

STRONGBOW EXPLORATION INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 2010

(Unaudited – Prepared by Management)

Reader's Note: These interim consolidated financial statements for Strongbow Exploration Inc. ("Strongbow"), for the nine months ended October 31, 2010 have been prepared by management and have not been subject to review by Strongbow's auditor.

STRONGBOW EXPLORATION INC.
INTERIM CONSOLIDATED BALANCE SHEET

	October 31, 2010 (Unaudited)	January 31, 2010 (Audited)
ASSETS		
Current		
Cash and equivalents	\$ 459,249	\$ 795,723
Marketable securities (Note 3)	879,013	1,472,985
Receivables (Note 7)	48,490	77,724
Prepaid expenses	<u>55,113</u>	<u>54,297</u>
	1,441,865	2,400,729
Property and equipment (Note 4)	35,315	41,980
Mineral properties (Note 5)	<u>11,928,338</u>	<u>11,784,512</u>
	<u>\$ 13,405,518</u>	<u>\$ 14,227,221</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	<u>\$ 212,337</u>	<u>\$ 132,574</u>
Shareholders' equity		
Capital stock (Note 6)	21,536,228	21,512,543
Contributed surplus (Note 6)	3,410,792	3,296,908
Deficit	(12,369,710)	(11,515,332)
Accumulated other comprehensive income (Note 9)	<u>615,871</u>	<u>800,528</u>
	<u>13,193,181</u>	<u>14,094,647</u>
	<u>\$ 13,405,518</u>	<u>\$ 14,227,221</u>

Nature of operations and basis of consolidation (Note 1)

Commitments (Note 11)

Subsequent Event (Note 12)

On behalf of the Board:

"D. Grenville Thomas"

Director

"Kenneth A. Armstrong"

Director

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

STRONGBOW EXPLORATION INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	<u>Three Months Ending</u>		<u>Nine Months Ending</u>	
	October 31, 2010	October 31, 2009	October 31, 2010	October 31, 2009
EXPENSES				
Advertising and promotion	\$ 13,368	\$ 19,149	\$ 46,498	\$ 49,338
Amortization	4,260	5,917	12,517	17,536
Insurance	6,449	6,613	17,488	19,804
Professional fees	66,940	22,865	115,056	58,393
Office, miscellaneous and rent	22,705	19,160	71,036	94,401
Regulatory and filing fees	2,547	1,207	14,220	11,090
Salaries and benefits	34,568	17,309	97,283	137,066
Stock-based compensation (Note 6)	<u>54,201</u>	<u>29,841</u>	<u>113,884</u>	<u>98,415</u>
Loss before other items	<u>(205,038)</u>	<u>(122,061)</u>	<u>(487,982)</u>	<u>(486,043)</u>
OTHER ITEMS				
Write-off of mineral properties (Note 5)	(422,246)	(59,212)	(439,798)	(191,630)
Interest income	339	(6,345)	1,025	63,250
Gain on sale of marketable securities (Note 3)	44,469	-	72,377	22,570
Loss on reduction of leasehold improvements	-	-	-	(20,449)
Loss on sale of property and equipment	-	(350)	-	(350)
	<u>(377,438)</u>	<u>(65,907)</u>	<u>(366,396)</u>	<u>(126,609)</u>
Loss before income taxes	(582,476)	(187,968)	(854,378)	(612,652)
Future income tax recovery (expense) (Note 9)	-	(62,663)	-	1,229,983
Net Income (loss) for the period	(582,476)	(250,631)	(854,378)	617,331
Deficit, beginning of period	<u>(11,787,234)</u>	<u>(11,105,744)</u>	<u>(11,515,332)</u>	<u>(11,973,706)</u>
Deficit, end of period	<u>\$ (12,369,710)</u>	<u>\$ (11,356,375)</u>	<u>\$ (12,369,710)</u>	<u>\$ (11,356,375)</u>
Basic and diluted income (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ 0.01
Weighted average number of shares outstanding	66,144,115	66,123,463	66,130,422	66,096,906

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited – Prepared by Management)

	<u>Three Months Ending</u>		<u>Nine Months Ending</u>	
	October 31, 2010	October 31, 2009	October 31, 2010	October 31, 2009
Net income (loss) for the period	\$ (582,476)	\$ (250,631)	\$ (854,378)	\$ 617,331
Unrealized gains (losses) on available for sale financial assets arising during the period	<u>213,668</u>	<u>(419,361)</u>	<u>11,508</u>	<u>504,704</u>
Comprehensive income (loss)	<u>\$ (368,808)</u>	<u>\$ (669,992)</u>	<u>\$ (842,870)</u>	<u>\$ 1,122,035</u>

