

STRATHMORE MINERALS CORP.

**CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

MARCH 31, 2004

STRATHMORE MINERALS CORP.
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2004	December 31, 2003
ASSETS		
Current		
Cash and equivalents	\$ 2,855,494	\$ 990,279
Receivables	20,985	75,036
Prepaid expenses	<u>8,712</u>	<u>12,568</u>
	2,885,191	1,077,883
Capital assets	10,342	5,869
Mineral property interests (Note 3)	616,351	146,983
Deferred exploration costs (Note 4)	<u>60,008</u>	<u>60,008</u>
	<u>\$ 3,571,892</u>	<u>\$ 1,290,743</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 109,681	\$ 48,016
Due to related parties (Note 6)	<u>22,553</u>	<u>-</u>
	<u>132,234</u>	<u>48,016</u>
Shareholders' equity		
Capital stock (Note 5)	14,271,018	12,624,793
Subscriptions receivable (Note 5)	(17,500)	-
Subscriptions received in advance (Note 5)	81,301	-
Contributed surplus (Note 5)	1,391,963	577,281
Deficit	<u>(12,287,124)</u>	<u>(11,959,347)</u>
	<u>3,439,658</u>	<u>1,242,727</u>
	<u>\$ 3,571,892</u>	<u>\$ 1,290,743</u>

Basis of presentation (Note 1)

Subsequent events (Note 8)

On behalf of the Board:

_____ Director _____ Director

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

STRATHMORE MINERALS CORP.
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited)
THREE MONTH PERIOD ENDED MARCH 31

	2004	2003
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization	\$ 530	\$ 455
Consulting fees	74,049	19,442
Office and miscellaneous	22,599	4,088
Professional fees	25,405	1,150
Regulatory fees	9,697	1,308
Rent	3,236	1,420
Shareholder communications	3,661	636
Stock-based compensation (Note 5)	149,914	-
Telephone	5,185	277
Transfer agent	4,073	2,211
Trade shows and conferences	6,356	-
Travel and promotion	<u>23,072</u>	<u>589</u>
Loss for the period	(327,777)	(31,576)
Deficit, beginning of period	<u>(11,959,347)</u>	<u>(11,526,492)</u>
Deficit, end of period	<u>\$ (12,287,124)</u>	<u>\$ (11,558,068)</u>
Basic and diluted loss per common share	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>18,770,910</u>	<u>8,046,548</u>

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

STRATHMORE MINERALS CORP.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
THREE MONTH PERIOD ENDED MARCH 31

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (327,777)	\$ (31,576)
Items not affecting cash		
Amortization	530	455
Stock based compensation	149,914	-
Changes in non-cash working capital items:		
Decrease in receivables	54,051	3,158
(Increase) decrease in prepaid expenses	3,856	(355)
Increase (decrease) in accounts payable and accrued liabilities	<u>61,665</u>	<u>(1,774)</u>
Cash used in operating activities	<u>(57,761)</u>	<u>(30,092)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property interests	(469,368)	-
Capital assets purchased	<u>(5,003)</u>	<u>-</u>
Cash used in investing activities	<u>(474,371)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscriptions received in advance	63,801	-
Increase in due to related parties	22,553	35,342
Capital stock issued	<u>2,310,993</u>	<u>-</u>
Cash provided by financing activities	<u>2,397,347</u>	<u>35,342</u>
Change in cash and equivalents during the period	1,865,215	5,250
Cash, beginning of period	<u>990,279</u>	<u>11,784</u>
Cash and equivalents, end of period	<u>\$ 2,855,494</u>	<u>\$ 17,034</u>

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

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2004

1. BASIS OF PRESENTATION

The consolidated financial statements contained herein include the accounts of Strathmore Minerals Corp. (the "Company") and its wholly owned subsidiaries, Peruran S.A., and Strathmore Resources (US) Inc. Significant inter-company balances and transactions are eliminated on consolidation.

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual filing. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

2. NATURE OF OPERATIONS

The Company's principal business activity is the exploration and development of mineral property interests.

