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

**Containing Information up to and including December 21, 2010**

## Description of Business

Strongbow Exploration Inc. (the "Company") is a Canadian mineral exploration company focused on exploring prospective gold properties in South Carolina, nickel properties in 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 nine months ended October 31, 2010, should be read in conjunction with the audited financial statements of the Company for the years ended January 31, 2010 and January 31, 2009, 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 period ended October 31, 2010 and subsequent events up to December 21, 2010

- In September 2010, the Company announced the acquisition of the Midway gold project within the Haile-Brewer gold trend in South Carolina, USA;
- In September 2010, the Company appointed The Windward Agency of North Carolina for Investor Relations services;
- In October 2010, the Company started exploration activities at the Midway gold project, including geochemical sampling;
- In November 2010 the Company closed a $3.6 million brokered private placement financing, consisting of 15,000,000 common shares issued at $0.24 per share;
- In November 2010, the Company reported that exploration work at its Shovelnose gold property in British Columbia had expanded the gold targets identified within the property.

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 nine months ended October 31, 2010, 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 and Shovelnose gold properties, British Columbia.

## Midway Project – South Carolina, USA (Au)

During the nine months ended October 31, 2010 the Company announced the acquisition of the Midway gold project, South Carolina, USA. The project was acquired as a result of a corporate acquisition and generative initiative designed to identify high potential, low cost gold exploration opportunities in North America.

The project consists of nineteen option agreements with seventeen private land owners within the Haile-Brewer gold trend in South Carolina. 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 Carolina slate belt (CSB). The CSB is host to a number of additional 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 encompasses approximately 2,375 acres of prospective geology located between and along strike from Romarco Mineral's (R: TSX) 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.

The Midway project includes over 1,600 contiguous acres covering a 2.5 kilometre strike length of the Haile-Brewer gold trend, as well as an additional approximate 100 acres adjoining the northeastern boundary of the Haile gold mine property directly along strike from Romarco's Horseshoe gold deposit. Despite its 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 has recently reported the 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 <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. A preliminary evaluation of the Midway project area has identified several geological characteristics reportedly associated with mineralization at the Haile and Brewer gold deposits, including:

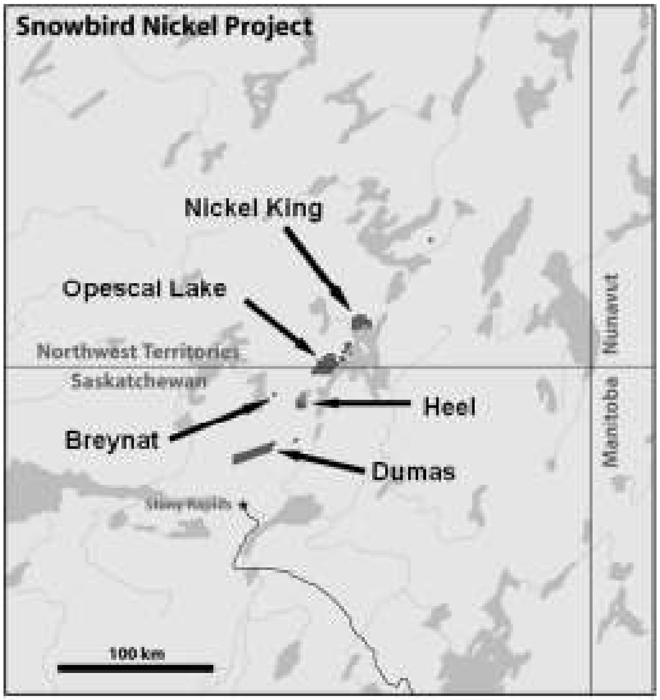
- a volcanic-sediment contact considered to be an important local control on gold mineralization;
- massive kaolinite alteration within CSB rocks exposed along two streambeds. Similar kaolinite deposits are documented to have a spatial association with the Haile gold deposits;
- Hydrothermal sericite 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 kaolinaite and sericite altered CSB rocks;
- Altered feldspar porphyry intrusive rocks have also been mapped along stream drainages.

