,000 in exploration expenditures (including drilling) during the 2011 field season;

- In January 2011, the Company announced the results of field work completed on the Midway project, including the identification of ten priority geochemical targets;

- In March 2011, the Company announced the acquisition of the Parker gold mine property within the historic Gold Hill mining district of North Carolina, USA;

- In April 2011, the Company announced an agreement with Xstrata Copper Canada, whereby Xstrata may earn up to a 75% interest in the Company's Inza copper-gold property, British Columbia, by meeting certain terms and conditions. Exploration drilling is planned for the summer of 2011;

- In April 2011, the Company commenced an exploration drilling program at the Midway project.

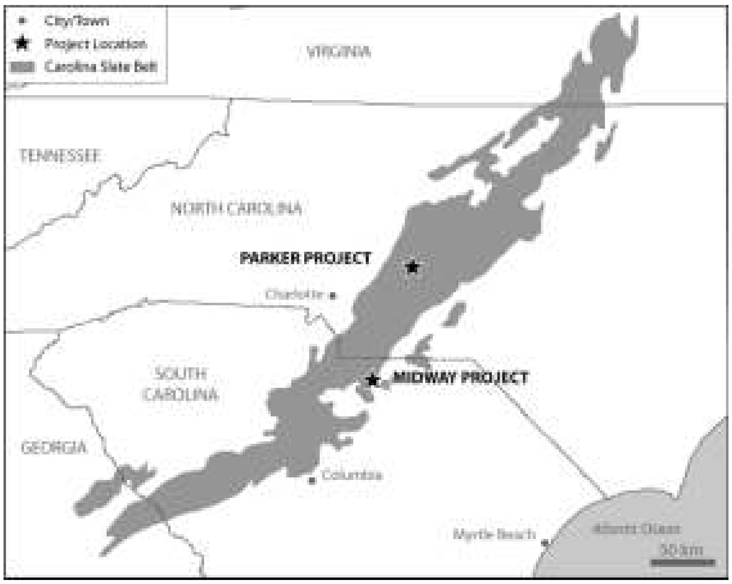
A summary of the exploration activities for the Company follows, as well as a description of other corporate activities. These summaries include some discussion of management's future exploration plans. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in these statements. The Company's exploration programs are subject to change from time to time, based on the analysis of results and changing corporate priorities, exploration targets and funding considerations.

Exploration Update

Unless otherwise stated below, the Company's gold and base metal exploration activities are conducted under the supervision of David Gale, P.Geo.(BC), P.Geol.(NT/NU), Vice-President of Exploration for the Company and a "Qualified Person" under NI 43-101.

During the Year ended January 31, 2011, the Company focused its efforts and resources on identifying and acquiring the Midway gold project in South Carolina. The Company also continued its evaluation of the Snowbird and Nickel King nickel-copper properties in the Northwest Territories and Saskatchewan, as well as the Chilcotin, Inza and Shovelnose gold and copper-gold properties, British Columbia.

Carolina Slate Belt Gold Properties – Southeastern USA



During the Year ended January 31, 2011, the Company initiated an evaluation several jurisdictions to identify high potential, low cost gold exploration opportunities in North America. As a result of this initiative, the Company decided to focus on acquiring exploration properties within the Carolina Slate Belt (CSB) in the southeastern United States. The CSB is host to a number of past producing mines including Rio Tinto's Ridgeway mine which had total gold production of approximately 1.5 million ounces. The Company's Midway gold project (described below) is located between and along strike from Romarco Mineral's Haile gold mine and Buzzard exploration properties. Current measured and indicated resources reported by Romarco for the Haile gold mine consist of 3.1 million ounces gold with additional inferred resources of 1.1 million ounces gold, and the deposit is currently in the mine permitting stage.

The Company's activities in the southeastern United States currently consist of three components:

1. The acquisition of the Midway project properties along the Haile-Brewer gold trend in South Carolina;
2. The identification and acquisition of historic gold showings or mines with the CSB, of which the Parker gold mine (described below) represents the first significant acquisition; and
3. A regional evaluation of the CSB for new, greenfields gold targets.

The Company has incorporated a wholly owned South Carolina registered subsidiary corporation, Palmetto State Gold, Inc. through which exploration activities in the southeastern United States will be conducted.

Midway Project – South Carolina, USA (Au)

During the year ended January 31, 2011 the Company acquired the Midway gold project, South Carolina, USA. The project consists of twenty-nine option agreements with twenty-seven private land owners within the Haile-Brewer gold trend. The Haile-Brewer trend extends for over 15 kilometres between the past-producing Haile and Brewer gold mines located within the volcanic and sedimentary rocks of the CSB.

The Midway project includes over 1,650 contiguous acres covering a 2.5 kilometre strike length of the Haile-Brewer gold trend, as well as an additional 100 acres adjoining the northeastern boundary of the Haile gold mine property directly along strike from Romarco's Haile gold mine property. Despite their location along strike from and in close proximity to the Haile and Buzzard properties, extensive coastal plain sand deposits cover these Midway properties, and as a result comparably little past exploration work has been conducted in this area. Importantly, at the Haile gold mine, Romarco reported the 2010 discovery of significant gold mineralization beneath the coastal plain sands, including intercepts of 60.7 metres (m) grading 11.9 grams per tonne (g/t) gold and 148.3 m grading 3.6 g/t gold at the newly discovered Horseshoe deposit. Discovery of Horseshoe confirms the potential of the CSB to host additional high grade gold mineralization along strike from the Haile gold mine beneath the sands of the coastal plain cover sequence.

In the Midway project area, the unconsolidated coastal plain sands are estimated to be approximately 10 m thick and mapping along a local creek beds has identified a volcanic-sediment contact considered to be an important local control on gold mineralization. An evaluation of the Midway project area identified several geological characteristics reportedly associated with mineralization at the Haile and Brewer gold deposits, including:

- a volcanic-sediment contact considered to be an important local control on gold mineralization;
- massive kaolinite alteration within CSB rocks exposed along two streambeds. Similar kaolinite deposits are documented to have a spatial association with the Haile gold deposits;
- Hydrothermal sericite alteration with associated anomalous molybdenum and arsenic values – both are considered important pathfinder elements for gold mineralization at the Haile and Brewer deposits;
- Results from initial geochemical sampling indicate elevated gold and related pathfinder element responses within the central Midway project area and spatially associated with the drainages hosting kaolinite and sericite altered CSB rocks;
- Altered feldspar porphyry intrusive rocks have also been mapped along stream drainages.

