STRONGBOW EXPLORATION INC.

FINANCIAL STATEMENTS

JANUARY 31, 2010

DAVIDSON & COMPANY LLP Chartered Accountants A Partnership of Incorporated Professionals

AUDITORS' REPORT

To the Shareholders of
Strongbow Exploration Inc.

We have audited the balance sheets of Strongbow Exploration Inc. as at January 31, 2010 and 2009 and the statements of operations and deficit, comprehensive income (loss) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

May 25, 2010

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STRONGBOW EXPLORATION INC.
BALANCE SHEETS
AS AT JANUARY 31

	2010	2009
ASSETS		
Current		
Cash and equivalents	$ 795,723	$ 1,079,697
Marketable securities (Notes 4 and 5)	1,472,985	170,409
Receivables (Note 9)	77,724	205,285
Prepaid expenses	54,297	33,580
	2,400,729	1,488,971
Investments and advances to affiliates (Notes 4 and 5)	-	311,803
Property and equipment (Note 6)	41,980	91,152
Mineral properties (Note 7)	11,784,512	11,917,050
	$ 14,227,221	$ 13,808,976
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9)	$ 132,574	$ 134,543
Shareholders' equity		
Capital stock (Note 8)	21,512,543	22,447,793
Contributed surplus (Note 8)	3,296,908	3,168,652
Deficit	(11,515,332)	(11,973,706)
Accumulated other comprehensive income (Note 11)	800,528	31,694
	14,094,647	13,674,433
	$ 14,227,221	$ 13,808,976

Nature and continuance of operations (Note 1)
Commitments (Note 13)

On behalf of the Board:

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

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

STRONGBOW EXPLORATION INC.
STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED JANUARY 31

	2010	2009
EXPENSES		
Advertising and promotion	$ 68,558	$ 138,116
Amortization	24,338	31,935
Insurance	24,792	55,718
Office, miscellaneous and rent	119,524	168,563
Professional fees	71,307	85,330
Regulatory and filing fees	12,173	17,054
Salaries and benefits	175,214	135,792
Stock-based compensation (Note 8)	128,256	406,481
Loss before other items	(624,162)	(1,038,989)
OTHER ITEMS		
Write-off of mineral properties (Note 7)	(201,272)	(4,799,759)
Interest income	65,379	51,154
Gain (loss) on sale of marketable securities (Note 4)	22,570	(502,042)
Write-down of marketable securities (Note 4)	-	(975,913)
Write-off and loss on sale of property and equipment (Note 6)	(34,654)	-
Gain on sale of mineral property (Note 7)	285,000	-
Write-down of investments (Note 5)	-	(869,812)
Equity loss of affiliated company	-	(653,014)
	137,023	(7,749,386)
Loss before income taxes	(487,139)	(8,788,375)
Future income tax recovery (Note 10)	945,513	1,313,743
Net income (loss) for the year	458,374	(7,474,632)
Deficit, beginning of year	(11,973,706)	(4,499,074)
Deficit, end of year	$ (11,515,332)	$ (11,973,706)
Basic and diluted income (loss) per share	$ 0.01	$ (0.12)
Weighted average number of common shares outstanding	66,123,463	62,619,524

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
AS AT JANUARY 31

	2010	2009
Net income (loss) for the year	$ 458,374	$ (7,474,632)
Reversal of previous unrealized losses on available-for-sale investments sold or written down, net of future income taxes	-	563,460
Unrealized gains on available-for-sale financial assets arising during the year	800,528	31,694
Comprehensive income (loss) for the year	$ 1,258,902	$ (6,879,478)

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

STRONGBOW EXPLORATION INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED JANUARY 31