The terms of the option agreements covering the Midway project include certain annual cash payments to the landowners and the issuance of 100,000 common shares to Mr. Thomas Thompson (issued October 2010). 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.

In October 2010, the Company initiated exploration of the Midway project including surface geochemical sampling and geophysical surveys. This work is expected to be complete by the end of 2010 and the Company intends to initiate diamond drilling of priority targets during the first calendar quarter of 2011.

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

**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, is 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.

Subsequent to October mineral claims related to the Company's exploration effort to the northeast of Nickel King were allowed to lapse. In anticipation of this occurring, the Company has written of $102,517 in exploration expenditures relating to the acquisition and evaluation of these claims.

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

**British Columbia Gold and Gold-Copper Properties**

Shovelnose Property

The Company's wholly owned Shovelnose 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. Further exploration work is also planned for the Anomaly B area located 550 m to the south of the Mik showing where 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 period ended October 31, 2010, 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 have 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 have extended the length of the target area to 120 m and it remains open in both directions. Anomalous auger soil geochemical results have 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 have 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. Future work will include a more detailed evaluation of this area of the property.

<u>Piltz Mountain, Mons Creek and Raven Properties</u>

During the nine months ended October 31, 2010, 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.

Company management considers the properties to be highly prospective for a number of mineralization styles including porphyry copper-gold mineralization (similar to the Prosperity Cu-Au porphyry deposit located 50 km to the southwest), low sulphidation epithermal gold mineralization (similar to the historic Blackdome mine located 40 km to the southeast) or transitional porphyry to epithermal style mineralization similar to the newly discovered Mt. Newton prospect located 50 km to the northwest. The 1 billion tonne Prosperity deposit (Taseko Mines Ltd. (TKO-TSX)) is one of the largest known porphyry Cu-Au deposits in British Columbia and contains 5.3 billion pounds of copper and 13.3 million ounces of gold in proven and probable reserves. The Blackdome mine was in operation for five years, from 1986 to 1991, and produced seven million grams (225,000 ounces) of gold and 17 million grams (547,000 ounces) of silver (Sona Resources Corp. (SYS-TSXV)). Recent drilling results reported by Amarc Resources (AHR-TSXV) at the Mt. Newton property (DDH09-04 intersected 141.0 metres grading 2.01 g/t Au and 10 g/t Ag) highlight the potential to make new discoveries in this highly prospective area of British Columbia.

LP and Kepp Properties

During and subsequent to the period ending October 31, 2010 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 October 31, 2010, 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 9.9% of the outstanding shares of North Arrow as at December 21, 2010.

## 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, Nunavut and South Carolina.

During the nine months ended October 31, 2010 (the "**Current Period**"), the Company recorded a net loss of $854,378 ($0.01 loss per share) as compared to a net income of $617,331 ($0.01 earnings per share) for the nine months ended October 31, 2009 (the "**Comparative Period**"). The main reason for the Company's net loss in the Current Period, as compared to net income in the Comparative Period, is due to a future income tax recovery of $1,229,983, which was recognized in the Comparative Period, but was not repeated in the Current Period. Administrative expenses increased slightly in the Current Period to $487,982 from $486,043 in the Comparative Period.

The Company's administrative expenses of $487,982 increased from $486,043 in the Comparative Period. Professional fees (Current Period - $115,056; Comparative Period - $58,393) increased significantly from the Comparative Period as more consulting and legal fees were incurred due to the creation of a new subsidiary, registered in South Carolina, during the Current Period, and for the development of property option agreements for the newly acquired properties in South Carolina. Also, regulatory and filing fees (Current Period - $14,220; Comparative Period - $11,090) and stock-based compensation (Current Period - $113,884; Comparative Period - $98,415) increased slightly from the Comparative Period. In contrast, salaries and benefits decreased (Current Period - $97,283; Comparative Period - $137,066) as less time was required to manage the Company's business; followed by a decrease in office, miscellaneous and rent (Current Period - $71,036; Comparative Period - $94,401) due to a significant reduction in the size of the Company's leased premises. Amortization (Current Period - $12,517; Comparative Period - $17,536), advertising and promotion (Current Period - $46,498; Comparative Period - $49,338) and insurance (Current Period - $17,488; Comparative Period - $19,804) all decreased slightly from the Comparative Period.

