

STRATHMORE MINERALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

MARCH 31, 2007

Unaudited Interim Financial Statements

Notice

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended March 31, 2007.

STRATHMORE MINERALS CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2007	December 31, 2006
ASSETS		
Current		
Cash and equivalents	\$ 4,705,862	\$ 5,299,908
Short term investments (Note 9)	27,576,248	27,412,579
Receivables	631,679	407,910
Prepaid expenses	<u>16,273</u>	<u>30,593</u>
	32,930,062	33,150,990
Equipment	832,024	690,904
Mineral property interests (Note 3)	8,135,741	7,828,735
Deferred exploration costs (Note 4)	14,677,475	11,946,014
Deferred reorganization costs (Note 5)	<u>63,320</u>	<u>-</u>
	<u>\$ 56,638,622</u>	<u>\$ 53,616,643</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 864,429	\$ 708,606
Due to related parties (Note 8)	63,091	15,449
Deferred revenue	<u>145,338</u>	<u>-</u>
	<u>1,072,858</u>	<u>724,055</u>
Shareholders' equity		
Capital stock (Note 6)	72,030,187	68,447,106
Contributed surplus (Note 6)	2,452,961	2,205,940
Deficit	(18,929,518)	(17,760,458)
Accumulated comprehensive income (Note 9)	<u>12,134</u>	<u>-</u>
	<u>55,565,764</u>	<u>52,892,588</u>
	<u>\$ 56,638,622</u>	<u>\$ 53,616,643</u>

Subsequent events (Note 11)

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	2007	2006
GENERAL AND ADMINISTRATIVE EXPENSES		
Advertising and promotion	\$ 201,178	\$ 13,550
Amortization	30,950	12,645
Business development	32,576	15,646
Consulting fees	403,970	195,517
Investors Relations	1,950	-
Office and miscellaneous	117,564	19,454
Professional fees	127,605	91,762
Regulatory fees	29,800	31,144
Rent	38,466	12,749
Shareholder communications	6,798	4,057
Short term investment fees	26,133	-
Stock-based compensation (Note 6)	247,021	116,106
Telephone	13,325	10,543
Trade shows and conferences	109,123	97,035
Transfer agent	2,344	6,097
Travel	9,266	14,084
Wages and benefits	<u>201,547</u>	<u>88,457</u>
Loss before other item	(1,599,616)	(728,846)
OTHER ITEM		
Interest income	436,412	-
Miscellaneous income	120,432	266,554
Allowance for decline in investments	<u>-</u>	<u>(38,488)</u>
	<u>556,844</u>	<u>228,066</u>
Loss for the period	(1,042,772)	(500,780)
Deficit, beginning of period	<u>(17,886,746)</u>	<u>(15,576,059)</u>
Deficit, end of period	<u>\$ (18,929,518)</u>	<u>\$ (16,076,839)</u>
Basic and diluted loss per common share		
	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		
	71,433,811	58,891,391
Other Comprehensive Income, beginning of period		
Unrealized Fair Value Increase on Available-For-Sale Investments (Note 9)	<u>-</u>	<u>-</u>
	<u>12,134</u>	<u>-</u>
Other Comprehensive income, end of period	<u>\$ 12,134</u>	<u>\$ -</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	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,042,772)	\$ (500,780)
Items not affecting cash		
Amortization	30,950	12,645
Allowance for decline in investments	-	38,488
Stock-based compensation	247,021	116,106
Changes in non-cash working capital items:		
Increase in deferred revenue	145,338	-
(Increase) decrease in receivables	(223,768)	144,667
Increase in short term investments	(151,535)	(4,363,407)
(Increase) decrease in prepaid expenses	14,320	7,580
Increase in accounts payable and accrued liabilities	155,823	41,464
Increase in due to related parties	47,642	29,270
Cash used in operating activities	<u>(776,981)</u>	<u>(4,473,967)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred exploration costs	(2,731,461)	(811,554)
Deferred reorganization costs	(63,320)	-
Equipment purchased	(172,070)	(7,256)
Mineral property interests	<u>(8,295)</u>	<u>(7,609)</u>
Cash used in investing activities	<u>(2,975,146)</u>	<u>(826,419)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs	-	(5,299)
Capital stock issued	<u>3,158,081</u>	<u>8,114,997</u>
Cash provided by financing activities	<u>3,158,081</u>	<u>8,109,698</u>
Change in cash and equivalents during the period	(594,046)	2,809,312
Cash and equivalents, beginning of period	<u>5,299,908</u>	<u>12,143,821</u>
Cash and equivalents, end of period	<u>\$ 4,705,862</u>	<u>\$ 14,953,133</u>

