

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

Containing Information up to and including September 25, 2012

Description of Business

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

The following discussion and analysis of the Company's financial condition and results of operations for the six month period ended July 31, 2012, should be read in conjunction with the audited financial statements of the Company for the years ended January 31, 2012 and January 31, 2011, together with the notes thereto, and the condensed interim consolidated financial statements for the six months ended July 31, 2012. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

Forward-Looking Statements

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

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

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

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

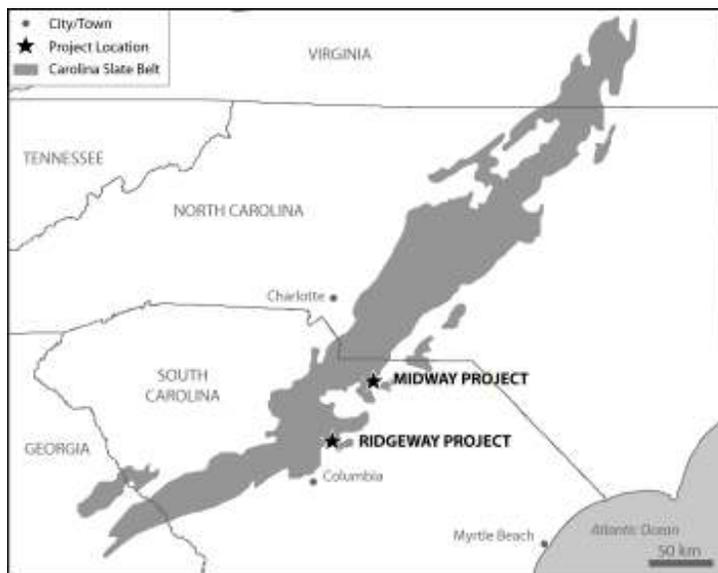
By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements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

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

Highlights for the period ended July 31, 2012 and subsequent events up to September 25, 2012

- In May 2012, the Company completed a 23 hole sonic drilling program at the Midway and Ridgeway gold properties, South Carolina.
- Sonic drill hole SDH-RS12-02 at the Ridgeway properties returned 28.96 m grading 0.97 g/t Au, 8.4 g/t Ag, and 1,840 ppm Mo, including 4.57m grading 3.3g/t Au, 42.0 g/t Ag and 6,960 ppm Mo.
- In August 2012, the Company entered into an option agreement with North Arrow Minerals Inc. ("North Arrow"), whereby North Arrow can earn a 50% interest in the Company's Snowbird nickel project by completing an equity financing by December 31, 2012 and incurring \$4 million in exploration expenditures prior to December 31, 2016, including a firm commitment to spend \$30,000 prior to December 31, 2012.
- In August 2012, the Company completed a program of bedrock mapping and geochemical sampling at its Ridgeway gold project in South Carolina.
- In August 2012, the Company completed a 10 day mapping and prospecting program at its Chilcotin copper-gold properties, British Columbia.
- In September 2012, the Company announced that Westhaven Ventures had commenced a program of ground geophysical surveys, prospecting and mapping at its Shovelnose gold property, British Columbia.

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.Geol.(BC), P.Geol.(NT/NU), Vice-President of Exploration for the Company and a "Qualified Person" under National Instrument ("NI") 43-101.

During the period ended July 31, 2012, the Company continued to focus its efforts and resources on exploration activities in the Carolina slate belt of the southeastern United States. The Company also continued to evaluate its other mineral property holdings, including the Snowbird and Nickel King nickel-copper properties in the Northwest

Territories and Saskatchewan, as well as the Chilcotin, Inza and Shovelnose gold and copper-gold properties, British Columbia. The Company also continues with a process of identifying and evaluating potential exploration property acquisitions in North America.

Carolina Slate Belt Gold Properties – Southeastern USA

During the period ended July 31, 2012, the Company continued to focus its resources on evaluating the Midway and Ridgeway gold projects within the Carolina slate belt (“CSB”) in the southeastern United States. The CSB is host to a number of past producing mines including Rio Tinto’s Ridgeway mine which had total gold production of approximately 1.5 million ounces. The Company’s Ridgeway project properties (described below) are located within four kilometres along strike from the Ridgeway mine. The Company’s Midway gold project (described below) is located between and along strike from Romarco Mineral’s Haile gold mine and the past producing Brewer gold mine. Measured and indicated resources reported by Romarco for the Haile gold mine consist of 4 million ounces gold with additional inferred resources of 0.8 million ounces gold, and the deposit is currently in the mine permitting stage.