During the Current Period, the Company wrote-off accumulated acquisition and exploration expenses of $439,798, related mostly to the Company's LP and NWT NI properties, as compared to a write-off of $191,630 in the Comparative Period, primarily for the Pale One claim on the Silvertip property in the NWT. Several other factors affected the Company's loss before taxes in the Current Period, including interest income (Current Period - $1,025; Comparative Period - $63,250) and a gain on the sale of marketable securities (Current Period - $72,377; Comparative Period –$22,570). Interest income in the Comparative Period includes a one-time payment of $60,600 for interest earned on an income tax refund and B.C. mineral exploration tax refunds (both received during the fiscal year ended January 31, 2010). This payment is not expected to re-occur in the future. During the Current Period, the Company sold certain of its marketable securities, for gross proceeds of $481,693, to provide short-term working capital, prior to a financing that closed November 15, 2010 (see "Liquidity and Capital Resources" below for a description of this financing).

Total assets decreased to $13,405,518 as at October 31, 2010 as compared to total assets of $14,227,221 as at January 31, 2010. Mineral property costs, capitalized as assets, increased to $11,928,338 as at October 31, 2010 from $11,784,512 as at January 31, 2010. The Company reduced its capitalized exploration costs by $17,792 (Comparative Period - $510,008) to record the B.C. mineral exploration tax credits for the years 2009 fiscal year that were received in the Current Period.

**Summary of Exploration Expense**

| | January 31, 2010 | Expended During The Period | Write-off of Costs and Recoveries | **October 31, 2010** |
|---|---|---|---|---|
| Gold and Base Metal Properties, British Columbia | | | | |
| Exploration costs | $ 331,346 | $ 28,588 | $ (130,325) | **$ 229,609** |
| Acquisition costs | 90,068 | 386 | (24,489) | **65,965** |
| Geological and assays | 120,051 | 9,996 | (45,661) | **84,386** |
| Office and salaries | 528,768 | 85,234 | (141,731) | **472,271** |
| | 1,070,233 | 124,204 | (342,206) | **852,231** |
| Gold and Base Metal Properties, NWT& NU | | | | |
| Exploration costs | 7,679,405 | 16,407 | (53,650) | **7,642,162** |
| Acquisition costs | 77,194 | 1,961 | - | **79,155** |
| Geological and assays | 271,495 | 5,715 | (3,718) | **273,492** |
| Office and salaries | 1,184,782 | 37,111 | (45,149) | **1,176,744** |
| | 9,212,876 | 61,194 | (102,517) | **9,171,553** |
| Gold and Base Metal Properties, Saskatchewan | | | | |
| Exploration costs | 1,132,540 | 2,951 | - | **1,135,491** |
| Acquisition costs | 84,276 | 112 | - | **84,388** |
| Geological and assays | 20,094 | 66 | - | **20,160** |
| Office and salaries | 215,110 | 17,531 | - | **232,641** |
| | 1,452,020 | 20,660 | - | **1,472,680** |
| Gold Properties, USA | | | | |
| Exploration costs | - | 86,443 | - | **86,443** |
| Acquisition costs | - | 148,222 | - | **148,222** |
| Geological and assays | - | 4,039 | - | **4,039** |
| Office and salaries | - | 115,020 | - | **115,020** |
| | - | 353,724 | - | **353,724** |
| Other Exploration and Generative Exploration | | | | |
| Exploration costs | (3,152) | 10,109 | (3,242) | **3,715** |
| Acquisition costs | 10,190 | 2,522 | (1,902) | **10,810** |
| Geological and assays | 2,032 | 1,951 | (1,864) | **2,119** |
| Office and salaries | 40,313 | 28,954 | (7,761) | **61,506** |
| | 49,383 | 43,536 | (14,769) | **78,150** |
| **TOTAL** | $ 11,784,512 | $ 603,318 | $ (459,492) | **$ 11,928,338** |