3. MINERAL PROPERTY INTERESTS

	March 31, 2004	December 31, 2003
Athabasca property, Canada	\$ 9,090	\$ 9,090
Chord property, USA	111,108	111,108
Comstock property, Canada	1,612	1,612
Dieter Lake property, Canada	19,674	-
Duddridge Lake property, Canada	38,245	-
New Mexico properties, USA	244,573	-
Staked properties, Peru	40,078	23,561
Waterbury Lake property, Canada	132,457	-
Wyoming property, USA	4,397	-
Pre-acquisition property costs	<u>15,117</u>	<u>1,612</u>
	<u>\$ 616,351</u>	<u>\$ 146,983</u>

Title to mineral property interests 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 property interests. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its properties are in good standing.

3. MINERAL PROPERTY INTERESTS (cont'd...)

Athabasca property, Canada

The Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a uranium property located in Alberta, Canada, by paying \$7,500 and incurring additional costs of \$1,590. To earn its interest, the Company is required to issue 200,000 common shares in stages to June 8, 2005. The property is subject to a 0.75% net smelter returns royalty on certain mineral production and a 4% gross over riding royalty on all diamond production from the property.

Chord property, USA

The Company acquired an option to purchase a 100% interest in a uranium property located in South Dakota, USA, by paying \$48,640. During fiscal 2003, the Company amended the terms of the lease agreement for consideration of 100,000 shares of the Company valued at \$56,000 and incurred additional fees of \$6,468. To earn its interest, the Company is required to make annual payments of either 50,000 common shares or US\$10,000 per year to July 1, 2009. The property is subject to a 2% gross royalty.

Staked properties, Peru

The Company re-acquired, by staking, a 100% interest in certain uranium properties located in Peru. During fiscal 2002, the claims were allowed to lapse and related acquisition costs of \$45,895 were written-off to operations.

Comstock property, Canada

The Company acquired an option to purchase a 100% interest in a certain claims located in British Columbia, Canada. To earn its interest, the Company is required to issue 300,000 common shares in stages to November 25, 2005.

Dieter Lake property, Canada

Subsequent to the period end March 31, 2004, the Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a certain claims located in Quebec, Canada. To earn its interest, the Company is required to issue 200,000 common shares. An additional 300,000 shares will be issued in the event a resource of more than 60 million pounds containing U₃O₈ is confirmed at the property.

Duddridge Lake property, Canada

Subsequent to the period end March 31, 2004, the Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a certain claims located in Saskatchewan, Canada. To earn its interest, the Company is required to issue 200,000 common shares in stages over two years.

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2004

3. MINERAL PROPERTY INTERESTS (cont'd...)

New Mexico properties, USA

The Company acquired an option, subject to regulatory approval, to purchase a 100% interest in certain claims located in New Mexico, USA, by paying \$200,625 and incurring additional costs of \$43,948. To earn its interest, the Company is required to issue 300,000 common shares in stages over two years.

Wyoming property, USA

Subsequent to the period end March 31, 2004, the Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a certain claims located in Wyoming, USA. To earn its interest, the Company is required to issue 50,000 common shares in stages over two years.

Waterbury Lake property, Canada

The Company acquired, via staking, approximately 100,000 acres within the eastern part of the Athabasca Basin, near Waterbury Lake in north-central Saskatchewan, Canada.

Pre-acquisition property costs

The pre-acquisition property costs represent expenditures related to mineral property interests prior to implementation of the acquisition. These costs will be added to the mineral property interests costs to which they relate on completion of the acquisition or written-off to operations should the acquisition not proceed.

4. DEFERRED EXPLORATION COSTS

	March 31, 2004	December 31, 2003
U.S.A.	\$ 60,008	\$ 60,008

The Company has not incurred any deferred exploration costs during the period ended March 31, 2004

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2004

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contribute d Surplus
Authorized			
100,000,000 common shares, without par value			
Issued			
As at December 31, 2002	8,046,548	\$ 11,612,230	\$ -
Shares issued on mineral property acquisition returned to Treasury	(100,000)	-	-
Private placements	5,222,229	734,278	415,722
Exercise of options	454,000	123,125	(55,025)
Exercise of warrants	435,000	108,750	-
Acquisition of mineral property	100,000	56,000	-
Stock-based compensation	-	-	221,994
Share issuance costs	-	(9,590)	(5,410)
As at December 31, 2003	14,157,777	12,624,793	577,281
Private placements	6,268,778	1,470,716	717,294
Exercise of options	250,000	79,250	(36,250)
Exercise of warrants	413,890	112,126	(8,653)
Stock-based compensation	-	-	149,914
Share issuance costs	-	(15,867)	(7,623)
As at March 31, 2004	21,090,445	\$ 14,271,018	\$ 1,391,963