During the fall of 2010 an airborne geophysical survey was completed over the property and over 1500 geochemcial samples were collected. In January 2011 the Company announced that results of the geochemical surveys led to the identification of 10 multi-element geochemical targets. Further follow up geochemical and ground geophysical surveys were completed during February and March 2011. In April 2011 the Company initiated a 3,000 m exploration drilling program intended to test the highest priority targets. The estimated budget for this work is approximately $800,000.

The terms of the option agreements covering the Midway project include certain annual cash payments to the landowners. Upon exercising each of the options, the Company will either purchase each subject property or enter into a long term mining lease. The properties will be subject to a gross overriding royalty to the current land owners.

<u>Parker gold mine – North Carolina, USA (Au)</u>

In March 2011, the Company entered into an option agreement with a private land owner to acquire the historic Parker gold mine located within the southeastern part of the Gold Hill mining district of North Carolina, USA. Gold Hill is considered the most productive gold producing region of North Carolina with estimated past production of at least 160,000 ounces. The Parker mine property consists of approximately 300 acres zoned for heavy industrial use including a mining permit issued by the North Carolina Department of Environment and Natural Resources.

Gold was first discovered in the Parker mine area in 1800, mining commenced around 1805 and the property was worked intermittently from that point through to the 1930's. Most gold production came from hydraulic mining of weathered saprolite with limited production from a series of southwest trending quartz veins. Production records for the Parker mine are lacking, however several sources refer to official gold production of over 10,000 ounces prior to 1896.

Bedrock mineralization within the property is associated with a series of southwest striking quartz veins that range from centimetre scale up to five metres (16 feet) in width. The historic mine workings are currently flooded and inaccessible, however records from property evaluations completed in 1989 and 1992 indicate the veins are associated with a quartz-sericite-chlorite altered stockwork system within felsic to intermediate volcanic tuffs adjacent to a southwest trending contact with mafic volcanic rocks. Fine grained sedimentary rocks are also described locally enveloping the mineralized quartz veins along this contact. The quartz veins reportedly pinch and swell over a strike length of approximately 300 m. Gold mineralization within the veins is described as coarse free gold, locally occurring in spectacular concentrations. Results from 1989 and 1992 indicate that mineralization extends into the surrounding altered country rock, with reported assays ranging from background values up to 10,500 ppb gold.

Geochemical data indicate that arsenic, copper and molybdenum represent important potential pathfinder elements for gold mineralization. Of specific interest is a very strong arsenic anomaly identified at the Crystal Hill target area, located approximately 600 m along strike to the southwest of the historic Parker mine workings. A number of rock samples collected by Strongbow have confirmed that silicified and sericite altered volcanic and sedimentary rocks contain anomalously high arsenic, copper and molybdenum values.

The Parker mine property has never been tested by geophysical surveys or diamond drilling. During April 2011, the Company completed an initial evaluation of the property including mapping and geochemical surveys. A proposed 1,200 m exploration drilling program scheduled for June 2011. The estimated budget for this program is $300,000.

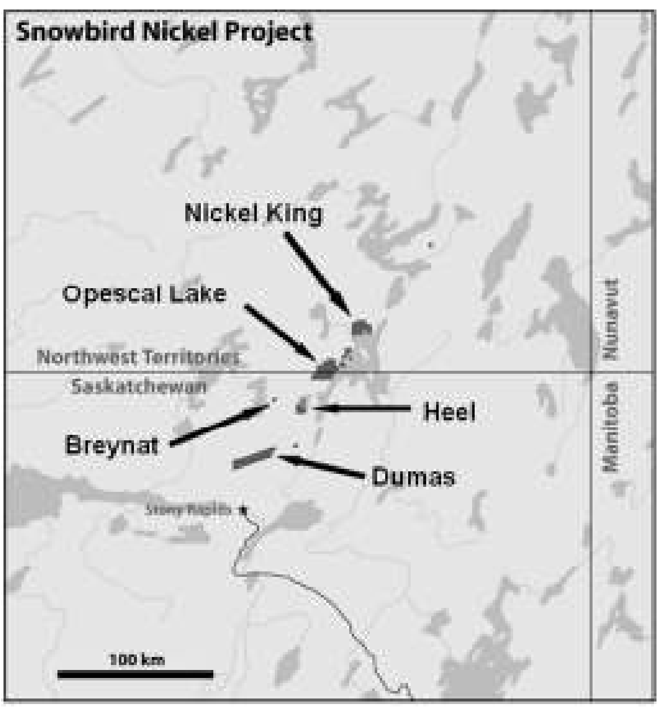
Management believes the Parker property has potential to host significant gold mineralization similar to that identified along the Champion Hills trend 30 km to the north of the Parker mine property and at the Haile-Brewer gold trend in South Carolina.

The Parker mine option agreement allows Strongbow's wholly owned subsidiary, Palmetto State Gold, Inc. to retain an option to purchase the Parker mine property by making $120,000 in payments to the current owner over a 30 month period ($80,000 in the first year). Upon exercising the option, Palmetto can purchase the property for a maximum price of $10.3 million. The property will also remain subject to a 1.5% gross overriding royalty.

Regional Exploration – Southeastern United States (Au)

The Company has reached agreements with several private land owners allowing access to approximately 130,000 acres of land within the southeastern United States. The purpose of these access agreements is to allow the Company to explore and evaluate large areas of prospective geology that have previously seen limited to no past exploration work. To date, the Company has completed initial high level evaluations of approximately 25,000 acres. Results from this work are pending. Ongoing evaluation of the remaining area will occur concurrently with exploration programs at the Midway and Parker projects.

Snowbird Nickel Project Properties – Northwest Territories & Saskatchewan



The Company's nickel exploration strategy is focused on investigating the potential of the southern Snowbird Tectonic Zone ("STZ") to host magmatic Ni-Cu-Co deposits. The STZ is a major crustal scale structure that can be traced for over 2,800 km from the Rocky Mountains in southern Alberta to Hudson Bay in Nunavut and represents an underexplored region prospective for magmatic nickel sulphide deposits. Exploration work completed by the Company over the last three years has confirmed that numerous mafic-ultramafic intrusions are located along the STZ. Some of these intrusions are known to host nickel-copper sulphide mineralization, including the Main Zone deposit at the Company's **Nickel King** project, Northwest Territories. Other magmatic nickel deposits located along the STZ include the past producing Rankin Inlet Nickel Mine and the advanced stage Ferguson Lake Ni-Cu-Co-PGE deposit in Nunavut, as well as the Axis Lake occurrence in Saskatchewan.