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

STRONGBOW EXPLORATION INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	<u>Three Months Ending</u>		<u>Nine Months Ending</u>	
	October 31, 2010	October 31, 2009	October 31, 2010	October 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) for the period	\$ (582,476)	\$ (250,631)	\$ (854,378)	\$ 617,331
Items not involving cash:				
Amortization	4,260	5,917	12,517	17,536
Stock-based compensation	54,201	29,841	113,884	98,415
Write-off of mineral properties	422,246	59,212	439,798	191,630
Gain on sale of marketable securities	(44,469)	-	(72,377)	(22,570)
Loss on reduction of leasehold improvements	-	-	-	20,449
Loss on sale of property and equipment	-	350	-	350
Future income tax expense (recovery)	-	62,663	-	(1,229,983)
Changes in non-cash working capital items:				
Decrease in receivables	9,124	20,666	39,203	177,770
Increase in prepaid expenses	(25,231)	(13,581)	(816)	(4,110)
Increase (decrease) in accounts payable and accrued liabilities	<u>93,955</u>	<u>21,347</u>	<u>87,862</u>	<u>(9,463)</u>
Net cash used in operating activities	<u>(68,390)</u>	<u>(64,216)</u>	<u>(234,307)</u>	<u>(142,645)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Share issue costs	<u>(315)</u>	<u>-</u>	<u>(315)</u>	<u>-</u>
Net cash used in financing activities	<u>(315)</u>	<u>-</u>	<u>(315)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on mineral properties	(220,121)	(200,218)	(597,388)	(497,651)
Recoveries on mineral properties	-	-	19,694	570,008
Acquisition of property and equipment	(3,002)	(2,876)	(5,852)	(2,876)
Proceeds from the sale of property and equipment	-	500	-	500
Proceeds from sale of marketable securities	<u>447,372</u>	<u>-</u>	<u>481,693</u>	<u>41,570</u>
Net cash provided (used in) by investing activities	<u>224,249</u>	<u>(202,594)</u>	<u>(101,853)</u>	<u>111,551</u>
Change in cash and equivalents during the period	155,544	(266,810)	(336,474)	(31,094)
Cash and equivalents, beginning of period	<u>303,705</u>	<u>1,315,413</u>	<u>795,723</u>	<u>1,079,697</u>
Cash and equivalents, end of period	\$ 459,249	\$ 1,048,603	\$ 459,249	\$ 1,048,603

Supplemental disclosure with respect to cash flows (Note 10)

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

1. NATURE OF OPERATIONS AND BASIS OF CONSOLIDATION

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

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

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiary Palmetto State Gold Inc. (“Palmetto”). All inter-company balances and transactions have been eliminated upon consolidation.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. However, the Company has sustained substantial losses from operations since inception and has no current source of revenue. Continued operations of the Company are dependent on the Company’s ability to complete equity financings or generate profitable operations in the future. The consolidated 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. Subsequent to October 31, 2010, the Company completed an equity financing for gross proceeds of \$3.6 million (Note 12).

	October 31, 2010	January 31, 2010
Deficit	\$ (12,369,710)	\$ (11,515,332)
Working capital	\$ 1,229,528	\$ 2,268,155

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared by the Company in accordance with GAAP for interim financial information using the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended January 31, 2010. These unaudited interim consolidated financial statements do not include all of the information and note disclosures required by GAAP for annual financial statements of the Company and should therefore be read in conjunction with the audited financial statements of the Company as at January 31, 2010.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these consolidated financial statements.

Certain reclassifications have been made to the prior period consolidated financial statements to conform with the presentation in the current period.

Recent Accounting Pronouncements

Business combinations

In January 2009, the CICA issued the new handbook Section 1582 - *Business Combinations* (“Section 1582”), 1601 – *Consolidated financial statements* (“Section 1601”) and 1602 – *Non-controlling Interests* (“Section 1602”), which replaces CICA Handbook Section 1581 – *Business Combinations* and 1600 – *Consolidated financial statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards (“IFRS”). Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after February 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning February 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.

STRONGBOW EXPLORATION INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Recent Accounting Pronouncements (cont'd...)

International financial reporting standards

The Canadian Accounting Standards Board has confirmed that IFRS will replace Canadian standards and interpretations on January 1, 2011. The process of changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect reported financial position and results of operations, and also affect certain business functions. The Company will be required to prepare fully IFRS compliant consolidated financial statements for the year ended January 31, 2012, with the first interim consolidated financial statements prepared under IFRS for the three-month period ended April 30, 2011.