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the year	$ 458,374	$ (7,474,632)
Items not involving cash:		
Amortization	24,338	31,935
Stock-based compensation	128,256	406,481
Write-off of mineral properties	201,272	4,799,759
Equity loss from an affiliate	-	653,014
(Gain) loss on sale of marketable securities	(22,570)	502,042
Gain on sale of mineral property	(285,000)	-
Write-down of investments	-	869,812
Write-down of marketable securities	-	975,913
Write-off and loss on sale of property and equipment	34,654	-
Future income tax recovery	(945,513)	(1,313,743)
Changes in non-cash working capital items:		
Decrease in receivables	166,032	242,079
(Increase) decrease in prepaid expenses	(20,717)	17,914
Decrease in accounts payable and accrued liabilities	(13,680)	(44,655)
Net cash used in operating activities	(274,554)	(334,081)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	-	3,801,000
Share issue costs	-	(315,507)
Net cash provided by financing activities	-	3,485,493
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(604,121)	(6,141,167)
Recoveries on mineral properties	562,361	164,147
Acquisition of property and equipment	(9,730)	(2,458)
Proceeds from the sale of property and equipment	500	-
Investment and advances to affiliates	-	(18,780)
Proceeds from sale of marketable securities	41,570	524,252
Net cash used in by investing activities	(9,420)	(5,474,006)
Change in cash and equivalents during the year	(283,974)	(2,322,594)
Cash and equivalents, beginning of year	1,079,697	3,402,291
Cash and equivalents, end of year	$ 795,723	$ 1,079,697
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company are dependent on the Company's ability to complete equity financings or generate profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Management has undertaken available cost cutting measures and is monitoring its twelve-month rolling cash flow.

	January 31, 2010	January 31, 2009
Deficit	**$ (11,515,332)**	$ (11,973,706)
Working capital	**$ 2,268,155**	$ 1,354,428

2. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies

Effective February 1, 2009, the Company adopted the new accounting policies of the Canadian Institute of Chartered Accountants ("CICA") Handbook:

Goodwill and intangible assets

The Company adopted the CICA recommendations pertaining to goodwill and intangible assets (Section 3064), which establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. The adoption of this section did not have a significant impact on the Company's financial statements.

Amendment to Financial Instruments – Disclosures

In June 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures" to require enhanced disclosure about the fair value assessments of the financial instruments. The new disclosures are based on a fair value hierarchy that categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate the fair values. The fair value of assets and liabilities included in level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data. The adoption of this revised section did not result in a material impact on the Company's financial statements.

Use of estimates

The preparation of the financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas where management applies judgment include the assessment of possible impairment of the carrying value of assets, decisions as to when exploration and development costs should be capitalized or expensed, determination of the rate at which amortization is charged to operations, valuation allowances applied against future tax assets and factors affecting valuations of stock-based compensation. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Cash and equivalents

Cash and equivalents include highly liquid investments with original maturities of three months or less.

Marketable securities

Marketable securities are measured at fair value and consist of shares listed on the TSX Venture Exchange ("TSX-V").

Property and equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided for annually at the following rates:

Furniture and equipment	20% declining balance
Computer equipment	30% declining balance
Software	1 year straight-line
Leasehold improvements	Term of the lease

Investments

Long-term investments are classified as available-for-sale. If it is determined that the value of the investments are permanently impaired, they are written down to net realizable value.

Investments in companies over which the Company has significant influence are accounted for by the equity method, by which the original cost of the investment is adjusted for the Company's share of earnings or losses and dividends or distributions since significant influence was acquired.

Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have any asset retirement obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Earnings (loss) per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year.

There are no instruments that are dilutive to earnings (loss) per share. For fiscal 2010, 5,432,500 (2009 – 5,051,250) stock options and Nil (2009 – 5,426,425) warrants that were anti-dilutive have been excluded from the calculation of earnings (loss) per share.

Stock-based compensation

The Company uses the fair value method for stock-based compensation whereby all awards to employees and nonemployees will be recorded at fair value on the date of the grant and expensed over the period of vesting. The Company uses the Black-Scholes option-pricing model to estimate the fair value of each stock option at the date of grant. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Financial instruments – recognition and measurement

The Company classifies all financial instruments as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instruments classification. Held-for trading instruments are measured at fair value with unrealized gains and losses recognized in results of operations. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost.

The Company has classified its cash and equivalents as held-for-trading, marketable securities as available-for-sale and receivables as loans and receivables. Investments are classified as available-for-sale. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial instruments – disclosures and presentation

Section 3862, *Financial Instruments – Disclosures* requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks (see Note 3).