In addition to exploring the Midway and Ridgeway properties, the Company’s activities in the southeastern United States include an ongoing evaluation of the CSB for new, greenfields gold targets.

The Company’s exploration activities in the southeastern United States are conducted through Palmetto State Gold, Inc. (“Palmetto”). Palmetto is a wholly owned subsidiary of the Company, incorporated in South Carolina, USA.

Midway Project – South Carolina, USA (Au)

The Midway project consists of prospective properties within the Haile-Brewer gold trend, which extends for over 15 kilometres between the past-producing Haile and Brewer gold mines, where gold mineralization is hosted within the volcanic and sedimentary rocks of the CSB. The project includes approximately 1,700 contiguous acres covering a 2.5 kilometre strike length in the middle of the Haile-Brewer gold trend and approximately 100 acres adjoining the northeastern boundary of the Haile gold mine property. Most of the Midway properties are covered by extensive coastal plain sand deposits, and, as a result, comparably little past exploration work has been conducted in this area. Importantly, at the Haile gold mine, Romarco has discovered significant gold mineralization beneath the coastal plain sands, confirming the potential of the CSB to host additional high grade gold mineralization beneath the sand cover along strike from the Haile gold mine.

Exploration work completed to date by the Company has relied heavily on geochemical survey techniques intended to identify targets under the coastal plain sands. This geochemical work has been supplemented by airborne and ground geophysical surveys, mapping and limited drilling.

During April and May 2012, the Company completed an overburden sonic drilling program to test several target areas with the intent of recovering all overburden material (sand and saprolite) as well as limited penetration of bedrock. A total of 17 sonic drill holes were completed, testing nine target areas. The program successfully provided important information as it relates to the local stratigraphy of the CSB underlying the coastal plain sands in the Midway area. Local development of hydrothermal alteration was identified in bedrock in four areas including local elevated gold values (up to 107 ppb) and pathfinder elements including arsenic, molybdenum and tellurium. These results indicate that sonic drilling is an effective exploration tool in the project area and that further shallow drilling is required to provide the geological information to help better position future diamond drill holes.

Terms of the option agreements covering the Midway project include certain annual cash payments to the underlying private landowners. During the period ending July 31, 2012, the Company relinquished three option agreements. Subsequent to the period ending July 31, 2012 five of the agreements were amended to extend the option period and reduce cash payments during the period through to September 2013. Discussions are underway to amend additional agreements in a similar manner. Taking into account the amended agreements completed to date, to keep all of the existing property option agreements in good standing for the remainder of the fiscal year ending January 31, 2013 and through to the end of calendar 2013, the Company must make additional annual payments of US\$211,004. Please see Note 7 of the condensed interim consolidated financial statements for the period ended July 31, 2012 for more details regarding the Company’s option payments for the Midway project properties. Upon exercising each of the options, the Company will either purchase each subject property or enter into a long term mining lease. The properties will be subject to a gross overriding royalty to the current land owners.

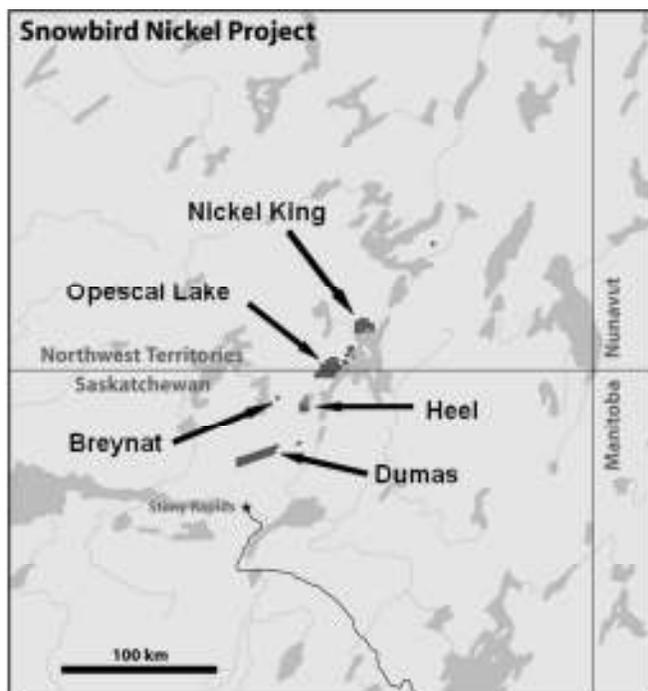
Ridgeway project – South Carolina, USA (Au)

