

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

**Containing Information up to and including December 18, 2009**

**Description of Business**

Strongbow Exploration Inc. (the "Company") is a Canadian mineral exploration company focused on exploring prospective nickel properties in Saskatchewan and the Northwest Territories and gold and copper properties in British Columbia. The Company's goal is to identify potentially economic nickel/copper mineralization within the Snowbird Tectonic Zone in northern Saskatchewan and southeastern Northwest Territories and gold mineralization in the Spences Bridge area of southern British Columbia and gold and copper mineralization in the Fort St. James area of central British Columbia. 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, 2009, should be read in conjunction with the audited financial statements of the Company for the years ended January 31, 2009 and January 31, 2008, 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.

**Overview - General**

This Management Discussion & Analysis contains certain forward-looking information. When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objects and goals for the Company and therefore involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements.

**Highlights for the period ended October 31, 2009 and subsequent events up to December 18, 2009**

- The Company reported results from a 2-week field evaluation of the **Snowbird Nickel project**, Saskatchewan/NWT. Several new occurrences of sulphide nickel mineralization were discovered, including the OPN target where 5 of 6 samples returned from 0.22% Ni to 1.17% Ni from float and subcropping boulders of mineralized gabbro coincident with a high priority geophysical conductor;
- The Company completed and reported results from an exploration program at its wholly owned **Shovelnose** gold property, British Columbia;
- In August 2009, the Company signed an option agreement with a private company to sell a 100% interest in the Chu Chua copper-gold massive sulphide deposit in central British Columbia;
- During the period ended October 31, 2009, Company management participated in a Saskatchewan government led trade mission to Asia, including participation in the 2009 China Mining Congress. The purpose of the trip was to market the Company's Snowbird and Nickel King nickel projects and to identify and evaluate potential investment opportunities.

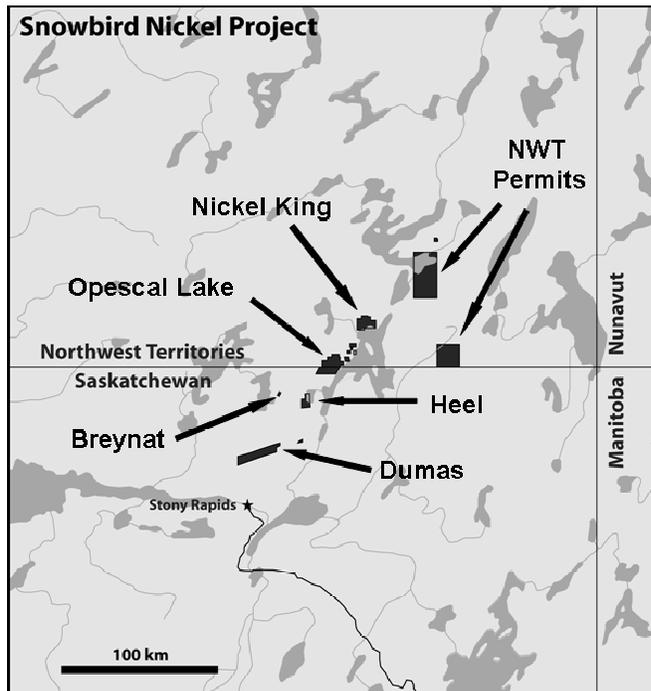
A summary of the exploration activities for the Company follows, as well as a description of other corporate activities. These summaries include some discussion of management's future exploration plans. The reader is cautioned that actual results, performance or achievements may be materially different 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, NT) Vice-President of Exploration for the Company.

During the period ending October 31, 2009, the Company focused its efforts and resources on further evaluating its Snowbird Nickel project, including the Nickel King Ni-Cu-Co deposit. The Company also continued its evaluation of the the Shovelnose gold property, British Columbia. Generative exploration efforts are also ongoing, with the purpose of identifying low cost exploration opportunities within North America.

## Nickel Properties – Northwest Territories & Saskatchewan



### General

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 currently being evaluated at the Company's **Nickel King** property, 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.

In addition to the Nickel King property, the Company also maintains a 100% interest in approximately 100,000 ha of mineral claims and permits located along a 240 km strike length of the southern STZ, straddling the Saskatchewan-Northwest Territories border. These properties are collectively part of the Company's **Snowbird Nickel project** and include the Dumas, Heel, Breynat and Opescal Lake target areas.