Section 3863, *Financial Instruments – Presentation* is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and nonfinancial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

Income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. The Company records a future income tax liability and a reduction in capital stock for the estimated tax benefit transferred to shareholders.

When flow-through expenditures are renounced, a portion of future income tax assets not recognized in previous years, due to the recording of a valuation allowance, will be applied against the future income tax liability and be recognized as a recovery of future income taxes in the statement of operations.

Comprehensive income

Comprehensive income is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that, in accordance with primary sources of GAAP, are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale.

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 recently confirmed that 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 financial statements prepared under IFRS for the three-month period ended April 30, 2011.

The Company's conversion plan consists of four phases: scoping and planning, detailed assessment, implementation and post implementation. The Company has completed the scoping and planning stage and is now in the detailed assessment stage. The Company has not commenced the implementation and the post implementation stages. While the Company has begun the detailed assessment process, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. IFRS education and reports to the Audit Committee commenced in calendar 2009 and continues to be ongoing.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and equivalents, marketable securities, receivables, investments 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 and investments 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 risk and equity market risk. The Company has limited exposure to foreign currency risk as the majority of its assets and liabilities are denominated in Canadian dollars. 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, 2010, the Company had cash and equivalents of $795,723 (2009 - $1,079,697) available to settle current liabilities of $132,573 (2009 - $134,543).

Equity market risk

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

4. MARKETABLE SECURITIES

	January 31, 2010			January 31, 2009		
	Cost	**Unrealized Gain***	**Fair Market Value**	Cost	Unrealized Gain*	Fair Market Value
Various public companies	**$431,478**	**$ 222,174**	**$ 653,652**	$133,978	$ 36,431	$170,409
North Arrow Minerals Inc.	**240,979**	**578,354**	**819,333**	-	-	-
	$672,457	**$ 800,528**	**$1,472,985**	$133,978	$ 36,431	$170,409

*before future income taxes

Effective for the year ended January 31, 2010, the Company has determined that it no longer has significant influence over its investment in North Arrow Minerals Inc. ("North Arrow") (Note 5) and accordingly, has reclassified its investment to marketable securities. North Arrow and the Company are related by virtue of two common directors.

During the year ended January 31, 2010, the Company received gross proceeds of $41,570 (2009 - $524,252) from the sale of marketable securities and recognized a $22,570 gain (2009 - $502,042 loss) from the sale. During the year ended January 31, 2009, the Company wrote-down its marketable securities by $975,913 since at the time of the impairment charge, the decline in fair value was deemed to be other than temporary.

In August 2009, the Company received 2,000,000 common shares of Reva Resources Corp. ("Reva") valued at $300,000 as partial consideration on the sale of the Chu Chua mineral claims (Note 7).

5. INVESTMENTS AND ADVANCES TO AFFILIATES

The Company's investments and advances to affiliates consist of the following:

	2010	**2009**
Investment – Anglo Columbia Mines Inc.	$ -	$ 40,000
Investment – North Arrow Minerals Inc.	-	240,979
Advances to North Arrow Minerals Inc.	-	30,824
	$ -	$ 311,803

North Arrow Minerals Inc.

The Company's ownership interest in North Arrow decreased to 13.5% from 22.1% during the year ended January 31, 2010. During the year ended January 31, 2009, the Company accounted for its investment in North Arrow using the equity method. For the year ended January 31, 2010, management determined that the Company no longer has significant influence over North Arrow. Accordingly, the investment has been reclassified to marketable securities (Note 4), and related advances have been reclassified to receivables.

During the year ended January 31, 2009, the Company determined that the carrying value of its investment in North Arrow was impaired, resulting in a write-down of $509,812. The impairment was determined by considering the difference between the carrying amount of the investment and its fair value in light of the equity market conditions at the time of the write-down.

Anglo-Columbia Mines Inc.