The Company's Ridgeway project consists of prospective properties located within four kilometres along strike from the past producing Ridgeway gold mine. The project properties consist of approximately 1,245 acres in three areas covering the along strike extensions of the host rocks to gold mineralization that was mined at Ridgeway between 1988 and 1998. During the period ended July 31, 2012, the Company completed an initial sonic drilling program, consisting of 6 holes testing 3 target areas. Subsequent to the period ending July 31, 2012, the Company completed initial geochemical, mapping and prospecting surveys on newly acquired properties within the project area.

Two of the sonic drill holes tested the Lloyd gold zone, which was first discovered in the 1980's. The two vertical holes were drilled 15 metres apart along a line oriented perpendicular to the strike of the mineralized zone. Both holes encountered hydrothermal alteration and gold mineralization from top to bottom, with SDH-RS12-01 returning 28.04 m grading 0.44 g/t Au, 1.7 g/t Ag and 145 ppm Mo. The second hole (SDH-RS12-02), encountered strong alteration and molybdenite mineralization, returning 28.96 m grading 0.97 g/t Au, 8.4 g/t Ag, and 1,840 ppm Mo, including 4.57 m grading 3.3 g/t Au, 42.0 g/t Ag and 6,960 ppm Mo. Based on the current sonic drilling and historic data, the Lloyd zone is estimated to dip moderately (45-50 degrees) to the north, have a strike length of approximately 250 m and a width of up to 70 m. Further drilling is required to determine the continuity of gold grades within the zone, however management is pleased that the sonic drill has proved to be a useful tool for testing exploration targets to shallow depths. Importantly, the confirmation of gold mineralization at the Lloyd zone has provided further confidence that the Company's geochemical sampling techniques can effectively identify gold mineralization below sand cover in the CSB.

Terms of the Ridgeway area property agreements are similar to the agreements at the Midway project including certain annual cash payments and, upon exercising an option, the Company will either purchase the subject property or enter into a long term mining lease. The properties will be subject to a gross overriding royalty to the current land owners. During the period ending July 31, 2012, the Company signed seven property option agreements at a cost of US\$8,196. One property option agreement was relinquished during the same period. The Company requires no further payments to land owners to keep all of the existing property option agreements in good standing for the remainder of the fiscal year ending January 31, 2013. To maintain the existing property option agreements in good standing through to the end of the fiscal year ending January 31, 2014, the Company must make additional annual payments of US\$128,171. Please see Note 7 of the condensed interim consolidated financial statements for the period ended July 31, 2012 for more details regarding the Company's option payments for the Ridgeway project properties.

Snowbird Nickel Project Properties – Northwest Territories & Saskatchewan



The Company's nickel exploration strategy is focused on investigating the potential of the southern Snowbird Tectonic Zone ("STZ") to host magmatic Ni-Cu-Co deposits. The STZ is a major crustal scale structure that can be traced for over 2,800 km from the Rocky Mountains in southern Alberta to Hudson Bay in Nunavut and represents an underexplored region prospective for magmatic nickel sulphide deposits. Exploration work completed by the Company 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 Company's **Nickel King** deposit, 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 and

the Company's Nickel Lake occurrences in Saskatchewan.

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

Subsequent to the period ended July 31, 2012, the Company announced an agreement with North Arrow under which North Arrow will have the option to earn a 50% interest in the Snowbird project properties exclusive of the Nickel King property. Kenneth A. Armstrong, Strongbow's President, CEO and a director, is also a director of North Arrow, and D. Grenville Thomas, Strongbow's Chairman and a director, is the President, CEO and a director of North Arrow. Under the terms of the option agreement, and subject to North Arrow completing an equity financing by December 31, 2012, North Arrow can earn a 50% interest in the Snowbird project by incurring \$4 million in exploration expenditures prior to December 31, 2016, including a firm commitment to spend \$30,000 prior to December 31, 2012.