### Nickel King Project - Northwest Territories

The Company's principal exploration project remains its wholly owned, 7,642 ha Nickel King Project located in the STZ in the southeastern corner of the Northwest Territories, approximately 145 km northeast of Stony Rapids, Saskatchewan. The Nickel King project hosts the Ni-Cu-Co sulphide deposit which contains a NI 43-101 compliant Indicated Resource estimate of 11.1 Mt grading at 0.40% Ni, 0.10% Cu and 0.018% Co (97.7 Mlb Ni, 23.5 Mlb Cu and 4.4 Mlb Co) and an additional Inferred Resource of 33.1 Mt grading at 0.36% Ni, 0.09% Cu and 0.017% Co (262.4 Mlb Ni, 63.9 Mlb Cu and 12.3 Mlb Co). Please see the Company's MD&A for the period ending April 30, 2009 for more information on the resource estimate.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. This mineral resource estimate includes inferred resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that the inferred mineral resource will be converted to the measured and indicated mineral resource categories through further drilling, or into a mineral reserve once economic considerations are applied.

On July 15, 2009 the Company reported results from an initial metallurgical study of the Main Zone. The metallurgical program was carried out at SGS Mineral Services in Lakefield, Ontario under the independent supervision of Mr. Andy Holloway (P.Eng.) of DRA Americas. PEG Mining Consultants provided management of the program and additional guidance and supervision was provided by Dr. Wm Gord Bacon (P.Eng.), an independent consulting metallurgical engineer. The study was intended to provide Strongbow with initial metallurgical criteria for the Main Zone deposit, including chemical and mineralogical analysis, as well as grindability, flotation and heavy liquids testing. Based on the results of a final locked cycle test, a final concentrate returned a grade of 16.5% Ni, 4.2% Cu and 0.74% Co. Recoveries of Ni, Cu and Co are reported as 78.4%, 89.1% and 63.5%, respectively. Please see the Company's MD&A for the period ending July 31, 2009 for more information on the metallurgical testwork. A summary report documenting the metallurgical program can be found on the Company's website at [www.strongbowexploration.com](http://www.strongbowexploration.com).

Company management is very pleased with the results of the metallurgical program. The concentrate grade and metal recoveries are higher than had been used in the Company's internal models. While the February 2009 resource estimate is heavily weighted to the more speculative inferred resource category, the positive metallurgical results, combined with management's belief that the size of the Nickel King resource can be significantly increased through additional infill and step out drilling, provide strong encouragement to continue evaluating the property and pursuing financing opportunities.

As part of ongoing efforts to pursue financing opportunities, during the period ending October 31, 2009, Company management participated in a trade mission to Asia led by the Government of Saskatchewan. As part of the trade mission, management met with potential investors in China, Japan and South Korea and also participated in the 2009 China Mining Congress. The purpose of the trip was to identify and evaluate potential investment and partnership opportunities with Asian companies as a way to finance further evaluation of the Company's nickel properties.

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

#### Snowbird Nickel Project – Saskatchewan/Northwest Territories

The Company's Snowbird project consists of approximately 100,000 ha of mineral claims and prospecting permits covering five target areas located primarily in Saskatchewan between the Nickel King project and the community of Stony Rapids. The Company maintains a 100% interest in each of the Snowbird project properties.

During the period ending October 31, 2009, the Company reported results from a two-week prospecting and mapping program intended to evaluate a number of priority targets in the Opesca Lake and Heel areas. Two new areas of nickel-copper sulphide mineralization were discovered at Opesca Lake, which straddles the Saskatchewan-Northwest Territories border. The most significant mineralization was discovered at the OPN target, where five of six representative samples of mineralized gabbro boulders returned from 0.22% to 1.17% Ni. Gabbro boulders and subcrop that define the OPN target are directly coincident with a 770 m long high priority (>1,000 Siemens) geophysical conductor. This conductor also coincides with the northern third of a discontinuous magnetic high that can be traced for over two kilometres. The sulphide metal content of the samples collected from the OPN target is estimated to be 4.5-5.0% Ni in 100% sulphides. These sulphide metal contents compare favourably to those calculated for the Nickel King deposit.