In December 2006, the Company sold its interest in the Chu Chua mineral claims to Anglo-Columbia Mines Inc. ("Anglo-Columbia"), a private B.C. based company in exchange for 4,000,000 common shares of Anglo-Columbia, received at a value of $400,000. During the year ended January 31, 2009, the Company determined that the carrying value of its investment in Anglo-Columbia was impaired, resulting in a write-down of $360,000 to $0.01 per share, or $40,000. The determination of the impairment was made by considering the equity market conditions at the time of the write-down and the difficulty in obtaining a value for shares of a private company.

In July 2009, the purchase agreement with Anglo-Columbia was terminated and the Company re-acquired ownership of the Chu Chua mineral claims by returning the 4,000,000 common shares of Anglo-Columbia (Note 7).

6. PROPERTY AND EQUIPMENT

	As at January 31, 2010			As at January 31, 2009		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Furniture and Equipment	**$ 43,041**	**$ 35,748**	**$ 7,293**	$ 57,275	$ 42,831	$ 14,444
Computer Equipment	**116,545**	**87,944**	**28,601**	182,200	138,752	43,448
Software	**41,274**	**41,274**	**-**	41,274	40,045	1,229
Leasehold Improvements	**32,072**	**25,986**	**6,086**	84,400	52,369	32,031
	$ 232,932	**$ 190,952**	**$ 41,980**	$ 365,149	$ 273,997	$ 91,152

During the year ended January 31, 2010, the Company reduced its leased office space and wrote-off capitalized leasehold improvements of $19,859, and recognized a loss on the sale of property and equipment of $14,795.

7. MINERAL PROPERTIES

	January 31, 2009	Expended During The Period	Write-off of Costs and Recoveries	**January 31, 2010**
Gold and Base Metal Properties, British Columbia				
Exploration costs	$ 798,542	$ 67,203	$ (534,399)	**$ 331,346**
Acquisition costs	70,389	29,796	(10,117)	**90,068**
Geological and assays	123,407	8,008	(11,364)	**120,051**
Office and salaries	447,733	111,038	(30,003)	**528,768**
	1,440,071	216,045	(585,883)	**1,070,233**
Gold and Base Metal Properties, NWT& NU				
Exploration costs	7,558,072	156,791	(35,458)	**7,679,405**
Acquisition costs	126,593	3,813	(53,212)	**77,194**
Geological and assays	228,931	44,631	(2,067)	**271,495**
Office and salaries	1,113,643	109,867	(38,728)	**1,184,782**
	9,027,239	315,102	(129,465)	**9,212,876**
Gold and Base Metal Properties, Saskatchewan				
Exploration costs	1,112,223	20,317	-	**1,132,540**
Acquisition costs	143,757	519	(60,000)	**84,276**
Geological and assays	17,630	2,464	-	**20,094**
Office and salaries	163,042	52,068	-	**215,110**
	1,436,652	75,368	(60,000)	**1,452,020**
Other Exploration and Generative Exploration				
Exploration costs	(4,878)	1,983	(257)	**(3,152)**
Acquisition costs	69	18,838	(8,717)	**10,190**
Geological and assays	1,970	62	-	**2,032**
Office and salaries	15,927	27,844	(3,458)	**40,313**
	13,088	48,727	(12,432)	**49,383**
TOTAL	$ 11,917,050	$ 655,242	$ (787,780)	**$ 11,784,512**

During the year ended January 31, 2010, the Company wrote-off $201,272 (2009 - $4,799,759) relating to certain properties, recorded recoveries for B.C. mineral exploration tax credits of $510,008 (2009 - $Nil), and recorded other recoveries of $76,500 (2009 –$164,147).