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

3. MARKETABLE SECURITIES

	October 31, 2010			January 31, 2010		
	Cost	Unrealized Gain*	Fair Market Value	Cost	Unrealized Gain*	Fair Market Value
Various public companies	\$ 22,163	\$ 13,420	\$ 35,583	\$431,478	\$ 222,174	\$ 653,652
North Arrow Minerals Inc.	<u>240,979</u>	<u>602,451</u>	<u>843,430</u>	<u>240,979</u>	<u>578,354</u>	<u>819,333</u>
	<u>\$ 263,142</u>	<u>\$ 615,871</u>	<u>\$ 879,013</u>	<u>\$672,457</u>	<u>\$ 800,528</u>	<u>\$1,472,985</u>

*before future income taxes

North Arrow Minerals Inc. ("North Arrow") and the Company are related by virtue of two common directors.

During the nine months ended October 31, 2010, the Company received gross proceeds of \$481,693 (October 31, 2009 - \$41,570) from the sale of marketable securities and recognized a \$72,377 gain (October 31, 2009 - \$22,570) from the sale.

4. PROPERTY AND EQUIPMENT

	As at October 31, 2010			As at January 31, 2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and Equipment	\$ 43,041	\$ 36,842	\$ 6,199	\$ 43,041	\$ 35,748	\$ 7,293
Computer Equipment	122,397	94,802	27,595	116,545	87,944	28,601
Software	-	-	-	41,274	41,274	-
Leasehold Improvements	<u>32,072</u>	<u>30,551</u>	<u>1,521</u>	<u>32,072</u>	<u>25,986</u>	<u>6,086</u>
	<u>\$ 197,510</u>	<u>\$ 162,195</u>	<u>\$ 35,315</u>	<u>\$ 232,932</u>	<u>\$ 190,952</u>	<u>\$ 41,980</u>

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5. MINERAL PROPERTIES

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

During the nine months ended October 31, 2010, the Company wrote-off \$439,798 (October 31, 2009 - \$191,630) relating to certain properties, recorded recoveries for B.C. mineral exploration tax credits of \$17,792 (October 31, 2009 – \$510,008), and recorded other recoveries of \$1,902 (October 31, 2009 - \$76,500).

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Gold and Base Metal Properties, British Columbia

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

Shovelnose and LP Properties

The Company acquired, by staking, a 100% interest in certain mineral claims comprising the Shovelnose and LP properties in October 2005. The Company expanded the Shovelnose property by staking additional mineral claims in November 2008. The Company wrote-off \$310,206 during the nine months ended October 31, 2010 for the LP properties, where the Company no longer holds title to the claims.

5. MINERAL PROPERTIES (CONT'D...)

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

BC Mineral Exploration Tax Credits ("BC METC")

During the nine months ended October 31, 2010, the Company received \$17,792 (October 31, 2009- \$510,008), which represents mineral exploration tax credits for the fiscal year ended 2009, and reduced its capitalized exploration costs in B.C. by the same amount.

Inza Properties

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

Mons Creek, Piltz Mountain and Raven Properties

In February 2010, the Company acquired, by staking, a 100% interest in three exploration properties in the Chilcotin region of south central British Columbia.

Other Properties, BC

Mineral property write-offs of \$14,207 during the nine months ended October 31, 2010 (October 31, 2009 - \$59,212) relate to various other properties in British Columbia, where either no exploration programs of significance are planned for the foreseeable future, or where the Company no longer holds title to the claims.

Gold and Base Metal Properties, Northwest Territories and Nunavut

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

Opescal Lake, NWT

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

Nickel King Project, NWT

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

Other Properties, NWT

Mineral property write-offs of \$102,517 during the nine months ended October 31, 2010 (October 31, 2009 - \$3,251) relate to various other properties in the Northwest Territories, where either no exploration programs of significance are planned for the foreseeable future, or where the Company no longer holds title to the claims.

Gold and Base Metal Properties, Saskatchewan

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

Other Exploration and Generative Exploration, Canada

Other Properties

The Company maintains a number of mineral claims and permits in British Columbia, Saskatchewan and the Northwest Territories, as part of the Company's ongoing generative exploration programs. Mineral property write-offs of \$12,868 during the nine months ended October 31, 2010 (October 31, 2009 - \$2,953) relate to various other properties, where either no exploration programs of significance are planned for the foreseeable future, or where the Company no longer holds title to the claims.

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5. MINERAL PROPERTIES (cont'd...)