The second new discovery at Opesca Lake, the NP8 showing, is located in Saskatchewan approximately 13 km to the southeast of the OPN target. Mineralization at the NP8 showing is hosted within a norite sill that coincides with a 660 m long high priority (>1,000 Siemens) geophysical conductor and magnetic anomaly. Outcrops and boulders of norite and related pyroxenite have been mapped over an estimated strike length of 900 m. Six grab samples of mineralized norite returned from 0.13% Ni to 0.38% Ni. The sulphide metal content for the highest grade sample is estimated at 3.1% Ni in 100% sulphides.

Outside of the OPN and NP8 showings, numerous mafic to ultramafic intrusions have now been mapped in the Opesca Lake area. Of particular interest is a five kilometre long discontinuous trend of magnetic high anomalies located 1.5 kilometres east of the OPN target. This magnetic trend is coincident with at least eight priority

conductive targets having conductivity thickness values in excess of 150 Siemens. Ground truthing of these targets has been frustrated by the presence of significant glacial overburden, however, of note is a single grab sample collected prior to 2009, at the southern end of this magnetic trend that returned 4.2 g/t Au, 0.8 g/t Pd, and 0.8 g/t Pt.

At the Heel target area, located 30 km south of Opescal Lake and 70 km northeast of Stony Rapids, Company geologists identified a series of mafic to ultramafic intrusions associated with at least seven priority (greater than 150 Siemens) conductive anomalies. The intrusions are generally weakly mineralized with nickel values typically less than 0.15% Ni. However, the most promising showing discovered to date in the Heel area was sampled in 2008 and returned 0.48% Ni and 0.27% Cu.

Company management is encouraged by the discovery of previously unknown mafic and ultramafic intrusions in close proximity to high priority geophysical conductors. The new target areas and showings compliment the discovery of nickel sulphides at Nickel Lake in 2008 and confirm the potential for discovery of additional nickel deposits in the southern STZ.

## Spences Bridge Gold Belt Properties – British Columbia

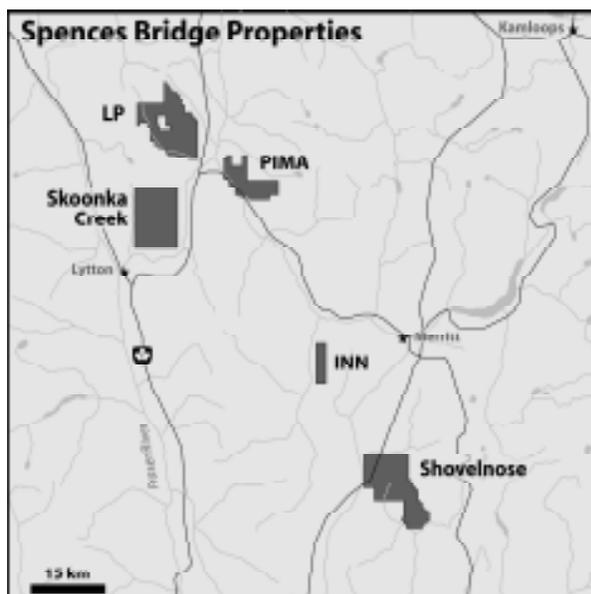
### General

The Company maintains an interest in a number of exploration properties within the Spences Bridge Gold Belt (“SBGB”) in southwestern British Columbia. The SBGB covers a 100 km strike length of volcanic stratigraphy that is prospective to host epithermal gold mineralization. The best mineralization reported to date from the area has been described at the JJ showing on the Company’s Skoonka Creek property, where a 2005 drilling program included a highlight drill hole that returned 12.8 m grading 20.2 g/t gold from a well banded low sulphidation epithermal quartz vein.

### 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 SBGB.

In October 2009, the Company completed a program of mapping and mechanized trenching. Exploration activities included approximately 350 m of mechanized trenching in 14 trenches intended to further evaluate the Mik and Line 6 gold showings. Gold mineralization occurs within massive to colloform banded quartz veins and local vein breccia zones, hosted within moderately to strongly altered felsic volcanic rocks.