Supplemental disclosure with respect to cash flows (Note 7)

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

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2007

1. BASIS OF PRESENTATION

The consolidated financial statements contained herein include the accounts of Strathmore Minerals Corp. (the "Company") and its wholly owned subsidiaries, Minera Peruran S.A., and Strathmore Resources (US) Ltd. 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 acquisition and exploration of mineral property interests.

3. MINERAL PROPERTY INTERESTS

	March 31, 2007	December 31, 2006
Athabasca property, Canada	\$ 459,702	\$ 459,702
Chord property, USA	137,282	137,282
Comstock property, Canada	494,271	494,271
Dieter Lake property, Canada	618,792	618,792
Duddridge Lake property, Canada	382,245	382,245
Fort Mcleod property, Canada	724,070	299,071
New Mexico properties, USA	1,722,326	1,720,833
Staked properties, Canada	831,260	831,260
Staked properties, Peru	69,580	69,580
Wyoming properties, USA	<u>2,696,213</u>	<u>2,689,410</u>
	<u>\$ 8,135,741</u>	<u>\$ 7,702,446</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 a 100% interest in a uranium property located in Alberta, Canada, by paying \$98,192, incurring additional costs of \$29,510 and issuing 200,000 common shares valued at \$332,000. 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 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. In fiscal 2005, the Company paid \$12,558 (US\$10,000), 2004 - \$13,616 (US\$10,000). The property is subject to a 2% gross royalty.

Comstock property, Canada

The Company acquired a 100% interest in certain claims located in British Columbia, Canada by issuing 300,000 common shares valued at \$491,000 and incurring additional fees of \$3,271.

Dieter Lake property, Canada

The Company acquired a 100% interest in certain claims located in Quebec, Canada by issuing 300,000 common shares valued at \$603,000 and incurring additional costs of \$15,792. An additional 200,000 shares will be issued in the event a resource of more than 60 million pounds containing U₃O₈ (Uranium) is confirmed at the property.

Duddridge Lake property, Canada

The Company acquired a 100% interest in certain claims located in Saskatchewan, Canada by issuing 200,000 common shares valued at \$344,000 and incurring additional fees of \$38,245.

Fort Mcleod property, Canada

The company acquired a 100% interest in certain claims located in Alberta, Canada, by paying \$34,070 for staking costs and issuing 200,000 shares valued at \$690,000.

New Mexico properties, USA

The Company acquired a 100% interest in certain claims located in New Mexico, USA, by paying \$293,752, incurring additional costs of \$320,074 and issuing 600,000 common shares valued at \$1,108,500. Certain claims are subject to a 1% royalty.

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. MINERAL PROPERTY INTERESTS (cont'd...)

Staked properties, Canada

The Company acquired, by staking, a 100% interest in the following uranium properties located in north-central Saskatchewan: Davy Lake, Hall Lake, Patterson Lake, and Waterbury Lake.

Staked properties, Peru

The Company acquired, by staking, a 100% interest in certain uranium properties located in Peru.

Wyoming properties, USA

The Company acquired a 100% interest in a certain claims located in Wyoming, USA by paying \$87,560, incurring additional costs of \$409,903 and issuing 1,150,000 common shares valued at \$2,198,750. To earn its interest, the Company is required to issue an additional 100,000 common shares in stages over two years.

The Company has granted an option for a 80% interest in its Red Creek property. In return for the option, the Company will receive US\$ 8,000,000 over 5 years to fund the property's exploration.