7. MINERAL PROPERTIES (CONT'D…)

	January 31, 2008	Expended During The Period	Write-off of Costs and Recoveries	**January 31, 2009**
Gold and Base Metal Properties, British Columbia				
Exploration costs	$ 3,209,677	$ 87,451	$ (2,498,586)	**$ 798,542**
Acquisition costs	256,137	15,184	(200,932)	**70,389**
Geological and assays	461,237	28,232	(366,062)	**123,407**
Office and salaries	1,514,637	97,829	(1,164,733)	**447,733**
	5,441,688	228,696	(4,230,313)	**1,440,071**
Gold and Base Metal Properties, NWT& NU				
Exploration costs	3,930,266	3,970,392	(342,586)	**7,558,072**
Acquisition costs	238,808	43,007	(155,222)	**126,593**
Geological and assays	74,175	155,052	(296)	**228,931**
Office and salaries	519,609	617,299	(23,265)	**1,113,643**
	4,762,858	4,785,750	(521,369)	**9,027,239**
Gold and Base Metal Properties, Saskatchewan				
Exploration costs	338,504	773,719	-	**1,112,223**
Acquisition costs	138,479	5,278	-	**143,757**
Geological and assays	3,223	14,407	-	**17,630**
Office and salaries	22,825	140,217	-	**163,042**
	503,031	933,621	-	**1,436,652**
Other Exploration and Generative Exploration				
Exploration costs	32,977	96,882	(134,737)	**(4,878)**
Acquisition costs	16,424	5,188	(21,543)	**69**
Geological and assays	-	3,526	(1,556)	**1,970**
Office and salaries	15,611	54,704	(54,388)	**15,927**
	65,012	160,300	(212,224)	**13,088**
TOTAL	$ 10,772,589	$ 6,108,367	$ (4,963,906)	**$ 11,917,050**

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.

Gold and Base Metal Properties, British Columbia

The Company maintains interests in various gold and base metal properties in B.C. in addition to the properties described below.

Shovelnose and LP Properties

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

BC Mineral Exploration Tax Credits ("BC METC")

During the year ended January 31, 2010, the Company received $510,008, which represents mineral exploration tax credits for the fiscal years ended 2006 through 2008, and reduced its capitalized exploration costs in B.C. by the same amount.

7. MINERAL PROPERTIES (CONT'D…)

Gold and Base Metal Properties, British Columbia (cont'd…)

Bitterroot Agreement

In June 2006, the Company concluded an option agreement with a prospector and Bitterroot Resources Ltd. ("Bitterroot") whereby Bitterroot may earn a 100% interest in certain claims known as the "Big Southeaster" property on Vancouver Island. Under the terms of this agreement, Bitterroot must issue $50,000 worth of common shares to the Company (the Company's share being 33%) and the prospector, prior to the third anniversary of the agreement. The Company received 108,553 Bitterroot common shares with a value of $16,500 during the year-ended January 31, 2010. The Company will retain a 0.66% net smelter return royalty ("NSR") on the property, one-half of which (0.33%) may be purchased by Bitterroot for $330,000.

Chu Chua Property

In July 2009, the Company re-acquired ownership of the Chu Chua mineral claims in exchange for returning 4,000,000 common shares of Anglo-Columbia valued at $40,000 (Note 5).

In August 2009, the Company signed an agreement with a private company providing an option to purchase the Company's 100% interest in the Chu Chua mineral claims. To exercise the option, the private company paid $25,000 (received) and agreed to issue up to 2,000,000 shares of a publicly traded company. In December 2009, the transaction closed, with the Company having received 2,000,000 shares of Reva at a value of $300,000 resulting in a gain of $285,000, and transferred ownership of the Chu Chua mineral claims to Reva. The Company retains a 1% net smelter returns royalty on any future mineral production from the deposit.

Inza Properties

In February 2009, the Company acquired a 100% interest in five mineral claims prospective for copper-gold by issuing a total of 250,000 common shares with a fair value of $15,000 to two prospectors. In September 2008 and February 2009, the Company acquired, by staking, a 100% interest in 12 adjacent mineral claims.

Other Properties, BC

Mineral property write-offs of $59,375 during the year ended January 31, 2010 relate to various other properties in British Columbia, where either no exploration programs of significance are planned for the foreseeable future, or where the Company no longer holds title to the claims.

Gold and Base Metal Properties, Northwest Territories and Nunavut

The Company maintains interests in various gold and base metal properties in the Northwest Territories and Nunavut in addition to the properties described below.

Opescal Lake, NWT

The Company acquired, by staking, a 100% interest in certain mineral claims forming part of the Company's Snowbird nickel project, in December 2006.

Nickel King Project, NWT

The Company holds a 100% interest in a number of mineral claims and mining leases in the southern Northwest Territories. Certain of these mineral claims are subject to a 3% NSR on base and precious metals production and an additional 2% gross overriding royalty ("GOR"). The Company may purchase the entire NSR at any time for $1,500,000 and the Company may purchase one-half (1%) of the GOR at any time for $2,500,000.