Gold Properties, USA

Midway Gold Project, South Carolina, USA

Between July and November 2010, the Company entered into nineteen property option agreements with private land owners in South Carolina (the “Midway gold project”). The terms of the option agreements include certain annual cash payments to the landowners and the issuance of 100,000 common shares (completed). If the option agreement is exercised by the Company, the Company will either purchase each property or enter into a long term mining lease with the property owner. The properties will be subject to a gross overriding royalty to the current land owners.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares without par value			
Issued			
As at January 31, 2010	66,123,463	\$ 21,512,543	\$ 3,296,908
Property option agreement	100,000	24,000	-
Share issue costs	-	(315)	-
Stock-based compensation	-	-	113,884
As at October 31, 2010	<u>66,223,463</u>	<u>\$ 21,536,228</u>	<u>\$ 3,410,792</u>

Share issuances

On September 23, 2010, the Company granted 1,760,000 stock options with an exercise price of \$0.20. The options expire on September 23, 2015.

Stock options and warrants

In June 2010, the Company’s shareholders approved the Company’s Stock Option Plan (the “Plan”), which establishes a rolling number of shares issuable under the plan in the amount of 10% of the Company’s issued shares at the date of grant.

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

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

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

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6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (CONT'D...)

Stock options and warrants (cont'd...)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2010	5,432,500	\$ 0.39
Granted	1,760,000	0.20
Expired	<u>(587,500)</u>	0.29
Balance, October 31, 2010	6,605,000	\$ 0.35
Number of options currently exercisable	4,828,750	\$ 0.41

The weighted average fair value of stock options granted during the current fiscal period was \$0.12 (October 31, 2009 - \$0.10).

The Company had no outstanding warrants as at October 31, 2010.

Stock-based compensation

During the nine months ended October 31, 2010, the Company granted 1,760,000 stock options (October 31, 2009 – 1,825,000) with a fair value of \$219,238 (October 31, 2009 - \$179,047), which is being recognized over the vesting periods of the options. Total stock-based compensation recognized during the nine months ended October 31, 2009 was \$113,884 (October 31, 2009 – \$98,415).

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

	Nine Months Ended October 31, 2010	Year Ended January 31, 2010
Risk-free interest rate	1.62%	1.97%
Expected life of options	3 years	3 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%

7. RELATED PARTY TRANSACTIONS

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

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

Included in receivables are amounts due from North Arrow totaling \$30,519 (January 31, 2010 - \$65,288) for reimbursement of exploration expenditures and shared administrative expenses paid by the Company on North Arrow's behalf.

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

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8. INCOME TAXES

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

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

9. ACCUMULATED OTHER COMPREHENSIVE INCOME

Balance, January 31, 2010	\$ 800,528
Reversal of previous unrealized gains on available-for-sale investments sold, net of future income taxes	(196,165)
Unrealized gain on available-for-sale investments, net of future income taxes	<u>11,508</u>
As at October 31, 2010	<u>\$ 615,871</u>

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

At October 31, 2010, cash and equivalents of \$459,249 (January 31, 2010 - \$795,723) consisted of cash on deposit of \$459,249 (January 31, 2010 - \$795,723).

The significant non-cash transactions for the nine months ended October 31, 2010 were:

- a) The Company incurring mineral property expenditures of \$31,103 that are included in accounts payable and accrued liabilities.
- b) The Company has included in receivables, deferred mineral property costs of \$17,871.

The significant non-cash transactions for the nine months ended October 31, 2009 were:

- a) The Company incurring mineral property expenditures of \$26,973 that are included in accounts payable and accrued liabilities.
- b) The Company has included in receivables, deferred mineral property costs of \$9,118.
- c) The Company issued 250,000 common shares valued at \$15,000 pursuant to the purchase of mineral property claims (Note 5).
- d) The Company receiving 108,553 common shares of Bitterroot Resources Ltd. ("Bitterroot") valued at \$16,500 pursuant to the sale of future mineral property rights.
- e) The Company re-acquiring ownership of the Chu Chua deposit and recording \$40,000 for mineral property acquisitions.

11. COMMITMENTS

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

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

STRONGBOW EXPLORATION INC.
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OCTOBER 31, 2010
(Unaudited – Prepared by Management)

12. SUBSEQUENT EVENT

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

13. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration of mineral properties in Canada and the United States as follows:

	October 31, 2010			April 30, 2010		
	Canada	United States	Total	Canada	United States	Total
Mineral Properties	\$ 11,574,614	\$ 353,724	\$ 11,928,338	\$ 11,784,512	\$ -	\$ 11,784,512
Property and Equipment	<u>35,315</u>	<u>-</u>	<u>35,315</u>	<u>41,980</u>	<u>-</u>	<u>41,980</u>
	<u>\$ 11,609,929</u>	<u>\$ 353,724</u>	<u>\$ 11,963,653</u>	<u>\$ 11,826,492</u>	<u>\$ -</u>	<u>\$ 11,826,492</u>