British Columbia Gold and Gold-Copper Properties



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

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

The property is presently being evaluated under the terms of an April 2011 option agreement with Xstrata Copper Canada Inc. ("Xstrata") under which Xstrata may earn up to a 75% interest in the property. To date Xstrata has completed ground IP geophysical surveys, geochemical surveys and diamond drilling on the property. Results from this work have been sufficiently

encouraging that Xstrata has indicated to the Company it intends to conduct additional exploration on the property, however 2012 exploration work has been delayed by a slower than expected permitting process. The Company is presently waiting on receipt from Xstrata of a proposed work program for the next stage of exploration.

Under the terms of the option agreement, Xstrata may earn an initial 51% interest in the Inza property by making staged cash payments to the Company totaling \$100,000 (\$50,000 received to date) and incurring cumulative exploration expenditures totaling \$1.1 million over a four-year period. Upon vesting at a 51% interest in the property, a joint venture will be formed and Xstrata will maintain the right to earn a further 24% interest (75% interest total) by funding the completion of a pre-feasibility study and a feasibility study or incurring \$20 million in expenditures towards the completion of a prefeasibility study and a feasibility study on the property.

Xstrata has indicated to the Company that approximately \$200,000 in additional exploration expenditures are needed to reach \$1.1 million in expenditures and meet its spending requirement to vest at a 51% interest in the property (subject to paying to the Company the balance of the \$100,000 in cash payments also required to complete the option).

Shovelnose Property (Au-Ag)

The Company's Shovelnose gold property is located approximately 175 km east of Vancouver and 30 km south of Merritt along the Coquihalla Highway, which crosses the northwestern corner of the property. The property covers

prospective stratigraphy in the southern portion of the Spences Bridge Gold Belt. Gold mineralization, in the form of a series of massive to colloform banded quartz veins and local vein breccia zones, has been identified at several locations within the property, including the Line 6 and Mik showings, where the veins are hosted within moderately to strongly altered felsic volcanic rocks. Anomalous gold mineralization has also been identified at the Tower zone where mineralization is associated with a broad interval of pyrite and silica alteration within the same silica altered felsic tuff unit that hosts the gold-bearing quartz veins at the Mik showing, located 450 m to the west.

Exploration of the property is conducted under a January 2011 option agreement with Westhaven Ventures Inc. (“Westhaven”) under which Westhaven can earn up to a 70% interest in the property. To date, Westhaven has completed soil geochemical surveys, diamond drilling and staking programs on the property.

Subsequent to the period ended July 31, 2012, Westhaven notified the Company of the start of a program of ground geophysical surveys and prospecting on the property.

Under the terms of the option agreement, Westhaven can earn an initial 51% interest in the property by: i) incurring \$1.5 million in exploration expenditures over a three year period, including a firm commitment to spend \$250,000 in the first year of the agreement (completed), and ii) issuing a total of 300,000 common shares to the Company including 100,000 common shares within 5 business days of Exchange approval of the option agreement (200,000 common shares received). Within twelve months of having earned its 51% interest in the property, Westhaven will have the option to earn an additional 19% interest (bringing its total property interest to 70%) by: i) issuing an additional 500,000 shares to the Company, and ii) incurring an additional \$1.5 million in exploration expenditures. Westhaven and the Company are related by virtue of a common director.

Chilcotin Project - Piltz Mountain and Mons Creek Properties (Au-Cu)

The Piltz Mountain and Mons Creek exploration properties are located in the Chilcotin region of south central British Columbia. Brief exploration programs completed in 2010 and 2011 defined several exploration targets on the properties. The results of a follow up program conducted by the Company subsequent to the period ended July 31, 2012 were disappointing and further exploration of the Piltz Mountain and Mons Creek properties is not anticipated. As a result, the Company has written off accumulated expenditures of \$111,548 incurred for the evaluation of these two properties.

Investment in North Arrow Minerals Inc.