The Company's Snowbird nickel project incorporates approximately 40,000 ha of mineral claims and mining leases located along a 185 km strike length of the southern STZ, straddling the Saskatchewan-Northwest Territories border. These properties include the Nickel King project area, as well as the Dumas, Heel, Breynat and Opescal Lake project areas. The Company maintains a 100% interest in each of the properties.

In June, 2010, the Company filed updated NI 43-101 technical reports on the Nickel King and Snowbird project. The reports are dated June 2, 2010, and are available for viewing under the Company's profile at www.sedar.ca or can be downloaded from the Company's website at www.strongbowexploration.com.

The Company continues to evaluate opportunities to finance continued exploration of the Snowbird and Nickel King projects.

Nickel King Project - Northwest Territories

The Company's principal nickel property is the 7,642 ha Nickel King project located in the STZ in the southeastern corner of the Northwest Territories, approximately 135 km northeast of Stony Rapids, Saskatchewan. The project hosts the Nickel King Main Zone Ni-Cu-Co sulphide deposit where mineralization is hosted within two stacked, south dipping norite sills and has been traced over a strike length exceeding 2,600 m. The deposit hosts a NI 43-101 compliant resource of 11.11 million tonnes grading 0.4% Ni, 0.10% Cu and 0.018% Co in the indicated category and 33.06 million tonnes grading 0.36% Ni, 0.09% Cu and 0.018% Co in the inferred category. Initial metallurgical studies indicate the deposit is amenable to traditional processing techniques and capable of producing a final concentrate with grades of 16.5% Ni, 4.2% Cu and 0.74% Co at recoveries of 78.4% (Ni), 89.1% (Cu) and 63.5% (Co).

Company management believes the Nickel King deposit is significantly larger than the current resource estimate and could be increased in each of three ways:

1. Through infill drilling within the extent of the current NI 43-101 resource estimate,
2. By expanding the size of the deposit through step out drilling along strike and up dip from the current NI 43-101 resource estimate, and
3. Discovering new Ni-Cu deposits within the Nickel King area and further to the south within the Snowbird project area.

In an effort to quantify the potential to increase the Nickel King resource within the extent of the NI 43-101 resource model the Company reported that it estimates between 10 and 27 million tonnes (Mt) of 'potential mineral deposits' ('**PMD**') lie within areas of the geological resource model. The PMD occupy gaps within the NI 43-101 compliant resource estimate where there is insufficient drilling to classify an inferred resource. Modeled resource blocks falling within these gaps have instead been classified as potential mineralization. The Company's estimate of the tonnage of this potential mineralization was determined by modeling the pierce points of 23 proposed drill holes through the geological resource model. The modeled drill holes represent approximately 5,200 m of drilling. PMD were estimated by adding model blocks that i) fall within a 75 m area of influence around each proposed drill hole, and ii) were classified as potential mineralization at a 0.2% Ni cut-off within the geological resource model. The 27 Mt maximum PMD includes every resource block that satisfies the two criteria above. The lower 10 Mt PMD was determined by making a reasonable estimate of the minimum extent of mineralization expected within the areas tested by these model drill holes. The reader is cautioned that this estimate of PMD is conceptual in nature, that there has been insufficient exploration to define a resource in these areas of the Nickel King deposit and that it is uncertain whether additional exploration drilling will be successful in delineating a mineral resource in these areas.

Company management also believes significant potential remains to increase the size of the Nickel King deposit outside of the current resource model. Geophysical and structural modeling suggests that Nickel King mineralization may extend a further 600-700 m along strike to the southwest of the current limit of drilling. The deposit also remains open up dip and along strike to the east, where geophysical surveys suggest mineralization could extend a further 250 m.

The Company's interest in the Nickel King project is subject to two royalties totaling 5% that are payable on production from a portion of the property. The Company may purchase a 3% royalty from one of the royalty holders for $1,500,000. The Company can also purchase half of the remaining 2% royalty from the second royalty holder for $2,500,000. If the Company made both purchases, two of the mineral claims that comprise the property would remain subject to a 1% royalty.

Opescal Lake, Heel, Breynat and Dumas Projects – Saskatchewan/Northwest Territories

The Opescal Lake, Heel, Breynat and Dumas projects comprise the remainder of the Company's Snowbird nickel project properties. Mapping and prospecting surveys of the properties have identified a number of mafic and ultramafic intrusions (norite, pyroxenite, peridotite and gabbro) in close proximity to identified geophysical and geochemical anomalies. Important nickel-copper sulphide mineralization has been discovered on the Opescal, Heel and Dumas properties, supporting the Company's belief that the southern STZ could host a series of magmatic nickel-copper-PGE sulphide deposits.

During the Year ended January 31, 2011, several mineral claims related to the Company's exploration effort to the northeast of Nickel King were allowed to lapse. The Company has therefore written off $102,517 in exploration expenditures relating to the acquisition and evaluation of these claims.

British Columbia Gold and Gold-Copper Properties

Inza Property – British Columbia (Cu-Au-Mo)

The Inza porphyry copper gold prospect is located in the Fort St. James area of the Quesnel Trough, in central British Columbia. The 6,104 ha property is located approximately 54 km northwest of Fort St. James and is accessible by a series of logging roads. The Mount Milligan deposit, currently in the permitting stage for a mine development, is located 40 km to the northeast of the property and the Kwanika deposit is situated 87 km to the northwest. Mineralization at both of these deposits is similar in style to that being targeted at Inza.

The Company originally targeted the Inza area based on exploration work by Rio Algom in 1990, as well as government regional geochemical and geophysical datasets. The Rio Algom work had identified a large multi-element soil geochemical anomaly associated with a regional magnetic geophysical anomaly. The area was logged subsequent to the Rio Algom work, and in 2008 and 2009, the Company took advantage of the improved access to conduct brief field evaluations of the area. Limited silt and soil sampling was conducted over geochemically anomalous areas, and, in 2009, the Company commissioned a ground magnetic and IP geophysical survey of the property. Twenty-two line kilometers of ground magnetic and 11 line kilometres of IP data were collected on the property. A broad chargeability anomaly (> 20 mV/V) has been defined that extends for approximately 2 km in an east-west direction and a minimum of 1.2 km north-south. This chargeability anomaly is open both to the north and south. The stronger chargeability anomalies are spatially associated with an arcuate trend of magnetic low anomalies, suggestive of an alteration zone within a porphyry system. Geological mapping confirmed the presence of monzonite porphyry rocks that typically host trace to 5% disseminated pyrite mineralization. These porphyritic rocks intrude into a package of Takla sedimentary and volcanic rocks which also host from trace to 3% pyrite. Rock samples with elevated copper, gold and molybdenum values were also identified during the field evaluations, including from background to 9,450 ppm copper, background to 798 ppb gold and background to 711 ppm molybdenum.