Included in issued capital stock are 75,000 common shares subject to an escrow agreement that may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

In January, 2004, the Company issued 4,767,444 units at \$0.27 per unit consisting of one common share and one share purchase warrant for total proceeds of \$1,287,210. Each warrant entitles the holder to acquire one additional common share at \$0.36 per share expiring January 20, 2006. An estimated fair value of \$417,712 was allocated to the warrants and is included in contributed surplus. The Company incurred finder's fees of \$23,490 on the private placement.

In February, 2004, the Company issued 1,501,334 units at \$0.60 per unit consisting of one common share and one share purchase warrant for total proceeds of \$900,800. Each warrant entitles the holder to acquire one additional common share at \$0.76 per share expiring February 23, 2006. An estimated fair value of \$299,582 was allocated to the warrants and is included in contributed surplus.

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2004

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock options

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding, December 31, 2003	850,000	\$	0.21
Granted	500,000		0.50
Exercised	<u>(250,000)</u>		0.17
Outstanding, March 31, 2004	1,100,000	\$	0.35
Number of options currently exercisable	1,100,000	\$	0.35

As at March 31, 2004, incentive stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	150,000	\$ 0.15	September 12, 2005
	225,000	0.25	November 25, 2005
	225,000	0.27	November 28, 2005
	500,000	0.50	January 9, 2006
Warrants	825,000	0.25	June 3, 2004
	2,083,339	0.25	November 24, 2005
	3,000,000	0.35	December 17, 2005 ⁽¹⁾
	4,767,444	0.36	January 20, 2006 ⁽¹⁾
	1,501,334	0.76	February 23, 2006

⁽¹⁾ The warrants are subject to accelerated expiry in the event that the 10 day average closing price of the Company's common stock is greater than or equal to \$0.75. If the \$0.75 average is achieved, holders of the warrants will be notified and the remaining term of the warrants will be shortened to 30 days although the exercise price will remain the same.

Stock based compensation

During the current period, the Company granted 500,000 options to employees, consultants and directors. Accordingly, using the Black-Scholes option pricing model, the stock options are recorded at fair value in the statement of operations. Total stock-based compensation recognized in the statement of operations during the period was \$149,914. This amount was also recorded as contributed surplus on the balance sheet.

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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MARCH 31, 2004

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock based compensation (cont'd...)

The following assumptions were used for the valuation of stock options during the period:

Risk-free interest rate	2.85%
Expected life of options	1 year
Annualized volatility	117%
Dividend rate	0.00%

Subscriptions receivable

Subscriptions receivable of \$17,500 were paid in cash subsequent to March 31, 2004.

Subscriptions received in advance

As at March 31, 2004, the Company received subscription proceeds of \$81,301 in advance of a private placement completed subsequent to the period end. (note 8)

6. RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties:

Quarter ended March 31	2004	2003
Consulting fees	\$ 24,444	\$ 17,942
Shareholders communications	-	500

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Amounts due to related parties are non-interest bearing, unsecured and have no specific repayment terms.

7. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the exploration of mineral property interests and considers its loss from operations for periods ended March 31, 2004 and 2003 to relate to this segment.

The Company has mineral property interests located in the USA, Canada and Peru and conducts administrative activities from Canada. The total amount of assets attributable to Canada is \$3,112,258, Peru is \$40,078 and the USA is \$420,086.

STRATHMORE MINERALS CORP.
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8. SUBSEQUENT EVENTS

Subsequent to March 31, 2004, the Company:

- a) Issued 3,436,167 units at \$0.60 per unit for cash proceeds of \$2,061,700. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire one additional common share at \$0.76 expiring April 16, 2006.
- b) Issued 252,001 common shares for cash proceeds of \$76,070 pursuant to the exercise of warrants.

Form 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

STRATHMORE MINERALS CORP.
Interim MD&A
Business of the Company – Date of Report

Strathmore Minerals Corp. (the “Company”) is a junior resource issuer engaged in the acquisition and exploration of uranium and other types of mineral resource properties. Management believes that the development of uranium properties presents an opportunity due to recent supply shortfalls of uranium, the potential increase in demand for uranium in developing countries as those countries begin to establish new nuclear power plants, the possible increase in the price for uranium during the next few years, and the availability of known properties which have in the past produced uranium.