North Arrow is a Canadian exploration company exploring for gold, base metal and diamond resources in North America. North Arrow and the Company have two directors in common. As of July 31, 2012, the Company continues to hold 4,819,609 shares of North Arrow as a result of a Plan of Arrangement completed by the Company and North Arrow on May 9, 2007. This amount presently represents approximately 9% of the outstanding shares of North Arrow as at September 25, 2012.

Results of Operations

The Company’s principal business activity is the acquisition and exploration of mineral properties in the United States and Canada. The Company currently has mineral property interests in the southeastern United States and the Canadian provinces of British Columbia, Saskatchewan, the Northwest Territories and Nunavut.

During the period ended July 31, 2012 (the “**Current Period**”), the Company recorded a loss of \$537,895 (\$0.01 loss per share) as compared to a loss of \$897,991 (\$0.01 loss per share) for the period ended July 31, 2011 (the “**Comparative Period**”). Comprehensive loss for the Current Period totaled \$881,218 as compared to \$1,075,179 in the Comparative Period. The main reasons for the smaller loss in the Current Period are: a decrease in share-based compensation (Current Period - \$81,205; Comparative Period - \$353,625) and generative exploration costs (Current Period - \$36,285; Comparative Period - \$205,256). Administrative expenses, excluding generative exploration costs and share-based compensation, decreased in the Current Period to \$299,250 from \$342,730 in the Comparative Period.

Salaries and benefits had the largest impact on administrative expenses resulting from less work undertaken on the Company’s mineral properties in the Current Period versus the Comparative Period (Current Period - \$115,296; Comparative Period - \$92,857). The Company capitalizes exploration salaries to individual exploration projects on

an as incurred basis. Salaries in excess of time spent on exploration projects are included in salaries and benefits and expensed. Share-based compensation, a non-cash expense (Current Period - \$81,205; Comparative Period - \$353,625) also had a significant impact on the Company's administrative expenses. Advertising and promotion (Current Period - \$57,157; Comparative Period - \$75,976), professional fees (Current Period - \$37,977; Comparative Period - \$93,503), depreciation (Current Period - \$3,282; Comparative Period - \$5,022), generative exploration costs (Current Period - \$36,285; Comparative Period - \$205,256) and regulatory and filing fees (Current Period - \$14,961; Comparative Period - \$16,278) all decreased during the Current Period. Professional fees decreased because the Company's transition to IFRS was completed during the year-ended January 31, 2012. The Company recorded increases in insurance (Current Period - \$23,523; Comparative Period - \$20,370) and office, miscellaneous and rent (Current Period - \$47,054; Comparative Period - \$38,724).

During the Current Period, the Company wrote-off accumulated acquisition and exploration expenses of \$113,952, as compared to \$Nil in the Comparative Period. The Current Period write-off relates primarily to capitalized exploration expenditures for the Piltz Mountain and Mons Creek properties in the Chilcotin region of British Columbia where disappointing exploration results suggest no additional exploration work is warranted. Other factors that affected the Company's loss for the Current Period include interest income (Current Period - \$393; Comparative Period - \$13,766), and a foreign exchange loss (Current Period - \$7,596; Comparative Period - \$12,541).

Total assets increased to \$15,027,854 as at July 31, 2012 as compared to total assets of \$14,694,698 as at January 31, 2012. Mineral property costs, capitalized as assets, increased to \$13,904,648 as at July 31, 2012 from \$13,657,201 as at January 31, 2012. The Company reduced its capitalized exploration costs by \$148,452 (Comparative Period - \$113,480) consisting primarily of write-offs of mineral properties and a property option cash payment. A summary of the Company's capitalized exploration expenditures can be found below.