Subsequent to the Year ended January 31, 2011, the Company entered into an agreement with Xstrata Copper Canada Inc, allowing Xstrata the option to earn up to a 75% interest in the Inza property. Under the terms of the agreement, Xstrata may earn an initial 51% interest by making staged cash payments to Strongbow totaling $100,000 ($25,000 received) and incurring cumulative exploration expenditures totaling $1.1 million over a 4 year period. Upon vesting at a 51% interest in the property, a joint venture will be formed and Xstrata will maintain the right to earn a further 24% interest (75% interest total) by funding the completion of a pre-feasibility study and a feasibility study or incurring $20 million in expenditures towards the completion of a prefeasibility study and a feasibility study on the property.

Xstrata is commited to spending a minimum of $75,000 during the first year of the agreement and has indicated to the Company it expects to conduct an exploration drilling program during the 2011 summer field season. Management believes this agreement represents an attractive opportunity to see the Inza porphyry Cu-Au target drilled, and the property advanced forward while the Company focuses its resources on exploration activities in the southeastern United States.

Shovelnose Property (Au-Ag)

The Company's Shovelnose gold property is located approximately 175 km east of Vancouver and 30 km south of Merritt along the Coquihalla Highway, which crosses the northwestern corner of the property. The property covers prospective stratigraphy in the southern portion of the Spences Bridge Gold Belt.

The Company has identified a series of massive to colloform banded quartz veins and local vein breccia zones within the property. The best gold mineralization has been identified at the Line 6 and Mik showings, where the veins are hosted within moderately to strongly altered felsic volcanic rocks. Priority targets to be evaluated at the

Line 6 showing include areas along strike to the north and south of several quartz veins identified in trench L6-XT-04 which previously returned 5.1 g/t Au over 6.0 m. The highest priority target at the Mik showing is an overburden filled, north trending lineament located adjacent and sub-parallel to a series of quartz veins that have been traced over a 50 m strike length. The veins typically range from one to 20 cm thick and have consistently returned elevated gold values ranging from 2.9 g/t to 66.4 g/t with three highest assays of 22.1 g/t, 46.2 g/t and 66.4 g/t. Approximately 550 m to the south of the Mik showing a high grade prospecting float sample (119 g/t Au and 271 g/t Ag) was discovered coincident with a secondary soil geochemical anomaly.

During the year ended January 31, 2011, the Company announced results from a month long exploration program at Shovelnose. Exploration work included 23 line kilometres of detailed ground magnetic surveys at the Line 6 and Mik showings, as well as additional geochemical sampling. The geochemical surveys included traditional soil sampling, as well as the use of a power auger to test overburden covered areas proximal to the Mik and Line 6 gold showings. A total of 43 rock and 366 soil geochemical samples (including 90 auger soil samples) were collected. Results from the auger sampling and magnetic surveys indicate both are useful tools in expanding and refining target areas at both the Mik and Line 6 gold showings.

At Mik, three lines of auger soil samples returned anomalous gold values (90^{th} to $>97^{th}$ percentile) across the 20 m wide targeted lineament. The sample lines were positioned to the north and south of the gold-bearing quartz veins and extended the length of the target area to 120 m and it remains open in both directions. Anomalous auger soil geochemical results also better defined two other significant geochemical anomalies in the Mik area.

Approximately 1.4 km to the west of Mik, a number of anomalous ($>90^{th}$ percentile) surface and auger soil samples collected to the south of the Line 6 gold showing also expanded the size of this target area. The samples were collected along strike to the south and southwest of several quartz veins identified in the 2009 trenching. Ground magnetic surveys indicate that the new anomalous gold in soil samples are closely associated with the southern half of a broad (400 m by 250 m) magnetic low. Further auger sampling is required to better define these new targets and to test the northern half of the magnetic low.

Initial prospecting of the southeastern extension of the property identified a mixed sequence of mafic and felsic volcanic rocks, as well as an anomalous quartz vein float boulder exhibiting colloform banded epithermal textures. A sample of the 30 cm subrounded boulder returned 0.59 g/t gold, as well as significantly anomalous mercury and antimony values, two key elements that are important pathfinders in epithermal gold mineralized systems.

During January 2011, the Company announced the signing of an option agreement with Westhaven Ventures Inc. whereby Westhaven can earn up to a 70% interest in Shovelnose property. Westhaven is a TSXV Capital Pool Company (trading symbol WHN:P), and D. Grenville Thomas, Strongbow's Chairman and a director, is also a director of Westhaven.

Under the terms of the agreement, Westhaven can earn an initial 51% interest in the property by i) incurring $1.5 million in exploration expenditures over a three year period, including a firm commitment to spend $250,000 in the first year of the agreement, and ii) issuing a total of 300,000 common shares to the Company including 100,000 common shares within 5 business days of Exchange approval of the option agreement. Within 12 months of having earned its 51% interest in the property, Westhaven will have the option to earn an additional 19% interest (bringing its total property interest to 70%) by i) issuing an additional 500,000 shares to the Company, and ii) incurring an additional $1.5 million in exploration expenditures.

It is expected that Westhaven's first year exploration commitment will include exploration drilling.

In February 2011, the Company filed a NI 43-101 technical report on the Shovelnose property. The report is dated February 24, 2011, and is available for viewing under the Company's profile at www.sedar.ca or can be downloaded from the Company's website at www.strongbowexploration.com.

Piltz Mountain, Mons Creek and Raven Properties (Au-Cu)

During the year ended January 31, 2011, the Company commenced its initial evaluation of the Piltz Mountain, Mons Creek and Raven exploration properties in the Chilcotin region of south central British Columbia (collectively referred to as the "Chilcotin properties"). The Chilcotin properties are situated 90 km southwest of the regional centre of Williams Lake and have excellent access that benefits from a network of logging roads. Each of the properties was acquired based on the coincidence of multi-element stream sediment geochemical anomalies and prospective underlying geology. A brief prospecting and stream silt sampling program was completed during the period, including the collection of 48 stream silt, 26 soil geochemical samples and 13 rock samples.