4. DEFERRED EXPLORATION COSTS

	Canada	USA	Peru	Total
As at December 31, 2005	\$ 2,795,945	\$ 615,277	\$ 159,768	\$ 3,570,990
Geology	714,566	2,819	761	718,146
Geophysics	2,527,239	-	-	2,527,239
General expenses	62,172	130,263	37,633	230,068
Lab analysis & sampling	19,990	-	-	19,990
Property fees	181,430	514,003	30,276	725,709
Personnel time	1,743,786	1,582,897	131,355	3,458,038
Travel	<u>506,005</u>	<u>159,605</u>	<u>30,224</u>	<u>695,834</u>
As at December 31, 2006	\$ 8,551,133	\$ 3,004,864	\$ 390,017	\$11,946,014
Drilling	812	7,775	-	8,587
Engineering	-	279,305	-	279,305
Equipment & vehicle rental	267,882	349	-	268,231
Geology	563,878	16,390	-	580,268
Geophysics	483,250	-	-	483,250
General expenses	26,547	17,117	8,807	52,471
Property fees	102,133	42,385	-	144,518
Permitting/Regulatory	95,684	62,918	-	158,602
Personnel time	274,362	379,178	27,316	680,856
Travel	<u>31,354</u>	<u>38,953</u>	<u>5,066</u>	<u>75,373</u>
As at March 31, 2007	<u>\$ 10,397,035</u>	<u>\$ 3,849,234</u>	<u>\$ 431,206</u>	<u>\$14,677,475</u>

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. DEFERRED REORGANIZATION COSTS

Subject to shareholder and regulatory approval, the Company intends to proceed with a reorganization which will have the result of dividing its present mineral assets into two separate companies. The spin-off company, Fission Energy Corp. ("Fission"), will hold the Canadian and Peruvian properties upon implementation of a Plan of Arrangement, and Strathmore Minerals Corp. will continue to hold the remaining mineral properties. All costs and revenues associated with the reorganization of the Company will be deferred until the transaction is complete.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized			
Unlimited number of common shares, without par value			
Issued			
As at December 31, 2005	55,755,514	\$ 41,299,968	\$ 4,857,621
Private placements	3,265,950	8,699,795	-
Exercise of options	2,370,000	2,377,598	(446,798)
Exercise of warrants	8,340,084	14,546,759	(2,935,909)
Acquisition of mineral property interests	900,000	2,207,000	-
Stock-based compensation	-	-	731,026
Share issuance costs	-	(684,014)	-
As at December 31, 2006	70,631,548	68,447,106	2,205,940
Exercise of options	290,000	333,250	-
Exercise of warrants	1,132,139	2,824,831	-
Acquisition of mineral property interests	100,000	425,000	-
Stock-based compensation	-	-	247,021
As at March 31, 2007	72,153,687	\$ 72,030,187	\$ 2,452,961

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 May, 2006, the Company issued 1,697,300 flow-through shares at \$3.00 per share and 1,568,650 units at \$2.30 per unit for total proceeds of \$8,699,795. Each unit consists of one common share and one half of one share purchase warrant. One whole warrant is exercisable at \$3.25 and expires November 9, 2007. In connection with the placement, the Company paid commissions of \$521,988 in cash and issued 195,957 Agents' options. Each option entitles the Agent to purchase one common share at \$2.55 per share and expires May 9, 2007.

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock options and warrants

The Company has a stock option plan whereby, from time to time, at the discretion of the Board of Directors, stock options are granted to directors, officers, employees and certain consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less an applicable discount. The options can be granted for a maximum term of 5 years.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2005	9,082,990	\$ 1.37	3,888,000	\$ 1.16
Granted	980,282	3.11	2,840,000	1.89
Exercised	(8,340,084)	1.39	(2,370,000)	0.81
Expired/cancelled	<u>(2,500)</u>	0.76	<u>(163,000)</u>	1.91
Outstanding, December 31, 2006	1,720,689	\$ 2.63	4,195,000	\$ 2.18
Exercised	<u>(1,132,140)</u>	1.21	<u>(290,000)</u>	1.75
Outstanding, March 31, 2007	588,549	\$ 3.19	3,905,000	\$ 1.82
Number currently exercisable	588,549	\$ 3.19	798,000	\$ 1.92