During the nine months ended October 31, 2010, the Company wrote-off $439,798 (October 31, 2009 - $191,630) relating to certain properties, recorded recoveries for B.C. mineral exploration tax credits of $17,792 (October 31, 2009 – $510,008), and recorded other recoveries of $1,902 (October 31, 2009 - $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.

**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 | Revenues | 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) |
|---|---|---|---|---|
| October 31, 2010 | $ 339 | $ (582,476) | $ (0.01) | $ (0.01) |
| July 31, 2010 | $ 239 | $ (94,095) | $ (0.00) | $ (0.00) |
| April 30, 2010 | $ 447 | $ (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 |
| January 31, 2009 | $ 5,037 | $ (529,157) | $ (0.02) | $ (0.02) |

(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 Quarter.

## Current Quarter

During the three months ended October 31, 2010 (the "**Current Quarter**"), the Company's net loss totaled $582,476, as compared to a net loss of $250,631 in the three months ended October 31, 2009 (the "**Comparative Quarter**"), before a future income tax recovery of $Nil in the Current Quarter ($62,663 – Comparative Quarter). Administrative expenses at $205,038 in the Current Quarter were higher than the Comparative Quarter expenses of $122,061, with professional fees (Current Quarter - $66,940; Comparative Quarter - $22,865), salaries (Current Quarter - $34,568; Comparative Quarter - $17,309) and stock-based compensation expense (Current Quarter - $54,201; Comparative Quarter - $29,841) all increasing significantly as compared to the same period in 2009. Mineral properties write-offs also affected the Company's loss for the Current Quarter (Current Quarter - $422,246; Comparative Quarter - $59,212). During the Current Quarter, the Company recognized a gain of $44,469 from the sale of marketable securities, as compared to $Nil in the Comparative Quarter.

## Liquidity and Capital Resources

Working capital as at October 31, 2010 was $1,229,528 as compared to $2,268,155 at January 31, 2010. Cash and equivalents decreased by $336,474 in the Current Period (Comparative Period – $31,094), to $459,249 as at October 31, 2010 (Comparative Period - $1,048,603). Cash flow used in operations during the Current Period was $234,307 (Comparative Period –$142,645). The most significant changes in non-cash working capital items during the Current Period included a decrease in receivables of $39,203; an increase in prepaid expenses of $816 and an increase of $87,862 in accounts payable and accrued liabilities. Share issue costs of $315 comprised the Company's financing activities during the Current Period (Comparative Period - $Nil).

The Company's primary investing activity is the acquisition and exploration of mineral properties. During the Current Period, the Company spent $597,388 to acquire and explore its mineral property interests and recorded a recovery to its capitalized exploration costs totaling $19,694, of which $17,792 relates to the receipt of the B.C. mineral exploration tax credits refunds for the 2009 fiscal year. The Company's exploration activities during the Current Period focused on its gold properties in the South Carolina and in British Columbia. Also during the Current Period, the Company received proceeds of $481,693 (Comparative Period - $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.

At December 21, 2010, the Company had 6,605,000 stock options outstanding which with exercise prices that range from $0.17 to $0.6636, if exercised, would increase the Company's available cash by approximately $2.3 million.

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, fewer dollars are available for investment in the current equity markets for companies at the Company's stage of development. This may affect the Company's ability to finance its activities through the equity capital markets. In addition, 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 $165,000 per year to about $77,000 for calendar 2010, due to a reduction in the Company's leased office space. The Company's current office lease expires January 31, 2011 – please see the "Commitments" section below for further details. The Company expects to arrange a new office lease arrangement agreement once the existing lease expires.