	January 31, 2012	Expended During The Period	Write-off of Costs and Recoveries	July 31, 2012
Gold and Base Metal Properties, British Columbia				
Exploration costs	\$ 120,576	\$ 2,476	\$ (73,100)	\$ 49,952
Acquisition costs	91,175	-	(19,819)	71,356
Geological and assays	89,258	-	(6,669)	82,589
Office and salaries	<u>522,299</u>	<u>15,802</u>	<u>(46,461)</u>	<u>491,640</u>
	<u>823,308</u>	<u>18,278</u>	<u>(146,049)</u>	<u>695,537</u>
Gold and Base Metal Properties, NWT& NU				
Exploration costs	7,455,612	5,340	-	7,460,952
Acquisition costs	30,922	(50)	-	30,872
Geological and assays	273,250	-	-	273,250
Office and salaries	<u>1,190,589</u>	<u>3,079</u>	<u>-</u>	<u>1,193,668</u>
	<u>8,950,373</u>	<u>8,369</u>	<u>-</u>	<u>8,958,742</u>
Gold and Base Metal Properties, Saskatchewan				
Exploration costs	1,136,100	-	-	1,136,100
Acquisition costs	84,387	-	-	84,387
Geological and assays	20,161	-	-	20,161
Office and salaries	<u>235,210</u>	<u>3,429</u>	<u>-</u>	<u>238,639</u>
	<u>1,475,858</u>	<u>3,429</u>	<u>-</u>	<u>1,479,287</u>
Gold and Base Metal Properties, USA				
Exploration costs	839,538	135,637	(459)	974,716
Acquisition costs	894,224	67,179	-	961,403
Geological and assays	126,048	21,971	-	148,019
Office and salaries	<u>547,852</u>	<u>141,036</u>	<u>(1,944)</u>	<u>686,944</u>
	<u>2,407,662</u>	<u>365,823</u>	<u>(2,403)</u>	<u>2,771,082</u>
TOTAL	\$ 13,657,201	\$ 395,899	\$ (148,452)	\$ 13,904,648

During the six months ended July 31, 2012, the Company wrote-off \$113,952 relating to certain properties and recorded the receipt of a cash option payment of \$25,000. During the six months ended July 31, 2011, the Company

wrote-off \$Nil relating to certain properties and recorded recoveries for B.C. mineral exploration tax credits of \$53,480 and other recoveries of \$60,000.

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 condensed interim consolidated financial statements are prepared in accordance with IFRS and are expressed in Canadian dollars.

Quarter Ending	Interest Income	Earnings or (Loss) from Continued Operation and Net Income (Loss)	Basic Earnings (Loss) per share ⁽¹⁾ from Continued Operation and Net Income (Loss)	Fully Diluted Earnings (Loss) per share ⁽¹⁾ - from Continued Operation and Net Income (Loss)
July 31, 2012	\$ 174	\$ (307,247)	\$ (0.00)	\$ (0.00)
April 30, 2012	\$ 219	\$ (230,648)	\$ (0.00)	\$ (0.00)
January 31, 2012	\$ (1,858)	\$ (252,126)	\$ (0.00)	\$ (0.00)
October 31, 2011	\$ 3,165	\$ (713,658)	\$ (0.01)	\$ (0.01)
July 31, 2011	\$ 11,484	\$ (534,739)	\$ (0.01)	\$ (0.01)
April 30, 2011	\$ 4,676	\$ (363,254)	\$ (0.01)	\$ (0.01)
January 31, 2011 ²	\$ 7,814	\$ (395,978)	\$ (0.01)	\$ (0.01)
October 31, 2010 ²	\$ 339	\$ (611,606)	\$ (0.01)	\$ (0.01)

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

(2) Restated IFRS

Current Quarter

During the three months ended July 31, 2012 (the "**Current Quarter**"), the Company's loss totaled \$307,247, as compared to a loss of \$534,739 in the three months ended July 31, 2011 (the "**Comparative Quarter**"). Administrative expenses at \$189,411 in the Current Quarter were lower than the Comparative Quarter expenses of \$536,351, with share-based compensation experiencing the largest decrease (Current Quarter - \$22,281; Comparative Quarter - \$162,480) due to a stock option grant in the Comparative Quarter, followed by a decrease in generative exploration costs (Current Quarter - \$15,279; Comparative Quarter - \$205,256). This was offset by an increase in salaries and benefits (Current Quarter - \$65,507; Comparative Quarter - \$52,742) due to less exploration work undertaken in the Current Quarter (exploration salaries are capitalized to mineral properties) and an increase in mineral property write-offs (Current Quarter - \$111,932; Comparative Quarter - \$Nil). Please see "Results of Operations" above for additional details.