Other Properties, NWT

In December 2008, North Arrow terminated its option to earn an interest in the Silvertip Project. In April 2009, the Company wrote-off $126,213 related to capitalized acquisition and exploration costs on the Silvertip project as no further exploration work is planned for the project. North Arrow and the Company are related by virtue of two common directors.

Mineral property write-offs of $3,252 during the year ended January 31, 2010 relate to various other properties in the Northwest Territories, where either no exploration programs of significance are planned for the foreseeable future, or where the Company no longer holds title to the claims.

7. MINERAL PROPERTIES (CONT'D…)

Gold and Base Metal Properties, Saskatchewan

The Company maintains a 100% interest in a number of mineral claims in northern Saskatchewan that form part of the Company's Snowbird nickel project, including the Dumas Lake, Heel, Breynat and Opescal Lake (Saskatchewan) properties.

Other Exploration and Generative Exploration, Canada

Uranium Projects, Generative, Canada

The Company and Bayswater Uranium Corporation ("Bayswater") have an agreement to generate uranium exploration projects in Canada ("CUJV"). Under the terms of this agreement, Bayswater will contribute up to $500,000 between 2006 and 2010 to fund the acquisition of uranium projects identified by the Company and, upon identification of such project(s), Bayswater will be required to incur a further $600,000 in exploration expenditures within two years on each of up to three uranium projects identified by the Company as "Earn-in projects", whereby Bayswater and the Company will each hold a 50% interest in the generative project, with Bayswater as the Operator. Bayswater and the Company are related by virtue of a common director.

Other Properties

The Company maintains a number of mineral claims and permits in British Columbia, Saskatchewan and the Northwest Territories, as part of the Company's ongoing generative exploration programs. Mineral property write-offs of $12,432 during the year ended January 31, 2010 relate to various other properties, where either no exploration programs of significance are planned for the foreseeable future, or where the Company no longer holds title to the claims.

In July 2009, the Company and North Arrow, a company related by virtue of two directors, entered into an agreement whereby the Company may acquire mineral rights and explore for lithium in an area of interest ("AOI"). North Arrow retains a right to back into a 40% interest, once the Company completes US $2 million to explore the AOI and provides notice to North Arrow. North Arrow may back-into a 40% interest by spending US $2 million from the date of notice, including minimum expenditures of US $500,000 within each twelve-month period.

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares		Amount		Contributed Surplus
Authorized					
Unlimited common shares without par value					
Issued					
As at January 31, 2008	56,245,963	$	20,223,336	$	2,722,202
Private placements	9,502,500		3,801,000		-
Compensation units	125,000		50,000		-
Share issue costs	-		(405,476)		39,969
Tax benefits renounced to flow-through share subscribers (Note 10)	-		(1,221,067)		-
Stock-based compensation	-		-		406,481
As at January 31, 2009	65,873,463		22,447,793		3,168,652
Property option agreement	250,000		15,000		-
Tax benefits renounced to flow-through share subscribers (Note 10)	-		(950,250)		-
Stock-based compensation	-		-		128,256
As at January 31, 2010	66,123,463	$	21,512,543	$	3,296,908

Share issuances

During the year ended January 31, 2010, the Company issued 250,000 common shares valued at $15,000 pursuant to a mineral property option agreement (Note 7).

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (CONT'D…)

Share issuances (cont'd…)

In May 2008, the Company issued, by way of a non-brokered private placement, 750,000 flow-through units of the Company at $0.40 per flow-through unit for gross proceeds of $300,000. Each flow-through unit consisted of one flow-through share and one half of one non-flow-through share purchase warrant. Each whole warrant entitled the holder to purchase one additional non-flow-through common share of the Company at a price of $0.45 per share until May 16, 2009.

In June 2008, the Company issued, by way of a brokered private placement 8,752,500 flow through units of the Company at a price of $0.40 per flow through unit for gross proceeds of $3,501,000. Each flow through unit consisted of one flow through share and one-half of one common share purchase warrant (each whole purchase warrant being a "Warrant"). Each Warrant was transferable and could have been exercised into one common share of the Company at a price of $0.45 until June 5, 2009.