This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the quarter ended March 31, 2004 (the "Financial Statements"). The information in this Management Discussion and Analysis (“MD&A”) contains forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The information contained in this report is made as of April 28, 2004.

Performance Summary and Update

The Company's primary objective is to locate, evaluate and acquire uranium properties and to finance their exploration and development through equity financing, by way of joint venture, option agreements or other means. The Company's current properties are located in Canada, the United States and Peru.

During the first 2 quarters of 2003, the price of uranium remained low and management elected to keep expenditures at a minimum and conserve cash. The Company had pared back on non-essential properties, decreasing the number of claims held in certain of its claim groups and thereby reducing the cost of holding its uranium properties with the resulting write-off of a number of its uranium properties in the fourth quarter of 2002. However, by the third quarter of 2003, the price of uranium had increased to a point where management decided to aggressively pursue the acquisition of new uranium properties in both the United States and Canada. In addition to the Peru property and the Chord Project, the Company has acquired, or negotiated the right to acquire additional properties in New Mexico, Quebec Alberta and Saskatchewan.

In order to finance these activities, the Company undertook two private placement financings during the fourth quarter of 2003, raising a total of \$1,150,000 and undertook two private placement financings during the first quarter of 2004, raising an additional \$2,188,000. These funds are to be used for general working capital, the acquisition of additional uranium properties and the exploration of the Company’s uranium properties.

Properties of the Company
Peru Property
Macusani Project

The Macusani property is located in south-central Peru, in the Puno district of Carabaya Province. It is approximately 650 kilometres southeast of Lima and accessible by good quality unpaved roads from either Cusco or Juliaca. The properties are located in the heart of the 250 square-kilometre Macusani district. In order to reduce its holding costs, the Company allowed these staked properties to lapse and has since re-staked some of the original claims as the spot price of uranium has gradually risen to a current level of approximately \$17 (US) per pound.

Geology

The geology of the district is uraniferous volcanic area deposited during the Tertiary period by thick outflows of tuffs and ignimbrites. The host for the uranium mineralization is the Miocene Quenamari Formation, consisting of horizontal units of alternating poorly consolidated tuffs and massive ignimbrites. Mineralization is known in the upper part of the ignimbrite pile and consists of sub-vertical fractures that have been filled with the uranium mineral autunite. Disseminated uranium mineralization occurs in the volcanic rocks adjacent to the fractures.

According to a published International Atomic Energy Agency (IAEA) technical report (Arribas and Flgueroa, 1983), the Macusani project area is underlain mainly by pyroclastic volcanic rocks which host uranium mineralization at several localities. These host rocks are Plio-Quaternary rhyolite ash tuffs and welded tuffs (ignimbrites), in a resurgent caldera setting (similar to the McDermitt caldera in Oregon, USA).

Uranium mineralization is reported to occur mainly at the higher levels of the volcanic sequence, consisting for the most part of massive pitchblende, more or less weathered into gummite, autunite, and meta-autunite, and occurring as fillings and coatings in NNE trending sub-vertical veins and fractures (near Chapi and Calvario), and in sub-horizontal veins and fractures (near Pinocho and Chilcuno). These veins and fractures are thought to be shrinkage cracks formed by cooling of the ignimbrite sheets; they are reported to range from a few centimetres to several metres in length, and from 1 millimetre to 10 centimetres in width.

Previous Work

The Macusani region was explored from August to October 1982 by a joint project (PER/81/004) of the Instituto Peruviano de Energia Nuclear (IPEN) and the IAEA (Arribas and Flgueroa, 1983). Several prospective areas were identified, Chapi, cerro Calvario, cerro Concharrumio, etc.. The most prospective of these, pampa Suyupia, east of the village of Chapi, was explored further by IPEN, who carried out a radiometric survey in 1984, an emanometric (radon gas) survey in 1986, followed by trenching of anomalous areas in 1987.

Based on 58 trenches, cut from NW to SE across the mineralized area, a mineral inventory to a depth of 1-m was calculated by the IPEN. An inferred resource of 3.35 million tonnes at an average grade of 0.10% U is quoted in an unpublished IPEN document (Arroyo, 1987). This shallow uranium resource covers an area of about 140,500 m², and is located along the west side of pampa suyupia, about 600 m east of the village of Chapi.