The work at the Piltz Mountain property focused on evaluating a BC government regional stream sediment anomaly that returned 920 ppb gold. This anomaly was confirmed by a silt sample that returned 106 ppb Au from a separate creek draining the same area of the property. Feldspar porphyry intrusions, considered a prospective host rock to mineralization in the Chilcotin region, were identified on the property. Rock sampling tested an area of concentrated quartz veining within a quartz diorite and returned results ranging from 6.2 to 7498 ppm Cu.

Sampling of the Mons Creek property, located 5 km to the north of Piltz Mountain, returned a number of anomalous copper and gold silt anomalies which will help focus additional exploration efforts on the property.

No anomalous results were returned from the exploration work completed at the Raven property.

The Company plans a follow program of geochemical surveys and prospecting during the summer of 2011. The estimated budget of this work is $45,000.

LP and Kepp Properties

During the year end January 31, 2011 the mineral claims comprising the Kepp and LP properties were allowed to lapse. In anticipation of this event, the Company has written off exploration and acquisition expenditures totaling $319,729.

Investment in North Arrow Minerals Inc.

North Arrow is a Canadian exploration company focused on exploring for and defining diamond and lithium resources in North America. North Arrow and the Company have two directors in common. As of January 31, 2011, the Company continues to hold 4,819,609 shares of North Arrow as a result of a Plan of Arrangement completed by the Company and North Arrow on May 9, 2007. This amount presently represents approximately 9.2% of the outstanding shares of North Arrow as at May 26, 2011.

Results of Operations

The Company's principal business activity is the acquisition and exploration of mineral properties. The Company currently has mineral property interests in British Columbia, Saskatchewan, the Northwest Territories and Nunavut, Canada and North and South Carolina, USA.

During the year ended January 31, 2011 (the "**Current Year**"), the Company recorded net loss of $(1,243,369) ($0.02 loss per share) as compared to a net income of $458,374 ($0.01 income per share) for the year ended January 31, 2010 (the "**Comparative Year**"). The main reason for the Company's net loss for the Current Year compared to a net income in the Comparative Year is due to a significant future income tax recovery of $945,513 in the Comparative Year (Current Year - $Nil). In addition, during the Comparative Year the Company sold a mineral property and the gain on sale was $285,000. Also, the Company increased the write-offs of accumulated acquisition and exploration expenses (Current Year - $523,561; Comparative Year - $201,272). Administrative expenses increased in the Current Year, from $624,162 for the year ended January 31, 2010 to $809,536 for the year ended January 31, 2011.

The increase in administrative expenses in the Current Year to $809,536 results from an increase in the number and the size of exploration programs operated by the Company. Salaries and benefits had the largest impact on this increase (Current Year - $260,696; Comparative Year - $175,214), followed by an increase in professional fees related to the development of several property option agreements in the US, as well as the incorporation of a US subsidiary company (Current Year - $143,118; Comparative Year - $71,307), stock based compensation (Current Year - $172,770; Comparative Year - $128,256) and advertising and promotion (Current Year - $78,642; Comparative Year - $68,558). Regulatory and filing fees also increased (Current Year - $15,796; Comparative Year - $12,173) as did insurance (Current Year - $26,069; Comparative Year - $24,792). In contrast, the Company spent less on office, miscellaneous and rent (Current Year - $94,372; Comparative Year - $119,524) due to a reduction in leased office space. Amortization also decreased (Current Year - $18,073; Comparative Year - $24,338).

During the Current Year, the Company wrote-off accumulated acquisition and exploration expenses of $523,561, related mostly to the LP mineral claims in British Columbia and certain nickel permits in the Northwest Territories, as compared to a write-off of $201,272 in the Comparative Year. Several other factors affected the Company's loss before taxes in the Current Year, including interest income (Current Year - $8,840; Comparative Year - $65,379) and a gain on the sale of marketable securities (Current Year - $80,888; Comparative Year – $22,570). Interest income in the Comparative Year includes a one-time payment of $60,600 for interest earned on an income tax refund and BC mineral exploration tax refunds. This payment is not expected to re-occur. Also during the Current Year, the Company sold certain of its marketable securities for gross proceeds of $495,866 to provide short-term working capital prior to a financing that closed in November 2010. Please see "*Liquidity and Capital Resources*" below for additional details. Other factors influencing the Comparative Year's income included a write-off and loss on sale of property and equipment (Current Year - $Nil; Comparative Year - $34,654) and a gain on sale of mineral property (Current Year - $Nil; Comparative Year - $285,000). The Company's deficit was $12,758,701 at January 31, 2011 as compared to a deficit of $11,515,332 at January 31, 2010.

Total assets increased to $16,410,304 as at January 31, 2011 as compared to total assets of $14,227,221 as at January 31, 2010. Mineral property costs, capitalized as assets, increased to $12,414,460 as at January 31, 2011 from $11,784,512 as at January 31, 2010.

Summary of Exploration Expense

	January 31, 2010	Expended During The Period	Write-off of Costs and Recoveries	**January 31, 2011**
Gold and Base Metal Properties, British Columbia				
Exploration costs	$ 331,346	$ 28,588	$ (309,241)	**$ 50,693**
Acquisition costs	90,068	17,412	(24,390)	**83,090**
Geological and assays	120,051	9,996	(1,941)	**128,106**
Office and salaries	528,768	95,765	(18,338)	**606,195**
	1,070,233	151,761	(353,910)	**868,084**
Gold and Base Metal Properties, NWT& NU				
Exploration costs	7,679,405	36,148	(72,445)	**7,643,108**
Acquisition costs	77,194	5,705	-	**82,899**
Geological and assays	271,495	5,715	(3,718)	**273,492**
Office and salaries	1,184,782	39,699	(45,215)	**1,178,666**
	9,212,876	86,667	(121,378)	**9,178,165**
Gold and Base Metal Properties, Saskatchewan				
Exploration costs	1,132,540	3,549	-	**1,136,089**
Acquisition costs	84,276	111	-	**84,387**
Geological and assays	20,094	67	-	**20,161**
Office and salaries	215,110	19,214	-	**234,324**
	1,452,020	22,941	-	**1,474,961**
Gold and Base Metal Properties, USA				
Exploration costs	-	242,921	-	**242,921**
Acquisition costs	-	375,025	-	**375,025**
Geological and assays	-	53,587	-	**53,587**
Office and salaries	-	221,717	-	**221,717**
	-	893,250	-	**893,250**
Other Exploration and Generative Exploration				
Exploration costs	(3,152)	10,320	(7,168)	**-**
Acquisition costs	10,190	(5,200)	(4,990)	**-**
Geological and assays	2,032	1,951	(3,983)	**-**
Office and salaries	40,313	30,307	(70,620)	**-**
	49,383	37,378	(86,761)	**-**
TOTAL	$ 11,784,512	$ 1,191,997	$ (562,049)	**$ 12,414,460**