Three of the 2009 trenches tested the Mik area with a best result of 2.9 m grading 2.7 g/t Au and 18.1 g/t Ag. A separate chip sample collected from a 12 cm thick quartz vein from within this 2.9 metre interval returned **66.9 g/t Au and 75 g/t Ag**. This high grade vein exhibits a bladed quartz texture, suggestive of a boiling zone within an epithermal vein system, and is interpreted to be the continuation of multiple high grade, colloform banded veins that have now been traced over a strike length of 45 metres. In 2008, these veins returned gold grades ranging from 1.0 g/t to 46.3 g/t. Overall the Mik showing has been defined over a width of 170 metres based on multiple quartz veins and could have a north-south strike extent of up to 550 metres based on the location of a 2008 float sample that returned **119.4 g/t Au and 271 g/t Ag**.

The remaining eleven trenches tested the Line 6 showing as follow up to trenching completed in 2008 which returned a best result of 5.1 g/t gold over 6.0 m. Five of the 2009 trenches have returned anomalous gold

mineralization (>150 ppb gold) over widths ranging from 5 to 21 metres, with a best result of 0.8 g/t gold over 21 m,

including 4.9 g/t gold over 2.0 m. Similar to the Mik showing, Line 6 mineralization is focused within narrow, north northeast trending quartz veins. Mineralization has now been identified in bedrock over an east – west extent in excess of 400 m. In the eastern Line 6 area, a series of recently discovered quartz veins define a quartz rich corridor ranging up to 40 metres wide and extending 120 m southwards into two trenches from 2008 which returned 2.0 m grading 17.0 g/t Au and 4.0 m grading 3.35 g/t Au. This area of veining remains open along strike to the north and south, as well to the east and west where more parallel veins could be discovered.

Overall, mineralization at the Mik and Line 6 showings is hosted within quartz veins and breccia zones, with very limited gold mineralization within adjacent, altered felsic volcanic host rocks. Exposure is generally very poor and trenching has allowed a better evaluation of potential host structures. Future work will include detailed ground geophysical and soil geochemical surveys to better define potential structures that could represent conduits for gold bearing fluids and potential drill targets.

#### Pima property

The 4,800 hectare PIMA property covers prospective geology on the eastern edge of the Spences Bridge volcanic belt, approximately 10 km east of the Skoonka Creek property. The Company maintains a 100% interest in the property. During the period ending October 31, 2009, the Company received results from a field evaluation of the property. No significant results were returned. As a result, the Company has written off exploration expenditures of \$6,762.

#### **Other Exploration Properties**

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

The Inza porphyry copper gold prospect is located in the Fort St. James area of the Quesnel Trough, in central British Columbia. The 7,260 ha property is located approximately 54 km northwest of Fort St. James and is accessible by a series of logging roads. The Mount Milligan deposit is located 40 km to the northeast of the property and the recently discovered Kwanika deposit, is situated 87 km to the northwest. Mineralization at both of these deposits is similar in style to that being targeted at Inza.

During the period ending October 31, 2009, the Company continued to pursue opportunities to attract a partner to finance the continued evaluation of this target.

##### Chu Chua Property – British Columbia (Cu-Au-Zn-Ag)

In September 2009, the Company signed an agreement with a private company providing an option to purchase the Company's 100% interest in the Chu Chua base metal massive sulphide deposit located in central British Columbia. To exercise the option, the private company must pay \$25,000 (received) and issue up to 2 million shares of a publicly traded company. The Company will also retain a 1% net smelter returns royalty on any future mineral production from the deposit.

In December 2009, the transaction closed, with the Company having received 2,000,000 shares of Reva Resources Corp. ("Reva"), at a value of \$300,000, and transferred ownership of the Chu Chua mineral claims to Reva. The shares are subject to a four-month hold period expiring April 4, 2010.

#### **Investment in North Arrow Minerals Inc.**

North Arrow is a Canadian exploration company focused on exploring for and defining lithium resources in North America. North Arrow and the Company have two directors in common. As of October 31, 2009 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 13.5% of the outstanding shares of North Arrow as at December 18, 2009.