Work by Strathmore

The Macusani project was visited by Dr. Kenneth Friedman, a director of the Company and geologist David Miller, in September 1997, December 1997, and again in June 1998. At present, there is no work being done on the property except to re-stake some of the original claims.

Exploration Potential

Exploration work completed to date on Strathmore's Macusani project has identified several areas of shallow uranium mineralization. This mineralization consists mainly of autunite and gummite, and appears to be hosted in cooling joints and fractures in shallow dipping ignimbrite sheets in the upper levels of a caldera related volcanic succession. As such, this mineralization may well be spread over wide areas, but is probably very discontinuous at each locality. The veins and fractures encountered so far are reported to be only a few centimetres thick, and only a few metres long, and probably are similarly limited in depth. However, the uranium grades of these veins and fractures are fairly high.

Two questions must be answered before embarking on the next exploration campaign: 1) are these veins the only source and host of uranium minerals in the area? or 2) are these veins surface manifestations of uranium mineralization at depth? The answer will not only determine how to continue exploring the property, but will also determine the economic potential of this project.

If all the uranium on the property is indeed only present in narrow, discontinuous, and shallow veins, then the economic potential of the property would depend on the discovery of areas where such areas could be recognized on air photos, and could be confirmed by mapping in the field.

If, on the other hand, there is evidence (or at least reason to believe) that these veins may be surface expressions of mineralization at depth, perhaps disseminated uranium in caldera moat sediments (as is the case at the Aurora deposit in the McDermitt Caldera), then the economic potential of the project would be significantly enhanced by the discovery of a uranium bearing volcano-sedimentary unit. The location of a resurgent dome within the caldera, and the caldera boundary fault(s) should be recognizable on aerial photos or satellite images, and could be confirmed by field mapping. Ground radiometric surveys could then be used to identify uranium bearing stratigraphic unit(s), and uranium bearing caldera related structures.

At present, the Company has mobilized a ground crew to map and identify known and new mineralization on the property.

Chord Project

The Chord Project is located in Fall River County, South Dakota and comprises 23 claims. Pursuant to an agreement dated July 1, 1998, the Company may lease the property for up to 10 years by making lease payments of US\$10,000 per year. The property is subject to a 2% yellowcake royalty. The Company has negotiated an amendment to the lease agreement whereby the Company may, at its option, issue 50,000 common shares in lieu of the cash payments. At present, the Company has no work program in place for the property.

Comstock Property

The Company acquired 3 claims covering approximately 300 hectares in the Slocan mining district of British Columbia. At present, the Company has no work program in place for the property. To earn its interest, the Company is required to issue 300,000 common shares in stages to November 25, 2005.

Athabasca property, Canada

The Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a uranium property located in Alberta, Canada, by paying \$7,500. To earn its interest, the Company is required to issue 200,000 common shares in stages to June 8, 2005. The property is subject to a 0.75% net smelter returns royalty on certain mineral production and a 4% gross overriding royalty on all diamond production from the property.

Dieter Lake property, Canada

Subsequent to the period end March 31, 2004, the Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a certain claims located in Quebec, Canada. To earn its interest, the Company is required to issue 200,000 common shares. An additional 300,000 shares will be issued in the event a resource of more than 60 million pounds containing U₃O₈ is confirmed at the property.

Duddridge Lake property, Canada

Subsequent to the period end March 31, 2004, the Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a certain claims located in Saskatchewan, Canada. To earn its interest, the Company is required to issue 200,000 common shares in stages over two years.

New Mexico properties, USA

The Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a certain claims located in New Mexico, USA, by paying \$200,625 and incurring additional costs of \$43,948. To earn its interest, the Company is required to issue 300,000 common shares in stages over two years.

Wyoming property, USA

Subsequent to the period end March 31, 2004, the Company acquired an option, subject to regulatory approval, to purchase a 100% interest in a certain claims located in Wyoming, USA. To earn its interest, the Company is required to issue 50,000 common shares in stages over two years.

Results of Operations

While the long-term picture for uranium remains bright, none of this has been reflected in the price action of uranium for the past couple of years as uranium prices declined steadily during this period, to a multi-decade low of about \$7 per pound. However, by September 2003 the price of uranium rebounded to over \$12 per pound and is currently trading in the \$17 range.