As at March 31, 2007, incentive stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	5,000	2.25	February 8, 2008
	300,000	2.20	April 29, 2007
	125,000	2.50	April 13, 2009
	920,000	1.50	October 6, 2010
	100,000	3.00	December 15, 2010
	1,755,000	1.70	August 31, 2011
	<u>700,000</u>	2.10	October 27, 2011
Total	3,905,000		

-Continued-

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2007

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

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

	Number of Shares	Exercise Price	Expiry Date
<i>Cont'd...</i>			
Warrants	47,224	2.55	May 9, 2007
	<u>541,325</u>	3.25	November 9, 2007
Total	588,549		

Stock-based compensation

During the period ended March 31, 2007, the Company granted Nil (2006 – 100,000) options to employees, consultants and directors. Pursuant to the vesting of options issued in the prior fiscal year, total stock-based compensation recognized in the statement of operations during the first quarter of 2007 was \$247,021 (2005 - \$116,106). This amount was also recorded as contributed surplus on the balance sheet. All options are recorded at fair value using the Black-Scholes option pricing model.

The following assumptions were used for the valuation of stock options and warrants:

Three month period ended March 31,	2007	2006
Risk-free interest rate	-	4.02%
Expected life	-	3 years
Annualized volatility	-	40%
Dividend rate	-	0.00%

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Three month period ended March 31,	2007	2006
Cash paid during the period for interest	\$ -	\$ -

During the three month period ended March 31, 2007 the Company issued 100,000 (2006 – 650,000) common shares valued at \$425,000 (2006 -\$1,575,500) pursuant to the acquisition of mineral property interests.

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. RELATED PARTY TRANSACTIONS

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

Three month period ended March 31,	2007	2006
Directors' fees	\$ 37,000	\$ -
Consulting fees	<u>174,612</u>	<u>144,606</u>
Total	<u>\$ 211,612</u>	<u>\$ 144,606</u>

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

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

9. FINANCIAL INSTRUMENTS AND COMPREHENSIVE INCOME

Effective January 1, 2007, the Company adopted CICA Handbook Section 1530, Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement and CICA Handbook Section 3865, Hedges. These new handbook sections provide the requirements for the recognition of financial instruments, as well as standards on when and how hedge accounting may be applied. As of March 31, 2007, the Company has not assigned any derivatives as hedging instruments.

Introduced in Handbook Section 1530 is a new component of equity called comprehensive income that allows investments to be carried at market value, cost, or amortized cost. If an investment is classified as “available-for-sale” any unrealized gains and losses are accumulated on the balance sheet and shown as a separate line item in equity. Once these items are realized they are transferred to the income statement. The Company has assigned all short-term investments, as shown on the balance sheet, as available-for-sale.

10. 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 the three months ended March 31, 2007 and 2006 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 capital assets attributable to Canada is \$14,432,645 (2006 - \$11,979,000), Peru is \$500,787 (2006 - \$459,597) and the USA is \$8,775,128 (2006 - \$7,900,767).

STRATHMORE MINERALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
MARCH 31, 2007

11. SUBSEQUENT EVENTS

- a) Pursuant to the exercise of stock options, the Company issued 12,500 common shares for proceeds of \$21,250.
- b) Pursuant to the exercise of share purchase warrants the Company issued 47,224 common shares for proceeds of \$120,421.
- c) On April 10, 2007, entered into a letter of intent with Yellowcake Minerals Inc. to finance the development of the Company's Sky project. Pursuant to the LOI, Yellowcake will provide US\$7,500,000 in development expenditures to earn a 60% interest in the Sky project over a period of 4 years.
- d) On April 19, 2007, entered into a binding letter of intent with Yellowcake Minerals Inc. to form a joint venture to explore and develop the Company's Jeep property. Yellowcake will be granted the exclusive right to earn a 60% interest in the Jeep property upon spending US\$10,000,000 in stages on expenditures towards the project. Pursuant to the completion of Yellowcake's required expenditures, the Company will hand over all operating rights to Yellowcake; however, the Company will retain the right to earn back an additional 11% undivided interest in the property up to 90 days after receiving a Bankable Feasibility Report by reimbursing Yellowcake's expenditures on the property.