The Company paid the agents a cash commission of $245,070 and issued 612,675 agents' warrants. Each agents' warrant was exercisable into one non-flow-through common share of the Company at $0.40 per share until June 5, 2009. As additional compensation, the agents were paid a corporate finance fee of 125,000 units, with each unit consisting of one non-flow-through common share plus one half of a share purchase warrant (each whole purchase warrant being a "Corporate Finance Warrant"). The Corporate Finance Warrants have the same terms as the Warrants. The fair value of the Agents' warrants was estimated to be $39,969 using the Black-Scholes option pricing model with this amount being recorded in contributed surplus.

The following weighted average assumptions were used for the Black Scholes valuation of agents warrants issued as part of the June 2008 financing:

Risk-free interest rate	2.9%
Expected life of warrants	1 year
Annualized volatility	65%
Dividend rate	0.00%

Stock options and warrants

In June 2009, the Company's shareholders approved the Company's Stock Option Plan (the "Plan"), which establishes a rolling number of shares issuable under the plan in the amount of 10% of the Company's issued shares at the date of grant.

Under the terms of the Plan, the exercise price of each option granted cannot be less than the market price at the date of grant, less a discount up to 25% in accordance with the policies of the TSX-V. Options granted can have a term up to 5 years with vesting provisions determined by the directors in accordance with TSX-V policies for Tier 2 Issuers. Typically, the Company has granted stock options at or above the market price on the grant date, with a vesting period of 25% upon grant and 25% every six months thereafter.

As at January 31, 2010, the following stock options were outstanding:

	Number of Shares		Exercise Price	Number Vested	Expiry Date
Options	540,000	$	0.2898	540,000	February 2, 2010 (subsequently expired)
	37,500		0.2940	37,500	June 13, 2010
	10,000		0.2940	10,000	September 23, 2010
	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	912,500	July 26, 2014

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (CONT'D…)

Stock options and warrants (cont'd…)

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, January 31, 2008	5,423,500	$	0.54
Granted	200,000		0.54
Cancelled/expired	(572,250)		0.47
Balance, January 31, 2009	5,051,250		0.54
Granted	1,825,000		0.17
Cancelled/expired	(1,443,750)		0.63
Balance, January 31, 2010	5,432,500	$	0.39
Number of options currently exercisable	4,520,000	$	0.44

The weighted average fair value of stock options granted during the current fiscal period was $0.10 (2009 - $0.18).

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, January 31, 2008	2,863,561	$	1.07
Granted	5,426,425		0.44
Expired	(2,863,561)		1.07
Balance, January 31, 2009	5,426,425		0.44
Expired	(5,426,425)		0.44
Balance, January 31, 2010	-	$	-

Stock-based compensation

During the year ended January 31, 2010, the Company granted 1,825,000 stock options (2009 – 200,000) with a fair value of $179,047 (2009 - $36,787), which is being recognized over the vesting periods of the options. Total stock-based compensation recognized during the year ended January 31, 2010 was $128,256 (2009 – $406,481).

The following weighted average assumptions were used for the Black Scholes valuation of stock options granted:

	Year Ended January 31, 2010	Year Ended January 31, 2009
Risk-free interest rate	1.97%	2.78%
Expected life of options	3 years	3 years
Annualized volatility	100%	67%
Dividend rate	0.00%	0.00%

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements:

a. Charged rent of $Nil (2009 - $24,000) to Stornoway Diamond Corporation ("Stornoway"), a company with a common director.

b. Charged rent of $24,000 (2009 - $12,000) to North Arrow, a company with two common directors.

Included in receivables are amounts due from Stornoway totaling $4,714 (2009 - $2,811) for reimbursement of exploration and administrative costs paid by the Company on Stornoway's behalf.

As at January 31, 2010, the Company had advanced $65,288 (2009 - $30,824) to North Arrow for exploration expenditures and shared administrative expenses. This advance is non-interest bearing, unsecured and due upon demand and has been re-classified from advances to receivables during the year ended January 31, 2010.