By the third quarter of 2003, the price of uranium had increased to a point where management decided to aggressively pursue the acquisition of new uranium properties in the United States and Canada. In addition to the Peru property and the Chord Project, the Company has acquired, or negotiated the right to acquire additional uranium properties in New Mexico, Quebec, Alberta and Saskatchewan.

During the first quarter of 2004, (\$98,343 during the third quarter of 2003), the Company incurred \$469,368 in property acquisitions and deferred exploration and development costs. The Company expects these costs to increase significantly as it continues its program of acquisitions and development exploration.

First quarter general and administration expenses increased from \$31,576 in 2003 to \$327,777 in 2004 as the activity of the Company increased due to the increase in the price of uranium. However, a significant part of this increase is due to stock option expenses (\$149,914) which have been included in administration expenses. (see the discussion on changes in accounting policy). The Company expects general and administrative expenses to continue to increase as the Company becomes more active. (See the financial statements dated March 31, 2004 for a complete listing)

Summary of Quarterly Results

Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
2002 Net Income (loss)	(67,751)	(55,220)	(47,992)	(987,937)
2002 Net Income (loss) per share	(0.01)	(0.02)	(0.01)	(0.13)
2003 Net Income (loss)	(31,576)	(91,061)	(85,490)	(224,728)
2003 Net Income (loss) per share	(0.01)	(0.02)	(0.01)	(0.01)
2004 Net Income (loss)	(327,777)			
2004 Net Income (loss) per share	(0.02)			

The significant loss recorded for the 4th quarter of 2002 resulted from the write-off of mineral properties.

The increase in quarterly losses beginning in the 4th quarter of 2003 is the result of the increase in activity of the Company in response to the increase in the price of uranium.

Liquidity

The Company does not have any operating revenues, and as a junior resource company engaged in mineral exploration, the Company does not anticipate generating any operating revenues in the next few years. Historically, the Company has received revenues only from interest earned on cash reserves held. The Company expects this to be the only source of its income for the next few years. The Company expects to rely upon equity financing as its primary source of funding.

Financing, Principal Purposes and Milestones

In January, 2004, the Company issued 4,767,444 units at \$0.27 per unit consisting of one common share and one share purchase warrant for total proceeds of \$1,287,210. Each warrant entitles the holder to acquire one additional common share at \$0.36 per share expiring January 20, 2006. An estimated fair value of \$417,712 was allocated to the warrants and is included in contributed surplus. The Company incurred finder's fees of \$23,490 on the private placement.

In February, 2004, the Company issued 1,501,334 units at \$0.60 per unit consisting of one common share and one share purchase warrant for total proceeds of \$900,800. Each warrant entitles the holder to acquire one additional common share at \$0.76 per share expiring February 23, 2006. An estimated fair value of \$299,582 was allocated to the warrants and is included in contributed surplus.

The Company will use the proceeds for general working capital, the acquisition of additional uranium properties and the exploration of the Company's uranium properties.

Capital Resources

The Company has not entered into a property option agreement that requires the Company to meet certain yearly exploration expenditure requirements.

Off-Balance Arrangements

The Company has not entered into any off-balance sheet financing arrangements.

Transactions with Related Parties

During the quarter the Company paid management consulting fees in the amount of \$15,908 to a Company controlled by Devinder Randhawa, the President of the Company, management consulting fees of \$8,536 to companys controlled by a directors of the Company. In addition, a director of the Company acquired 200,000 private placement units for total proceeds of \$54,000

Changes in Accounting Policies

During the year ended December 31, 2003, he Company has elected the early adoption, on a prospective basis, of the CICA released amendments to Section 3870, "Stock Based Compensation and Other Stock-based Payments", which require an expense to be recognized in the financial statements for all forms of employee stock-based compensation, including stock options. During fiscal 2002, the Company disclosed the effects of accounting for stock-based compensation to directors and employees as compensation expense, using the fair-value based method, as pro-forma information in the share capital note.

Subsequent Events

The Company completed the following financing subsequent to the quarter end:

- \$2,061,700 by issuing 3,436,167 units at \$0.60 consisting of 1 share and a warrant to purchase 1 additional share at \$0.76 until April 16, 2006.
- \$76,070 by issuing 252,001 common shares pursuant to the exercise of warrants.