During the year ended January 31, 2009, the Company accounted for its investment in North Arrow using the equity method. As a result of subsequent dilution in the Company's ownership of North Arrow, as at October 31, 2009, the

Company has determined that it no longer has significant influence over North Arrow and accordingly, has reclassified its investment to marketable securities. Related advances to North Arrow have been reclassified to receivables. Marketable securities are recorded at fair value based on the quoted market prices for the marketable securities as at the balance sheet date.

### **Results of Operations**

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

During the nine months ended October 31, 2009 (the "**Current Period**"), the Company recorded net income of \$617,331 (\$0.01 income per share) as compared to a net loss of \$6,945,475 (\$0.11 loss per share) for the nine months ended October 31, 2008 (the "**Comparative Period**"). The main reason for the Company's net income for the Current Period compared to a net loss in the Comparative Period is due to a significant decrease in the write-off of accumulated acquisition and exploration expenses (Current Period - \$191,630; Comparative Period - \$4,416,986). In addition, the Company recognized a loss on the sale of marketable securities of \$502,042 in the Comparative Period (Current Period - gain of \$22,570). Also, the Company recognized a future income tax recovery of \$1,229,983 in the Current Period (Comparative Period - \$1,221,067). In the Current Period, \$1,159,305 of the \$1,229,983 future income tax recovery has been recorded in accordance with EIC-146 "Flow-through Shares", whereby the Company renounces certain tax deductions for Canadian exploration expenses incurred on the Company's mineral properties to flow-through participants.

The decrease in administrative expenses in the Current Period results from both a decrease in the number and size of exploration programs operated by the Company and from management's efforts to reduce corporate and administrative expenses to preserve capital. The Company's administrative expenses of \$486,043 decreased from \$819,547 in the Comparative Period. Stock-based compensation had the largest impact on this decrease (Current Period - \$98,415; Comparative Period - \$360,467), followed by decreases in advertising and promotion (Current Period - \$49,338; Comparative Period - \$124,504), insurance (Current Period - \$19,804; Comparative Period - \$45,723) and office, miscellaneous and rent (Current Period - \$94,401; Comparative Period - \$124,261). Professional fees (Current Period - \$58,393; Comparative Period - \$65,677), amortization (Current Period - \$17,536; Comparative Period - \$23,848) and regulatory and filing fees (Current Period - \$11,090; Comparative Period \$15,993) all decreased slightly from period to period. In contrast, the Company spent more on salaries and benefits expense (Current Period - \$137,066; Comparative Period - \$59,074) as less time was capitalized to the Company's exploration properties in the Current Period.

During the Current Period, the Company wrote-off accumulated acquisition and exploration expenses of \$191,630, related mostly to the Pale 1 mineral claim, as compared to a write-off of \$4,416,986 in the Comparative Period, primarily for the Skoonka Creek property in BC. Several other factors affected the Company's loss before taxes in the Current Period, including interest income (Current Period - \$63,250; Comparative Period - \$46,117); gain on the sale of marketable securities (Current Period - \$22,570; Comparative Period - loss of \$502,042); and a loss of \$20,449 from the write-off of capitalized leasehold improvements recognized during the Current Period. Included in interest income in the Current Period is interest of \$60,600 related to a refund of income taxes paid with respect to a re-assessment filed for the January 31, 2007 fiscal year. This payment is not expected to re-occur in the future. Other factors influencing the loss in the Comparative Period included a write-down of investments (Current Period - \$Nil; Comparative Period - \$1,263,611) and an equity loss from North Arrow (Current Period - \$Nil; Comparative Period - \$234,560). The Company's deficit was \$11,356,375 at October 31, 2009.

Total assets increased to \$13,843,445 as at October 31, 2009 as compared to total assets of \$13,808,976 as at January 31, 2009. Mineral property costs, capitalized as assets, decreased to \$11,681,591 as at October 31, 2009 from \$11,917,050 as at January 31, 2009. The Company recorded a reduction of \$510,008 to its capitalized exploration costs to record the B.C. mineral exploration tax credits ("METC") for the years 2006 to 2008 that were received in the Current Period.