MANAGEMENT'S DISCUSSION & ANALYSIS
STRATHMORE MINERALS CORP.
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2007

Strathmore Minerals Corp. (the "Company") is a junior resource issuer primarily engaged in the acquisition and exploration of uranium resource properties. Management believes that the development of uranium properties presents an opportunity for the following reasons:

- Increased worldwide energy demand
- Increased demand for uranium.
- Uranium Demand/Supply Imbalance, resulting in significantly higher uranium prices
- Potential for increased demand from developing countries as they construct new nuclear power plants
- The Company's advanced uranium projects are located in the United States where the domestic annual demand for uranium exceeds 50 million pounds, while production totals approximately 3-4 million pounds per year.

This increased demand and higher prices should stimulate new exploration and development of both new and previously explored uranium properties.

This discussion should be read in conjunction with the financial statements and related notes of the Company for the period ended March 31, 2007 (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 May 16, 2007.

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 the United States, Canada and Peru.

During the first two calendar quarters of 2003, the spot price of uranium remained at the low price of approximately \$10US/lb. However, by the third and fourth calendar quarters of 2003, the price increased to the \$12-14 US/lb range. At this time, Management decided to aggressively pursue the acquisition of new uranium properties in both the United States and Canada. The Company successfully acquired or negotiated the right to acquire additional uranium properties in the states of New Mexico and Wyoming in the United States, and the provinces of Quebec, Alberta and Saskatchewan in Canada.

During 2004, the price of uranium increased from approximately \$14US/lb to \$21.00US/lb. Strathmore continued to acquire uranium properties, adding to its portfolio in both Canada and the United States. In addition, the Company raised over \$10 million CDN through several equity private placements during the year.

Performance Summary and Update (Cont'd....)

In 2005, the Company continued to acquire properties in the United States and Canada. In January, a \$15,000,000 CDN equity private placement was completed primarily with institutional investors. In March, Management made a decision to advance its core area uranium properties in New Mexico towards production. The Company established a full-time mine development office in Santa Fe, New Mexico, and hired 2 professionals, with over 65 years experience, to facilitate the mine development process. The mine permitting initiative at the Company's Church Rock, New Mexico property is presently underway. In addition, the Company has commenced work programs in Saskatchewan and Quebec to advance both the exploration and development of targeted properties. Both the Waterbury Lake, Saskatchewan and the Dieter Lake, Quebec properties have been advanced to the drill stage. Airborne and ground geophysics have been initiated or are planned on the remaining Canadian properties. In Wyoming and New Mexico the Company continued its acquisition strategy and assembled additional land holdings strategic to its existing property portfolio.

During 2006, the uranium spot price began the year at \$37.50 US/lb. and reached a new all-time high of \$72 US/lb. by the end of the year. Development problems at Cameco's Cigar Lake uranium deposit during the second half of 2006 removed approximately 18-20 million pounds of expected production from the market place, causing the uranium price to surge to the upside. The Company continued to execute its strategy of advancing its core area New Mexico properties towards production. As the Company enters calendar year 2007, exploration and development will continue on the uranium projects discussed herein.

Subsequent to the quarter end the spot price of uranium continued its uptrend to \$120 US/lb, which is the current price at the time of writing. In New Mexico, the Company advanced its second property, Roca Honda, to the permit application stage. The Roca Honda property represents the Company's most significant project with a 43-101 compliant, measured & indicated resource of 17,512,000 lbs U₃O₈, and an inferred resource in excess of 15.8 million lbs U₃O₈. Additional claims were staked in the Crownpoint-Dalton Pass areas to complement existing projects. The Company's total land holdings in New Mexico now exceed 6,880 hectares (17,000 acres). In Wyoming, the Company continued to acquire claims strategic to its core properties in that State. The Ketchum Buttes property and additional claims in the Shirley Basin Uranium District were staked. Significant claims (Bull Rush, Loco-Lee, George-Ver and Frazier-LeMac) were also added in the Gas Hills Uranium District. Historically, the Gas Hills was the second largest uranium producing region in the United States, with cumulative production exceeding 100 million pounds. In Canada, a first phase drill program was completed at the Company's wholly-owned project at Waterbury Lake in the Athabasca basin. Additional ground geophysical programs were carried out at Davy Lake and Patterson Lake, and airborne geophysical and surface sampling programs have begun on properties owned by the Company in the Western part of the basin. NI 43-101 technical reports were completed for Dieter Lake, Quebec, and subsequent to year end for Sky, (Cedar Rim claims), Wyoming.