During the year ended January 31, 2011, the Company wrote-off $523,561 (2010 - $201,272) relating to certain properties, recorded recoveries for B.C. mineral exploration tax credits of $19,693 (2010 - $510,008), and recorded other recoveries of $18,795 (2010 –$76,500).

Title to mineral properties 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 mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Selected Annual Information

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

The following table summarizes selected financial data for Strongbow Exploration Inc. for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the audited financial statements, prepared in accordance with Canadian generally accepted accounting principles, and their related notes.

	YEAR ENDED January 31, 2011	January 31, 2010	January 31, 2009
Total interest income	$ 8,840	$ 65,379	$ 51,154
General and administrative expenses, net	$ 809,536	$ 624,162	$ 1,038,989
Write off of mineral properties	$ 523,561	$ 201,272	$ 4,799,759
Income (loss) from continuing operations: - In total - Basic and diluted income (loss) per Share	 $ (1,243,369) $ (0.02)	 $ (487,139) $ (0.01)	 $ (8,788,375) $ (0.14)
Net income (loss): - In total - Basic and diluted income (loss) per Share	 $ (1,243,369) $ (0.02)	 $ 458,374 $ 0.01	 $ (7,474,632) $ (0.12)
Total Assets	$ 16,410,304	$ 14,227,221	$ 13,808,976
Total long-term financial liabilities	Nil	Nil	Nil

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of Strongbow Exploration Inc. and is derived from the Company's unaudited quarterly financial statements prepared by management. The Company's interim financial statements are prepared in accordance with Canadian generally accepted accounting principles and are expressed in Canadian dollars.

Quarter Ending	Interest Income	Earnings or (Loss) from Continued Operation and Net Income (Loss)	Basic Earnings (Loss) per share[(1)] from Continued Operation and Net Income (Loss)	Fully Diluted Earnings (Loss) per share[(1)] - from Continued Operation and Net Income (Loss)
January 31, 2011	$ 7,814	$ (388,991)	$ (0.01)	$ (0.01)
October 31, 2010	$ 339	$ (582,476)	$ (0.01)	$ (0.01)
July 31, 2010	$ 239	$ (94,095)	$ (0.00)	$ (0.00)
April 30, 2010	$ 448	$ (177,807)	$ (0.00)	$ (0.00)
January 31, 2010	$ 2,129	$ (158,957)	$ (0.00)	$ (0.00)
October 31, 2009	$ (6,345)	$ (250,631)	$ (0.00)	$ (0.00)
July 31, 2009	$ 5,221	$ (52,184)	$ (0.00)	$ (0.00)
April 30, 2009	$ 64,374	$ 920,146*	$ 0.01	$ 0.01

(1) Based on the treasury share method for calculating diluted earnings.

*The three months ended April 30, 2009 includes a future income tax recovery of $1,216,157 due to the application of EIC-146, "Flow-through Shares". This is a non-cash item recorded in compliance with Canadian GAAP and it was not repeated in the Current Year.

Current Quarter

During the three months ended January 31, 2011 (the "**Current Quarter**"), the Company's net loss totaled $388,991, as compared to a net loss of $158,957 in the three months ended January 31, 2010 (the "**Comparative Quarter**"). Administrative expenses at $321,554 in the Current Quarter were significantly higher than the Comparative Quarter expenses of $138,180, with salaries and benefits experiencing the largest increase (Current Quarter - $163,413; Comparative Quarter - $38,148). During the Current Quarter, cash bonuses were paid to salaried officers and employees. No bonuses were paid during the Comparative Quarter. During the Current Quarter, the Company recognized a gain of $8,511 from the sale of marketable securities, as compared to $nil in the Comparative Quarter.

Liquidity and Capital Resources

Working capital as at January 31, 2011 was $3,790,773 as compared to $2,268,155 at January 31, 2010. Cash and equivalents increased by $2,198,397 in the Current Year (Comparative Year – decreased by $283,974), to $2,994,120 as at January 31, 2011 (Comparative Year - $795,723). Cash flow used in operations during the Current Year was $533,753 (Comparative Year –$274,554). The most significant changes in non-cash working capital items during the Current Year included a decrease in receivables of $45,567; an increase of $36,154 in accounts payable and accrued liabilities and an increase in prepaid expenses of $5,621. During the year the Company had cash flows from financing activities of $3,374,520 (Comparative Year - $Nil).

The Company's primary investing activity is the acquisition and exploration of mineral properties. During the Current Year, the Company spent $1,147,878 to acquire and explore its mineral property interests and recorded a recovery to its capitalized exploration costs totaling $19,694, which relates to the receipt of the B.C. mineral exploration tax credits refunds for the 2010 fiscal year. The Company's exploration activities during the Current Year focused on its gold properties in the US, and its nickel properties in the NWT and Saskatchewan. Also during the Current Year, the Company received proceeds of $495,866 (Comparative Year - $41,570) from the sale of marketable securities.

In November 2010, the Company completed a non-brokered private placement of 15,000,000 common shares at a price of $0.24 per common share, for total gross proceeds of $3,600,000. As part of this private placement, the Company paid agent's fees of $180,000, and issued 750,000 agent warrants. Each warrant entitles the holder to purchase an additional common share of the Company until November 15, 2011 at a price of $0.35 per share.

As at January 31, 2011, the Company had 6,675,000 outstanding stock options with exercise prices that range from $0.17 to $0.6636 and 750,000 warrants outstanding at an exercise price of $0.35.