## Summary of Exploration Expense

	January 31, 2009	Expended During The Period	Write-off of Costs and Recoveries	October 31, 2009
Gold and Base Metal Properties, British Columbia				
Exploration costs	\$ 798,542	\$ 66,262	\$ (534,236)	\$ 330,568
Acquisition costs	70,389	24,788	(10,117)	85,060
Geological and assays	123,407	5,571	(11,364)	117,614
Office and salaries	<u>447,733</u>	<u>97,395</u>	<u>(30,003)</u>	<u>515,125</u>
	<u>1,440,071</u>	<u>194,016</u>	<u>(585,720)</u>	<u>1,048,367</u>
Gold and Base Metal Properties, NWT& NU				
Exploration costs	7,558,072	130,855	(35,458)	7,653,469
Acquisition costs	126,593	69	(53,212)	73,450
Geological and assays	228,931	44,349	(2,067)	271,213
Office and salaries	<u>1,113,643</u>	<u>77,437</u>	<u>(38,728)</u>	<u>1,152,352</u>
	<u>9,027,239</u>	<u>252,710</u>	<u>(129,465)</u>	<u>9,150,484</u>
Gold and Base Metal Properties, Saskatchewan				
Exploration costs	1,112,223	16,105	-	1,128,328
Acquisition costs	143,757	138	(60,000)	83,895
Geological and assays	17,630	2,464	-	20,094
Office and salaries	<u>163,042</u>	<u>34,974</u>	<u>-</u>	<u>198,016</u>
	<u>1,436,652</u>	<u>53,681</u>	<u>(60,000)</u>	<u>1,430,333</u>
Other Exploration and Generative Exploration				
Exploration costs	(4,878)	1,983	-	(2,895)
Acquisition costs	69	17,282	-	17,351
Geological and assays	1,970	62	-	2,032
Office and salaries	<u>15,927</u>	<u>22,945</u>	<u>(2,953)</u>	<u>35,919</u>
	<u>13,088</u>	<u>42,272</u>	<u>(2,953)</u>	<u>52,407</u>
<b>TOTAL</b>	<b>\$ 11,917,050</b>	<b>\$ 542,679</b>	<b>\$ (778,138)</b>	<b>\$ 11,681,591</b>

During the nine months ended October 31, 2009, the Company wrote-off \$191,630 (October 31, 2008 - \$4,416,986) relating to certain properties and recorded recoveries for B.C. mineral exploration tax credits ("METC") of \$510,008, and other recoveries of \$76,500 (October 31, 2008 - other recoveries of \$176,021).

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 <sup>(1)</sup> from Continued Operation and Net Income (Loss)	Fully Diluted Earnings (Loss) per share <sup>(1)</sup> - from Continued Operation and Net Income (Loss)
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	\$ (773,393)	\$ (0.01)	\$ (0.01)
October 31, 2008	\$ 18,357	\$ (2,774,071)	\$ (0.04)	\$ (0.04)
July 31, 2008	\$ 10,197	\$ (5,176,707)	\$ (0.08)	\$ (0.08)
April 30, 2008	\$ 17,563	\$ 1,005,303*	\$ 0.02	\$ 0.02
January 31, 2008	\$ 29,542	\$ (1,121,351)	\$ (0.02)	\$ (0.02)

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

\*includes a future income tax recovery of \$1,159,305 (Comparative Period - \$1,221,067) due to the application of EIC-146, "Flow-through Shares", during the Current Period. This is a non-cash item recorded in compliance with Canadian GAAP.

### **Current Quarter**

The Company's net loss of \$250,631 in the three months ended October 31, 2009 (the "**Current Quarter**") was significantly lower than the \$2,774,071 loss in the three months ended October 31, 2008 (the "**Comparative Quarter**") due to a write-down of investments (Current Quarter - \$Nil; Comparative Quarter - \$1,263,611); a write-down of marketable securities of \$Nil in the Current Quarter (Comparative Quarter - \$975,913), and an equity loss of \$Nil in the Current Quarter (Comparative Quarter - \$261,069). Total administrative expenses decreased to \$122,061 in the Current Quarter, as compared to \$194,258 in the Comparative Quarter, a reflection of management's efforts to reduce administrative and overhead expenses. Loss per share of \$0.00 in the Current Quarter compares to a \$0.04 loss per share in the Comparative Quarter.