Uranium Resources Summary by Property

The following table updates the Company's uranium resources as of March 31, 2007. Several of the properties listed below have not been discussed on previous occasions, and the Company is pleased to provide an update on the significant uranium assets in the property portfolio. Additions and changes are anticipated over the following year as drilling databases are acquired and analyzed. The table includes NI 43-101 compliant (Measured and Indicated, and Inferred), and historical resources as defined by the results of exploration completed by previous mining companies. The discussion following the table revisits previously released information and adds the new historical resources where appropriate.

Location	Previous Operator	Resource Classification	Tonnage	Grade % U ₃ O ₈	Lbs/U ₃ O ₈
Church Rock, New Mexico	Kerr McGee	NI 43-101 Measured & Indicated	6,221,467	.10	11,848,007
		NI 43-101 Inferred	1,950,560	.09	3,525,342
Roca Honda, New Mexico	Kerr McGee	NI 43-101 Measured & Indicated	3,782,000	.23	17,512,000
		NI 43-101 Inferred	4,546,000	.17	15,832,000
Nose Rock, New Mexico	Phillips Uranium	Historical: Demonstrated	6,694,217	.135	18,230,955
Dalton Pass, New Mexico	Pathfinder	Historical: Demonstrated	3,470,000	.07	4,735,000
		Historical: Inferred	459,000	.085	765,000
Roca Honda North, New Mexico	Kerr McGee	Historical: Demonstrated	86,000	.18	312,000
West Largo, New Mexico Sec. 2 13N 9W (state lease)	Kerr McGee	Historical: Demonstrated	10,000	.16	32,000
Copper Mountain, Wyoming	Rocky Mountain Energy	Historical: Inferred & Indicated	45,570,000	.027	24,607,800
Sky Project, Wyoming	Exxon & Pathfinder	NI 43-101 Indicated	668,688	.07	948,098
		NI 43-101 Inferred	55,086	.05	54,496
Pine Tree, Wyoming	Pathfinder	Historical: Demonstrated	1,947,000	.07	2,646,000
		Historical: Inferred	625,000	.06	750,000
Sec. 36 (Reno Creek) Wyoming	TVA	Historical: Demonstrated	1,300,000	.05	1,300,000
West Reno (Reno Creek) Wyoming	Rocky Mountain Energy	Historical: Demonstrated	3,571,000	.056	4,000,000
SWD Claims Area, Wyoming	Utah International/Pathfinder	Historical: Demonstrated	497,000	.09	944,000
		Historical: Inferred	271,000	.08	400,000

Uranium Resources Summary by Property (Cont'd....)

Location	Previous Operator	Resource Classification	Tonnage	Grade % U ₃ O ₈	Lbs/U ₃ O ₈
FMC Claim Area, Wyoming	Rocky Mountain Energy	Historical: Demonstrated	1,992,000	.09	3,670,000
Ketchum Buttes, Wyoming	Pathfinder	Historical: Demonstrated	1,135,000	.064	1,454,900
Red Creek, Wyoming	Urangesellschaft	Historical: Inferred	2,750,000	.10	5,500,000
Gas Hills (Bullrush, Loco-Lee, George-Ver), Wyoming	Federal American Partners	Historical: Measured & Indicated	6,131,504	.069	8,440,490
Gas Hills (Frazier LeMac), Wyoming	Pathfinder	Historical: Demonstrated	696,327	.11	1,522,000
Gas Hills, (Jeep), Wyoming	Federal American Partners	Historical: Demonstrated	210,970	.078	329,112
		Historical: Inferred	85,545	.077	133,341
Chord, South Dakota	Union Carbide	Historical: Demonstrated	1,727,000	.11	3,800,000
Dieter Lake, Quebec	Uranerz	NI 43-101: Inferred	19,312,816 tonnes	.063	24,424,306
Duddridge Lake, Sask.	Noranda	NI 43-101: Inferred	357,310 tonnes	.105	753,924

The foregoing historical resource estimates presented in this table were completed prior to the implementation of the NI 43-101 requirement. Given the quality of the historic work completed, the Company believes the resource estimates to be both relevant and reliable. However, a qualified person has not completed sufficient work to classify these historic mineral resources as current mineral resources; and is not treating the historic resources as current. Hence, they should not be relied upon.