Although the Company had positive working capital of $3,790,773 as at January 31, 2011, management expects that the Company will require additional financing to conduct further exploration programs on its properties and for future corporate and administrative expenses. The Company's cash position totalled $2,994,120 as at January 31, 2011; the fair value of the Company's marketable securities totalled $874,631 as at January 31, 2011; most of the value of the Company's marketable securities is concentrated in its shareholding in North Arrow. Please see "*Investment in North Arrow Minerals Inc.*" above.

Actual funding requirements may vary from those planned due to a number of factors, including results from exploration activities and the Company's ability to raise additional funds at favourable terms. The Company's ability to generate cash is very much affected by the current market conditions, its share price and third party interest in its assets. In previous years, the Company was able to sell its non-core assets, or common shares received for these non-core assets, as one means to finance its operations and to further exploration on its mineral property interests. Despite an increase in commodity prices over the last year, equity financings at the Company's stage of development can be challenging, and result in dilution to existing shareholders. Dilution to existing shareholders from an equity financing increases as the share price decreases. The Company has no credit facilities that can be used for ongoing operations because it has no operating cash flow. The funds that the Company does have that aren't required immediately for exploration or overhead expenditures are invested for up to 90 days in Bankers' Acceptance or Bankers' Deposit Notes to reduce the Company's exposure to credit risk or in Guaranteed Investment Certificates ("GICs") issued by a Chartered Bank and cashable without penalty after 30 days. The Company has no exposure to asset-backed commercial paper nor does the Company have any long-term debt.

The Company's most significant fixed costs relate to its lease for office space and then the costs associated with maintaining a TSX-V listing. The Company's minimum commitments for its premises and leased exploration equipment have been reduced from approximately $77,000 per year to about $64,500 for calendar 2011, due to a reduction in the Company's leased premises. The Company's current office lease expired on January 31, 2011. The Company has arranged a new office lease agreement. Please see the "Commitments" section below for further details.

The Company has sufficient financial resources to keep its material landholdings and the majority of its non-material landholdings in good standing through to at least December 2012. To maintain its interest in all of the Midway project properties through to January 31 2012, the Company must make property payments totaling US$319,294. These payments are due at various times throughout the year. With respect to the Company's Nickel King project, the current mining leases allow the Company to maintain the Nickel King Main Zone deposit through to November 2028 at an annual cost of $3,744 per year. The Company's management actively manages its landholdings in an effort to keep landholdings with the greatest exploration potential in good standing for as long as possible. The Company's management regularly reviews its cash position against future plans and makes decisions regarding these plans accordingly. Exploration plans in 2011 are focused on the Company's Midway Project in South Carolina and the Parker gold property in North Carolina, in addition to generative exploration opportunities.

Risks and Uncertainties

The Company's financial condition and future prospects are significantly affected by overall economic conditions. The Company has no source of operating revenue and relies on equity financings and, in recent years, the sale of marketable securities acquired from exploration option and purchase & sale agreements to finance its operations and in particular, to further exploration on its properties.

Low current interest rates and smaller cash balances available for investment mean a decrease in interest income, which until recent years had partially offset the Company's general and administrative expenses. The Company's overhead expenses cannot be financed with "flow-through" dollars (restricted for use on "grass-roots" exploration at the Company's Canadian mineral properties). The majority of the Company's expenses are denominated in Canadian Dollars so its exposure to foreign exchange is limited, however with the acquisition of the Midway and Parker properties in the United States, a significant proportion of the Company's planned expenditures during 2011 will be dominated in US dollars, increasing the Company's exposure to foreign exchange risk. The Company has no exposure to asset-backed commercial paper through its short-term investments, which are invested in chartered bank-issued Bankers' Acceptance or Bankers' Deposit Notes or GICs to minimize, to the extent possible, the Company's credit risk. The majority of the Company's receivables consist of sales tax receivables or mineral exploration tax credits due from the federal government, receivables from companies with which the Company has exploration agreements or options and receivables from related parties. The maximum amount of the Company's exposure to credit risk with respect to its receivables is the carrying value of those receivables as at the balance sheet date.

The Company's management actively monitors its cash flows and made decisions and plans for 2010 and 2011 accordingly. The Company's material mineral properties are all in good standing and the Company has sufficient financial resources to keep those properties in good standing into 2012. The Company regularly reviews its landholdings with a view to reducing or consolidating those landholdings to focus on specific areas of interest and exploration potential. With the "hard-dollar" equity financing in November 2010, the Company has sufficient financial resources to conduct exploration work at the Midway Project in 2011 and for general and corporate purposes.

The Company has no long-term debt and, as of the report date, the Company has positive working capital, which will be used to continue to advance the Company's material exploration properties and for future corporate and administrative expenses.

Outstanding Share Data

The Company's authorized capital is unlimited common shares without par value. As at May 26, 2011, there were 81,995, 963 common shares issued and outstanding.

As May 26, 2011, the Company had the following options and warrants outstanding:

	Number of Shares	Exercise Price	Number Vested	Expiry Date
Options	510,000	$ 0.3696	510,000	September 15, 2011
	990,000	0.6552	990,000	March 29, 2012
	845,000	0.4600	845,000	December 21, 2012
	1,575,000	0.1700	1,575,000	July 26, 2014
	1,760,000	0.2000	880,000	September 23, 2015
	70,000	0.4200	17,500	December 22, 2015
	1,710,000	0.5500	427,500	April 29, 2016
Warrants	462,500	$ 0.3500	462,500	November 15, 2011

Transactions with Related Parties

The Company entered into the following transactions with related parties (see Note 8 of the annual audited financial statements):

a. Charged administrative and technical services $52,669 (2010 - $50,782) to Stornoway Diamond Corporation ("Stornoway"), a company with a common director.

b. Paid or accrued administrative and accounting services $30,457 (2010 - $30,135) to Stornoway.

c. Charged rent and technical services of $134,506 (2010 - $105,002) to North Arrow, a company with two common directors.

Included in receivables are amounts due from Stornoway totaling $2,617 (2010 - $4,714) for reimbursement of exploration and administrative costs paid by the Company on Stornoway's behalf.

Included in receivables are amounts due from North Arrow totaling $22,510 (2010 - $65,288) for reimbursement of exploration and administrative costs paid by the Company on North Arrow's behalf.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

Recent Accounting Pronouncements

Business Combinations

In January 2009, the CICA issued Handbook section 1582, "Business Combinations", which establishes new standards for accounting for business combinations. This is effective for business combinations for which the acquisition date is on or after January 1, 2011. Early adoption is permitted. The Company has elected to early adopt this standard effective on February 1, 2010. The adoption of this standard did not have any impact on the Company's financial statements.