### **Liquidity and Capital Resources**

Working capital as at October 31, 2009 was \$1,981,510 as compared to \$1,354,428 at January 31, 2009. Cash and cash equivalents decreased by \$31,094 in the Current Period (Comparative Period - \$2,056,406), to \$1,048,603 as at October 31, 2009 (Comparative Period - \$1,345,885). Cash flow used in operations during the Current Period was \$142,645 (Comparative Period - \$205,324). The most significant changes in non-cash working capital items during the Current Period included a decrease in receivables of \$177,770; an increase in prepaid expenses of \$4,110 and a decrease of \$9,463 in accounts payable and accrued liabilities. During the Current Period, the Company had no cash flows from financing activities (Comparative Period - \$3,485,492).

The Company's primary investing activity is the acquisition and exploration of mineral properties. During the Current Period, the Company spent \$497,651 to acquire and explore its mineral property interests and recorded a recovery to its capitalized exploration costs totaling \$570,008, of which \$510,000 relates to the receipt of the BC METC refunds. The Company's exploration activities during the Current Period continued to focus on its nickel properties in the NWT and Saskatchewan as well as the Shovelnose and Inza properties in BC. Also during the Current Period, the Company received proceeds of \$41,570 (Comparative Period - \$524,251) from the sale of marketable securities. The Company currently has sufficient financial resources to meet its administrative overhead expenses for the next twelve months.

As at October 31, 2009, the Company had 5,432,500 outstanding stock options with exercise prices that range from \$0.17 to \$0.6636 and nil warrants outstanding. The exercise prices of the majority of the outstanding stock options are in excess of the Company's current share price, making it unlikely that additional funds will be generated in the short-term from the exercise of the stock options that are currently outstanding.

The Company may require additional financing from time to time to further planned and proposed exploration programs. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity 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. Fewer dollars are available for investment in the current equity markets, although some improvement in market conditions have been noted. 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. A \$756,000 refund from the government for BC METC tax credits, interest paid and the refund of an overpayment of income taxes was received in May 2009 and will help the Company to continue to finance its operations, without further dilution to shareholders. 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 \$97,000 for calendar 2009 and \$83,000 for calendar 2010, due to a reduction in the Company's leased office space.

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 2010. With respect to the Company's Nickel King project, newly granted mining leases will allow the Company to maintain the Main Zone deposit for a period of 21 years at an annual cost of \$3,744 per year. The Company's management actively manages its landholdings in an effort to keep those 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 2009 have continued to focus on the Company's 100% interest in the Nickel King project, including a metallurgical study as well as limited grass-roots exploration on certain of the Company's highest potential mineral properties in British Columbia. 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.

With the receipt of various tax credit refunds in May 2009, the Company has sufficient financial resources for the next 12-18 months. During this period, the Company will continue to seek ways to maximize the results received from its exploration efforts and to minimize variable expenses to the extent possible.

### **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. The steep decline in the Company's share price, while consistent with those in its peer group, makes additional financings more dilutive. Additional financing is also more challenging because there are fewer dollars available to be invested. The Company's marketable securities (common shares in several other publicly-traded exploration companies) have also declined significantly in value, and therefore it could be difficult for the Company to realize funds quickly from the sale of these common shares without causing further downward pressure on the share price of these companies.

Falling 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 liquidity risk, the risk that the Company won't be able to meet its obligations as they come due, will increase the longer that overall market conditions remain volatile and credit conditions remain tight. The Company's management actively monitors its cash flows and is making decisions and plans for 2010 accordingly. The Company has spent all of the flow-through funds raised in 2008 on its Canadian exploration properties in 2009, and has accrued \$6,046 for Part 12.6 tax payable in February 2010. 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 2010, even with reduced exploration budgets for 2009. 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.

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 its material exploration properties over the next year. The Company's management is considering various alternatives, in addition to those implemented to-date, to continue to reduce its overhead expenditures for the same period. The Company will need to consider some form of additional financing to continue operations into 2011 and the Company's management will continue to consider various alternatives, within the context of existing market conditions.

### **Outstanding Share Data**

The Company's authorized capital is unlimited common shares without par value. As at December 18, 2009, there were 66,123,463 common shares issued and outstanding.

As December 18, 2009, the Company had the following options outstanding:

	Number of Shares	Exercise Price	Number Vested	Expiry Date
<b>Options</b>	540,000	0.2898	540,000	February 2, 2010
	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	456,250	July 26, 2014

As at December 18, 2009, the Company has no warrants outstanding.