Properties of the Company

Subsequent to year end, the Company announced that it planned to spin-off its Canadian exploration assets into a separately traded public company. In addition, a letter of intent was signed with Yellowcake Mining Inc. announcing the Company's first exploration and development joint venture at its Red Creed-Baggs-Juniper Ridge project in Wyoming.

Deferred Exploration Costs

For the three months ended March 31, 2007, the Company spent \$2,672,196 on exploration and development as follows:

	Canada	USA	Peru	Total
As at December 31, 2005	\$ 2,795,945	\$ 615,277	\$ 159,768	\$ 3,570,990
Geology	714,556	2,819	761	718,146
Geophysics	2,527,239	-	-	2,527,239
General expenses	62,172	130,263	37,633	230,068
Lab analysis & sampling	19,990	-	-	19,990
Property fees	181,430	514,003	30,276	725,709
Personnel time	1,743,786	1,582,897	131,355	3,458,038
Travel	<u>506,005</u>	<u>159,605</u>	<u>30,224</u>	<u>695,834</u>
As at December 31, 2006	\$ 8,551,133	\$ 3,004,864	\$ 390,017	\$11,946,014
Drilling	812	7,775	-	8,587
Engineering	-	279,305	-	279,305
Equipment/Vehicles	267,882	349	-	268,231
Facilities/Construction	2,419	-	-	2,419
Geology	563,878	16,390	-	580,268
Geophysics	483,250	-	-	483,250
General expenses	24,128	17,117	8,807	50,052
Property fees	102,133	42,385	-	144,518
Permitting/Regulatory	95,684	62,918	-	158,602
Personnel time	274,362	379,178	27,316	680,856
Travel	<u>31,354</u>	<u>38,953</u>	<u>5,066</u>	<u>75,373</u>
As at March 31, 2007	<u>\$10,397,035</u>	<u>\$ 3,789,969</u>	<u>\$ 431,206</u>	<u>\$14,677,475</u>

Results of Operations

General and administrative expenses increased from \$728,846 for the three months ended March 31, 2006 to \$1,599,616 for the three months ended March 31, 2007, as the activity of the Company increased significantly as it expanded to take advantage of rising uranium prices. The Company expects general and administrative expenses to continue to increase as the Company becomes more active in all geographic regions and hires additional employees. (See the financial statements dated March 31, 2007 for a complete listing) The Company now maintains 3 full-time offices. Headquartered in Kelowna, British Columbia, the Company also has an exploration and development office Riverton, Wyoming and a mine development office Santa Fe, New Mexico.

Selected Annual Information

	2006	2005	2004
Loss for the year	\$(2,310,688)	\$(1,622,502)	\$(1,994,210)
Total assets	53,490,354	30,770,777	12,057,343
Total liabilities	724,055	185,647	74,733
Shareholders' equity	52,766,299	30,585,130	11,982,610
Basic and diluted loss per share	(0.03)	(0.03)	(0.08)

Summary of Quarterly Results

		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
2005	Net Income (loss)	(218,878)	(557,802)	(385,489)	(460,333)
	Net Income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)
2006	Net Income (loss)	(500,780)	(745,149)	(137,342)	(927,417)
	Net Income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)
2007	Net Income (loss)	(1,042,772)			
	Net Income (loss) per share	(0.01)			

Liquidity

The Company does not have any operating revenues, and as a junior resource company engaged in mineral exploration and development. The Company does not anticipate generating any operating revenues in the next few years. Historically, the Company has received revenues only from investment income on cash reserves held. The Company expects investment income on cash balances 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 May, 2006, the Company issued 1,697,300 flow-through shares at \$3.00 per share and 1,565,650 units at \$2.30 per unit for total proceeds of \$8,699,795. Each unit consists of one common share and one share purchase warrant. One whole warrant is exercisable at \$3.25 and expires November 9, 2007. In connection with the placement, the Company paid commissions of \$521,988 in cash and issued 195,957 Agents' warrants. Each warrant entitles the Agent to purchase one common share at \$2.55 per share and expires May 9, 2007.