Non-controlling Interest

In January 2009, the CICA issued Handbook section 1602, "Non-controlling Interests", to provide guidance on accounting for non-controlling interests subsequent to a business combination. The section is effective for fiscal years beginning on or after January 1, 2011. Early adoption is permitted. The Company has elected to early adopt this standard effective on February 1, 2010. The adoption of this standard did not have any impact on the Company's financial statements.

Consolidated Financial Statements

In January 2009, the CICA issued Handbook section 1601, "Consolidated Financial Statements", to provide guidance on the preparation of consolidated financial statements. The section is effective for fiscal years beginning on or after January 1, 2011. Early adoption is permitted. The Company has elected to early adopt this standard effective on February 1, 2010. The adoption of this standard did not have any impact on the Company's financial statements.

International financial reporting standards

International Financial Reporting Standards ("IFRS") have replaced Canadian standards and interpretations as of January 1, 2011. The process of changing from current Canadian GAAP to IFRS is a significant undertaking that may materially affect reported financial position and results of operations, and also affect certain business functions. The Company will be required to prepare fully IFRS compliant financial statements for the year ended January 31, 2012, with the first interim financials prepared under IFRS for the period from February 1 to April 30, 2011.

The Company's conversion plan consists of four phases: scoping and planning, detailed assessment, implementation and post implementation. During the scoping and planning phase, management developed an implementation plan and completed an initial assessment of the key areas where the IFRS transition could have a significant impact on the Company's financial reporting processes. The scoping and planning phase is complete. Summarized below are the optional and mandatory exemptions under IFRS 1 that are expected to apply to the Company, as well as the standards that are expected to have the most significance for the Company upon transition to IFRS.

<u>Expected Areas of Significance between IFRS and Canadian GAAP applicable to the Company</u>

Standard	Description
Share based payments (IFRS 2)	The Company will need to apply the graded vesting method for all stock option grants. This is not expected to have a material change upon transition to IFRS.
Exploration for and evaluation of mineral resources (IFRS 6)	The Company currently capitalizes all acquisition, exploration and evaluation costs as assets therefore, there will be no change upon transition to IFRS.
Property, plant and equipment (IAS 16)	The Company will continue to record its property, plant and equipment assets at cost, less accumulated amortization assets therefore, there will be no change upon transition to IFRS.
Asset impairment (IAS 36)	The Company's exploration assets are the Company's most significant long-lived asset and must be reviewed for impairment when circumstances suggest that their carrying values may be impaired. The adoption of this standard is not expected to have a material change on the Company's financial reporting.
Income taxes (IAS 12)	Management is currently evaluating how the adoption of this standard will impact the Company.

Although the detailed assessment phase is nearly complete, the summary above should not be considered as a exhaustive list of the standards or changes that will result from the Company's transition to IFRS. These summaries are intended to highlight the areas identified to-date by management where the conversion to IRFS is expected to have the most significant impact. It should be noted that management's assessment of the impact of certain differences between Canadian GAAP and IFRS is still in progress and there are a number of decisions remaining where choices of accounting policies are available. Quantification of the impact of transitioning to IFRS forms part of the detailed assessment phase.

<u>Next Steps</u>

The detailed assessment phase is nearly complete. Management has undertaken an in-depth technical analysis to develop an understanding of the potential impacts and to quantify those impacts resulting from the adoption of IFRS; has made recommendations for accounting policy choices and has started to draft accounting policies under IFRS. In addition, this phase will result in the identification of additional resource and training requirements and the processes for preparing financial statements, establishing IT system requirements and preparing detailed transition plans. The Company is currently preparing to report its first full quarter, ended April 30, 2011, under IFRS.

The implementation phase has started, with IFRS compliant financial statements and notes in draft form and an opening balance sheet as at February 1, 2010 to be prepared. In addition, management will continue its review and assessment of the impact of transition on the Company's existing internal controls over financial reporting, its disclosure controls and its information technology and data systems. The last phase of post-implementation will involve monitoring of changes in IFRS and assessing the impact of those changes on the Company's reporting. While the Company has begun the detailed assessment process, the financial reporting impact of the transition to IFRS remains to be quantified. IFRS education and reports to the Audit Committee commenced in 2009 and continue to be ongoing.

Commitments

The Company is committed to minimum future lease payments for office premises through January 31, 2016 and exploration equipment through to January 31, 2013 as follows:

Fiscal year ending January 31, 2012	$ 64,484
Fiscal year ending January 31, 2013	$ 63,124
Fiscal year ending January 31, 2014	$ 59,047
Fiscal year ending January 31, 2015	$ 59,047
Fiscal year ending January 31, 2016	$ 59,047

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

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Financial Instruments

The Company's financial instruments consist of cash and equivalents, marketable securities, receivables, and accounts payable and accrued liabilities. Cash and equivalents are 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 balance sheet date, which is consistent with level 1 of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risks, 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 manages credit risk by investing its excess cash in short-term investments with investment grade ratings, issued by a Canadian chartered bank. 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 and equivalents.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. 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 and equivalents is limited because these investments, although readily convertible into cash, are generally held to maturity.

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 or 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 and development of the Company's properties. As at January 31, 2011, the Company had cash and equivalents of $2,994,120 (2010 - $795,723) available to settle current liabilities of $171,112 (2010 - $132,574).

Foreign Currency Risk

The Company has some exposure to foreign currency risk with its acquisition of mineral properties in the United States however, the majority of its assets and liabilities are denominated in Canadian dollars. The Company's exploration activities and ongoing land tenure expense in the United States make it subject to foreign currency fluctuations, which may affect the Company's financial position, and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US dollar. 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 arising from these financial instruments.

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.

Capital Management

The capital of the Company consists of the items included in shareholders' equity. 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 mineral properties and to provide sufficient funds for its corporate activities.

The Company's mineral properties 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, more recently, 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.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and mineral property costs is provided in the Company's Statement of Operations and Deficit and the Mineral Properties Note contained in its Audited Financial Statements for the year ended January 31, 2011 and January 31, 2010. These statements are available on SEDAR at www.sedar.com.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedar.com and is available on the Company's website at www.strongbowexploration.com.

Approval

The Board of Directors of the Company has approved the disclosure contained in this annual MD&A. A copy of this annual MD&A will be provided to anyone who requests it.