Liquidity and Capital Resources

Working capital as at July 31, 2012 was \$717,554 as compared to \$265,557 at January 31, 2012. Cash increased by \$458,650 in the Current Period (Comparative Period - decreased by \$1,525,644) to \$644,859 as at July 31, 2012 (Comparative Period - \$1,468,476). Cash flow used in operations during the Current Period was \$341,839 (Comparative Period - \$649,191). The most significant changes in non-cash working capital items during the Current Period included a decrease in payables of \$21,346 and a decrease of \$ 26,593 in prepaid expenses.

The Company's primary investing activity is the acquisition and exploration of mineral properties. During the Current Period, the Company spent \$383,313 (Comparative Period - \$1,283,749) to acquire and explore its mineral property interests and recorded a recovery to its capitalized exploration costs totaling \$25,000 (Comparative Period - \$113,480), which relates to the receipt of a cash option payment received during the Current Period. The Company's exploration activities during the Current Period focused on its gold properties in the United States.

During the Comparative Period, the Company received proceeds of \$288,781 from 772,500 stock options and warrants being exercised.

In March 2012, the Company completed a non-brokered private placement of 8,900,000 units at a price of \$0.13 per unit, for gross proceeds of \$1,157,000. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company until September 9, 2013 at a price of \$0.20 per common share. As part of this private placement, the Company paid finder's fees of \$1,560, and issued 181,200 finder's units. Each finder's unit has the same terms as the units issued as part of the private placement.

As at September 25, 2012, the Company had 5,960,000 outstanding stock options with exercise prices that range from \$0.17 to \$0.55, which if exercised, would increase the Company's available cash by approximately \$1.98 million. However, none of these stock options are presently "in-the-money" as the Company's share price is less than the exercise price.

Although the Company had positive working capital of \$717,554 as at July 31, 2012, management expects that the Company will require additional financing to conduct further exploration programs on its properties and for future corporate and administrative expenses. The Company's cash totaled \$644,859 as at July 31, 2012. The fair value of the Company's marketable securities and investment totaled \$25,350 and \$289,176 respectively as at July 31, 2012. Please see "*Investment in North Arrow Minerals Inc.*" above for additional information on this investment. Due to the size of the Company's shareholding in North Arrow, without significant liquidity for North Arrow, it would be difficult for the Company to sell all or a significant portion of its holdings in North Arrow without adversely affecting North Arrow's share price.

Actual funding requirements may vary from those planned due to a number of factors, including results from exploration activities and the Company's ability to raise additional funds at favourable terms. The Company's ability to generate cash is very much affected by the current market conditions, its share price and third party interest in its assets. In previous years, the Company was able to sell or option its non-core assets, or sell common shares received for these non-core assets, as one means to finance its operations and to further exploration on its mineral property interests. Despite an increase in commodity prices over the last several years, equity financings at the Company's stage of development can be challenging, and result in dilution to existing shareholders. Dilution to existing shareholders from an equity financing increases as the share price decreases. In addition, market volatility and economic uncertainties have the potential to make future financing challenging. 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 may be invested for up to 90 days in Bankers' Acceptance ("BAs") or Bankers' Deposit Notes ("BDN's") 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 salaried employees, a sub-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 total \$63,386 for fiscal 2014. Please see the "Commitments" section below for further details. In addition, to keep its Midway and Ridgeway project properties in good standing, the Company must make cash option payments to the landowners of up to US\$392,000 annually over the next four years. Failure to make these option payments or to renegotiate the terms of these option agreements could result in the loss of the Company's right to further explore or acquire these properties.

The Company has sufficient financial resources to keep its material landholdings and the majority of its non-material landholdings in good standing until at least December 2013. With respect to the Company's Nickel King project, the current mining leases allow the Company to maintain the Nickel King Main Zone deposit through to November 2028 at an annual cost of \$5,883 per year. The Company's management actively manages its landholdings in an effort to keep landholdings with the greatest exploration potential in good standing for as long as possible. The Company's management regularly reviews its cash position against future plans and makes decisions regarding these plans accordingly. Exploration plans in 2012 are focused on the Company's Midway and Ridgeway Projects in South Carolina as well as the Inza and Shovelnose properties (both under option to Xstrata and Westhaven respectively) in British Columbia. The Company will also continue to identify generative exploration opportunities.

The Company's financial statements have been prepared on the basis 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 Company's 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.