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

Capital Resources

For the three months ended March 31, 2007, the Company had not entered into any property option agreement that require the Company to meet certain yearly exploration expenditure requirements. The Company's joint venture option agreement with Yellowcake requires certain levels of exploration on Juniper Ridge property. Yellowcake will advance funds to Strathmore to earn its interest in accordance with the agreement.

Outstanding Share Data

As at May 16, 2007, the Company has 72,213,411 common shares issued and outstanding. The Company also has 3,905,000 incentive stock options ranging in exercise price from \$1.50 to \$3.00 per share and 588,549 share purchase warrants ranging in exercise price from \$2.55 or \$3.25 per share.

Transactions with Related Parties

During the three months ended March 31, 2007, the Company paid or accrued management consulting fees in the amount of \$51,967 to a company controlled by Devinder Randhawa, the Chief Executive Officer of the Company. Management consulting fees of \$31,519 were paid or accrued to a company controlled by a director, Steven Khan, for services provided to the Company. David Miller, the President and Chief Operating Officer, received \$49,126 for his services. Bob Hemmerling, the Secretary of the Company, received \$21,000 for his services. Patrick Groening, the Chief Financial Officer, received \$21,000 for his services. In addition, Directors' fees in the amount of \$7,500, \$7,000, \$7,500, \$7,000 and \$8,000 were paid to Devinder Randhawa, David Miller, Dieter Krewedl, Ray Larson, and Mike Halvorson, respectively.

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

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

CHANGE IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

Financial instruments

Effective January 1, 2007 the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (“CICA”) under CICA Handbook Section 1530 “Comprehensive Income” (“Section 1530”), Section 3251 “Equity”, Section 3855 “Financial Instruments – Recognition and Measurement” (“Section 3855”), Section 3861 “Financial Instruments – Disclosure and Presentation” and Section 3865 “Hedges”. These new sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: (1) held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; (2) available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired; and (3) all derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sale normal purchase exemption and changes in their fair value are recorded in income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

As a result of the adoption of these new standards, the Company is required to classify its cash and cash equivalents, short term investments, receivables, accounts payable and accrued liabilities amounts due to related parties.

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to Multilateral Instrument 52-109 is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators' rules and forms. The Company's Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures as of March 31, 2007, and concluded that the current disclosure controls and procedures are effective.

During the interim period ended March 31, 2007, the Company made changes to its systems of internal controls that did not materially affect internal control over financial reporting.

Subsequent Events

Subsequent to March 31, 2007, the Company:

- a) Pursuant to the exercise of stock options, the Company issued 12,500 common shares for proceeds of \$21,250.
- b) Pursuant to the exercise of share purchase warrants the Company issued 47,224 common shares for proceeds of \$120,421.
- c) On April 10, 2007, entered into a letter of intent with Yellowcake Minerals Inc. to finance the development of the Company's Sky project. Pursuant to the LOI, Yellowcake will provide US\$7,500,000 in development expenditures to earn a 60% interest in the Sky project over a period of 4 years.
- d) On April 19, 2007, entered into a binding letter of intent with Yellowcake Minerals Inc. to form a joint venture to explore and develop the Company's Jeep property. Yellowcake will be granted the exclusive right to earn a 60% interest in the Jeep property upon spending US\$10,000,000 in stages on expenditures towards the project. Pursuant to the completion of Yellowcake's required expenditures, the Company will hand over all operating rights to Yellowcake; however, the Company will retain the right to earn back an additional 11% undivided interest in the property up to 90 days after receiving a Bankable Feasibility Report by reimbursing Yellowcake's expenditures on the property.