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 2011. With respect to the Company's Nickel King project, the current mining leases allow the Company to maintain the Nickel King Main Zone deposit for 21 years 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 2010/2011 are focused on the Company's Midway Project in South Carolina and other gold generative exploration programs with the United States. In addition, the Company is conducting an in-depth review, compilation and analysis of its exploration data acquired over several years of fieldwork to refine specific targets of interest on its current mineral properties and to identify new areas with exploration potential.

## 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 in recent years has 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) so the Company's management is making decisions with a view to preserving its "hard dollars" for as long as possible due to the difficulty in arranging additional financings at this time. The majority of the Company's expenses are denominated in Canadian Dollars so its exposure to foreign exchange risk is limited.

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 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 2011. 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 recent "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 December 21, 2010, there were 81,223,463 common shares issued and outstanding.

As December 21, 2010, the Company had the following options and warrants outstanding:

| | Number of Shares | Exercise Price | Number Vested | Expiry Date |
|---|---|---|---|---|
| **Options** | 640,000 | 0.6636 | 640,000 | March 16, 2011 |
| | 545,000 | 0.3696 | 545,000 | September 15, 2011 |
| | 990,000 | 0.6552 | 990,000 | March 29, 2012 |
| | 845,000 | 0.4600 | 845,000 | December 21, 2012 |
| | 1,825,000 | 0.1700 | 1,368,750 | July 26, 2014 |
| | 1,760,000 | 0.2000 | 440,000 | September 23, 2015 |
| **Warrants** | 750,000 | 0.3500 | 750,000 | November 15, 2011 |

## Transactions with Related Parties

During the nine months ended October 31, 2010, the Company charged rent of $18,000 (October 31, 2009 - $15,000) to North Arrow, a company with two common directors.

Included in receivables are amounts due from Stornoway totaling $1,834 (January 31, 2010 - $4,714) for reimbursement of exploration, administrative costs paid by the Company on Stornoway's behalf.

Included in receivables are amounts due from North Arrow totaling $30,519 (January 31, 2010 - $65,288) for reimbursement of exploration expenditures and shared administrative expenses 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 the new handbook Section 1582 - *Business Combinations* ("Section 1582"), 1601 – *Consolidated Financial Statements* ("Section 1601") and 1602 – *Non-controlling Interests* ("Section 1602"), which replaces CICA Handbook Section 1581 – *Business Combinations* and 1600 – *Consolidated Financial Statements.* Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after February 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning February 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.

*International financial reporting standards*

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian standards and interpretations on January 1, 2011. The process of changing from current Canadian GAAP to IFRS will be 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) | IFRS requires that graded vesting be used for share options grants (previously Canadian GAAP permitted straight-line amortization), and that each installment should be treated as a separate share option grant and an estimated fair value must be calculated at each vesting date. 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 is no expected 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.<br><br>IFRS requires that part of an item of PPE with a cost that is significant in relation to the total cost of the asset shall be depreciated separately. Management does not expect that there will be a 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. |

As the detailed assessment phase is currently ongoing, the summary above should not be considered as a complete 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 will form part of the detailed assessment phase, which is currently ongoing.

<u>Next Steps</u>

The detailed assessment phase is currently underway and requires management to undertake an in-depth technical analysis to develop an understanding of the potential impacts and to quantify those impacts resulting from the adoption of IFRS; to make recommendations for accounting policy choices and to then 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 working on this phase and management expects that a detailed technical analysis should be finished before the end of calendar 2010.

During the implementation phase, IFRS compliant financial statements and notes will be drafted and an opening balance sheet as at February 1, 2010 will 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 exploration equipment through to January 31, 2013 as follows:

| | |
|---|---|
| Fiscal year ending January 31, 2012 | $ 5,437 |
| Fiscal year ending January 31, 2013 | $ 4,077 |

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

## Off-Balance Sheet Arrangements

Not applicable.

## 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 Interim unaudited Financial Statements for the nine months ended October 31, 2010 and October 31, 2009. 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 interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it.