Included in accounts payable and accrued liabilities is $Nil (2009 –$3,733) payable to a company controlled by a director.

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.

10. INCOME TAXES

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

	2010	2009
Loss before income taxes	$ (487,139)	$ (8,788,375)
Expected income tax recovery	$ 145,533	$ 2,713,411
Non-deductible items	(28,920)	(1,220,760)
Recognized benefit of other tax assets	45,964	45,157
Unrecognized benefit of non-capital losses	782,936	(224,065)
Future income tax recovery	$ 945,513	$ 1,313,743

As at January 31, 2010, the Company has approximately $1,297,000 in non-capital losses available for deduction against future year's taxable income. These losses will expire in 2030.

Subject to certain restrictions, the Company has approximately $14,650,000 of mineral property expenditures and $680,000 in non-refundable tax credits available to reduce taxable income of future years.

During the year ended January 31, 2010, the Company issued Nil (2009 – 9,502,500) common shares on a flow-through basis for gross proceeds of $Nil (2009 - $3,801,000). The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenses incurred on the Company's mineral properties to the flow-through participants. The Company has renounced exploration expenditures of $3,801,000 (2009 - $4,003,500), which resulted in a future income tax recovery and a charge against capital stock of $950,250 (2009 - $1,221,067).

10. INCOME TAXES (CONT'D…)

The significant components of the Company's future income tax assets are as follows:

	2010	2009
Future income tax assets (liabilities):		
Non-capital losses	$ 324,352	$ 188,687
Mineral properties	717,203	(37,540)
Marketable securities	367,488	268,890
Property and equipment	24,819	30,227
Share issuance costs and other tax assets	213,997	268,887
	1,647,859	719,151
Less: valuation allowance	(1,647,859)	(719,151)
	$ -	$ -

11. ACCUMULATED OTHER COMPREHENSIVE INCOME

Balance, January 31, 2008	$ (563,460)
Reversal of previous unrealized losses on available-for-sale investments sold or written down, net of future income taxes	563,460
Unrealized gains on available-for-sale investments, net of future income taxes	31,694
As at January 31, 2009	31,694
Reversal of previous unrealized gain on available-for-sale investments, net of future income taxes	(31,694)
Unrealized gains on available-for-sale investments, net of future income taxes	800,528
As at January 31, 2010	$ 800,528

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

At January 31, 2010, cash and equivalents of $795,723 (2009 - $1,079,697) consisted of cash on deposit of $795,723 (2009 - $189,975) and short-term investments of $Nil (2009 - $889,722).

The significant non-cash transactions for the year ended January 31, 2010 were:

a) The Company incurring mineral property expenditures of $39,204 that are included in accounts payable and accrued liabilities.

b) The Company accruing a recovery of mineral property expenditures of $7,902 that is included in receivables.

c) The Company issued 250,000 common shares valued at $15,000 pursuant to the purchase of mineral property claims (Note 7).

d) The Company receiving 108,553 common shares of Bitterroot valued at $16,500 pursuant to a mineral property option agreement (Note 7).

e) The Company receiving 2,000,000 common shares of Reva valued at $300,000 pursuant to the sale of the Chu Chua mineral claims (Note 4).

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (CONT'D…)

The significant non-cash transactions for the year ended January 31, 2009 were:

a) The Company incurring mineral property expenditures of $27,493 that are included in accounts payable and accrued liabilities and the Company accruing a recovery of mineral property expenditures of $255 that is included in receivables.

b) The Company receiving 16,500 common shares of Bitterroot valued at $6,600 pursuant to the sale of future mineral property rights (Note 7).

c) The Company issuing 612,675 agents' warrants with a value of $39,969 as part of a private placement in June 2008 (Note 8).

d) The Company paid a corporate finance fee of 125,000 units with a value of $50,000 as part of a private placement in June 2008 (Note 8).

13. COMMITMENTS

The Company is committed to minimum future lease payments for office premises through to January 31, 2011 and exploration equipment through to January 31, 2013 as follows:

Fiscal year ending January 31, 2011	$ 76,680
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.

14. 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.