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 and sale agreements to finance its operations and in particular, to further exploration on its properties. Liquidity risk is the most significant risk faced by the Company at the present time, given its early stage of development.

The current low interest rate environment means that interest income cannot materially offset the Company's general and administrative expenses. Historically, the majority of the Company's expenses have been denominated in Canadian Dollars, so its exposure to foreign exchange risk was limited. The Company's foreign exchange exposure has increased with the acquisition of mineral properties in the United States.

The Company has no exposure to asset-backed commercial paper through its short-term investments, which are invested in chartered bank-issued BA's or BDN's 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 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 financial position date.

The Company's management actively monitors its cash flows and made decisions and plans for 2012 accordingly. The Company's material mineral properties are all in good standing and the Company has sufficient financial resources to keep those properties in good standing for at least twelve months. 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 the Company's material exploration properties and for future corporate and administrative expenses. However, management expects future equity financings will be required. Failure to secure additional financing could ultimately result in the loss of the Company's properties.

Outstanding Share Data

The Company's authorized capital is unlimited common shares without par value. As at September 25, 2012, there were 91,077,163 common shares issued and outstanding.

As September 25, 2012, the Company had the following options and warrants outstanding:

	Number of Shares	Exercise Price	Number Vested	Expiry Date
Options	845,000	\$ 0.4600	845,000	December 21, 2012
	1,575,000	0.1700	1,575,000	July 26, 2014
	1,760,000	0.2000	1,760,000	September 23, 2015
	70,000	0.4200	70,000	December 22, 2015
	1,710,000	0.5500	1,282,500	April 29, 2016
Warrants	8,900,000	\$ 0.2000	8,900,000	September 9, 2013
	181,200	0.2000	181,200	September 9, 2013

Transactions with Related Parties

The Company entered into the following transactions with related parties (See Note 9 of the condensed interim consolidated financial statements for the periods ending July 31, 2012 and 2011):

- a) Charged rent and technical services of \$18,752 (July 31, 2011- \$45,185) to North Arrow, a company with two common directors.
- b) Charged administrative and technical services of \$12,393 (July 31, 2011 - \$21,929) to Stornoway Diamond Corporation (“Stornoway”), a company with a common officer and former director.
- c) Paid or accrued administrative and accounting services of \$17,741 (July 31, 2011 - \$16,979) to Stornoway.

Included in receivables are amounts due from North Arrow totaling \$19,080 (January 31, 2012 - \$14,395) for reimbursement of exploration expenditures and shared administrative expenses paid by the Company on North Arrow’s behalf.

Included in receivables are amounts due from Stornoway totaling \$1,736 (January 31, 2012 - \$170) for reimbursement of exploration and administrative costs paid by the Company on Stornoway’s behalf.

Key management includes the Company’s directors and officers. Compensation awarded to key management during the six months ended July 31, 2012 and 2011 were as follows:

	Six Months Ended July 31, 2012	Six Months Ended July 31, 2011
Salaries and benefits ¹	\$ 146,797	\$ 149,965
Share-based compensation ²	-	386,868
Total	\$ 146,797	\$ 536,833

1 – When key management is working specifically on mineral properties their time is capitalized against the mineral property.

2 – Share-based compensation is the fair value of options that have been granted to directors and key management personnel.

Commitments

The Company is committed to minimum future lease payments for office premises and leased office equipment through to May 31, 2017 as follows:

Fiscal year ending January 31, 2014	\$ 63,386
Fiscal year ending January 31, 2015	\$ 63,386
Fiscal year ending January 31, 2016	\$ 63,386
Fiscal year ending January 31, 2017	\$ 3,857
Fiscal year ending January 31, 2018	\$ 964

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

Off-Balance Sheet Arrangements

Not applicable.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company’s general and administrative expenses and mineral property costs is provided in the Company’s consolidated statement of financial position, statement of changes in equity, statement of loss and comprehensive loss and the mineral properties note contained in its audited consolidated financial statements for the years ended January 31, 2012 and 2011 prepared in accordance with IFRS and its condensed, interim consolidated financial statements for the six months ended July 31, 2012 prepared in accordance with IFRS. These statements are available on SEDAR at www.sedar.com.

Additional Information

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

Approval

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