### **Transactions with Related Parties**

The Company entered into the following transactions with related parties during the Current Period:

- a. Charged rent of \$nil (October 31, 2008 - \$18,000) to Stornoway Diamond Corporation ("Stornoway"), a company with a common director.
- b. Charged rent of \$15,000 ( October 31, 2008 - \$9,000) to North Arrow, a company with two common directors.

Included in receivables are amounts due from Stornoway totaling \$3,879 (January 31, 2009 - \$2,811) for reimbursement of exploration, administrative costs paid by the Company on Stornoway's behalf.

As at October 31, 2009, the Company had advanced \$49,102 (January 31, 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 as a receivable as at October 31, 2009.

Included in accrued liabilities is \$Nil (January 31, 2009 - \$3,733) payable to a company controlled by a director.

Included in receivables is \$320 (January 31, 2009 - \$Nil) receivable from 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.

### **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*

Effective February 1, 2009, 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.

### *Credit Risk and Fair Value of Financial Assets and Financial Liabilities*

In January 2009, the CICA approved EIC-173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The Company has evaluated the new section and determined that adoption of these new requirements will have no impact on the Company's financial statements.

### *Mining Exploration Costs*

On March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Effective February 1, 2009, the Company adopted the CICA recommendations pertaining to the treatment of mining exploration costs. The Company has evaluated the new section and determined that the adoption of these new requirements will have no impact on the Company's financial statements.

## **Recent Accounting Pronouncements**

### *International financial reporting standards*

The Canadian Accounting Standards Board recently 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 has not yet completed a full evaluation of the adoption of IFRS and its impact on its financial position and results of operations. The full evaluation and an implementation plan will be completed during the year-ended January 31, 2010. The progress of the evaluation and implementation plan will be addressed in the Company's quarterly and annual MD&A's for the year-ended January 31, 2010. The evaluation and implementation plan will address the impact of IFRS on:

- Accounting policies, including choices among policies permitted under IFRS and implementation decisions such as whether changes will be applied on a retrospective or a prospective basis;
- Information technology and data systems;
- Internal control over financial reporting;
- Disclosure controls and procedures, including investor relations and external communications plans;
- Financial reporting expertise, training requirements and the need for assistance from outside expertise;
- Post implementation monitoring to access any future developments of IFRS.

### *Business combinations*

In January 2009, the CICA issued the new handbook Section 1582, "Business Combinations," effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and

measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. This standard is not expected to have a material impact on the Company's financial statements.

### **Commitments**

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

Fiscal year ending January 31, 2010	\$ 97,373
Fiscal year ending January 31, 2011	\$ 83,457

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

### **Off-Balance Sheet Arrangements**

Not applicable.

### **Financial Instruments**

The Company's financial instruments consist of cash and equivalents, short-term deposits, marketable securities, receivables, investments and accounts payable and accrued liabilities. The carrying value of cash and equivalents, short-term deposits, 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 at the balance sheet date.

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.

An analysis of the impact of these specific risks can be found in Note 3 to the interim financial statements for the nine-months ended October 31, 2009. Please see additional discussion under "Risks and Uncertainties" above.

### **Capital Management**

The capital of the Company consists of the items included in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its mineral properties and to provide sufficient funds for its corporate activities.

The Company's mineral properties are in the exploration stage. As an exploration stage company, the Company is currently unable to self-finance its operations. The Company has historically relied on equity financings and, more recently, asset sales or exploration option agreements, to finance its operations. In order to carry out the Company's planned exploration programs and to pay for administrative costs, the Company will spend its existing working capital and raise additional funds as required. To effectively manage the Company's capital requirements, the Company's management has in place a planning and budgeting process.

**Additional Disclosure for Venture Issuers Without Significant Revenue**

Additional disclosure concerning the Company's general and administrative expenses and mineral property costs is provided in the Company's Statement of Operations and Deficit and the Mineral Properties Notes contained in its Interim Financial Statements for October 31, 2009 and October 31, 2008. These statements are available on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

**Additional Information**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com) and is available on the Company's website at [www.strongbowexploration.com](http://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.