

STRATHMORE MINERALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

JUNE 30, 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 June 30, 2007.

STRATHMORE MINERALS CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2007	December 31, 2006
ASSETS		
Current		
Cash and equivalents	\$ 1,918,989	\$ 5,299,908
Short term investments (Note 9)	25,050,044	27,412,579
Receivables	722,696	407,910
Prepaid expenses	<u>17,619</u>	<u>30,593</u>
	27,709,348	33,150,990
Equipment	1,802,310	690,904
Mineral property interests (Note 3)	8,383,973	7,702,446
Deferred exploration costs (Note 4)	18,273,543	11,946,014
Deferred reorganization costs (Note 5)	<u>257,073</u>	<u>-</u>
	<u>\$ 56,426,247</u>	<u>\$ 53,490,354</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 905,238	\$ 724,055
Deferred revenue	<u>531,994</u>	<u>-</u>
	<u>1,437,232</u>	<u>724,055</u>
Shareholders' equity		
Capital stock (Note 6)	70,794,402	68,447,106
Contributed surplus (Note 6)	2,699,983	2,205,940
Deficit	<u>(18,505,370)</u>	<u>(17,886,747)</u>
	<u>54,989,015</u>	<u>52,766,299</u>
	<u>\$ 56,426,247</u>	<u>\$ 53,490,354</u>

Subsequent events (Note 11)

On behalf of the Board:

“Dev Randhawa” Director _____
“Michael Halvorson” 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 June 30, 2007	Three Month Period Ended June 30, 2006	Six Month Period Ended June 30, 2007	Six Month Period Ended June 30, 2006
GENERAL AND ADMINISTRATIVE EXPENSES				
Advertising and promotion	\$ 50,073	\$ 42,765	\$ 251,251	\$ 56,316
Amortization	49,950	13,162	80,900	25,807
Business development	91,351	35,278	123,927	50,924
Consulting fees	334,130	210,436	738,100	405,953
Equipment rentals	16,423	-	16,423	-
Insurance	45,062	8,368	102,414	16,670
Investors Relations	4,609	-	6,559	-
Office and miscellaneous	110,362	21,385	170,574	32,538
Professional fees	230,950	93,082	358,555	174,894
Regulatory fees	14,268	4,454	44,068	35,598
Rent	25,620	14,918	64,086	27,667
Shareholder communications	69,485	36,461	76,283	40,517
Short term investment fees	25,886	24,832	52,019	34,781
Stock-based compensation (Note 6)	247,021	199,334	494,042	315,440
Telephone	28,458	10,328	41,783	20,871
Trade shows and conferences	133,561	112,561	242,684	209,596
Transfer agent	7,223	4,774	9,567	10,871
Travel	36,517	16,822	45,783	30,906
Vehicle expenses	21,122	-	21,122	-
Wages and benefits	<u>109,697</u>	<u>66,037</u>	<u>311,243</u>	<u>154,494</u>
Loss before other items	(1,651,768)	(914,997)	(3,251,383)	(1,643,843)
OTHER ITEMS				
Interest income	307,127	337,658	743,539	605,295
Miscellaneous income	300,000	-	420,432	-
Unrealized loss on investments	<u>(280,701)</u>	<u>(167,810)</u>	<u>(268,567)</u>	<u>(207,381)</u>
	<u>326,426</u>	<u>169,848</u>	<u>895,404</u>	<u>397,914</u>
Loss before income taxes	(1,325,342)	(745,149)	(2,355,979)	(1,245,929)
Future income tax recovery	<u>-</u>	<u>-</u>	<u>1,737,356</u>	<u>-</u>
Loss for the period	(1,325,342)	(745,149)	(618,623)	(1,245,929)
Deficit, beginning of period	<u>(17,180,028)</u>	<u>(16,076,839)</u>	<u>(17,886,747)</u>	<u>(15,576,059)</u>
Deficit, end of period	<u>\$ (18,505,370)</u>	<u>\$ (16,821,988)</u>	<u>\$ (18,505,370)</u>	<u>\$ (16,821,988)</u>
Basic and diluted loss per common share	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	72,206,020	66,619,230	71,822,049	62,811,309

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 June 30, 2007	Three Month Period Ended June 30, 2006	Six Month Period Ended June 30, 2007	Six Month Period Ended June 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (1,325,342)	\$ (745,149)	\$ (618,623)	\$ (1,245,929)
Items not affecting cash				
Amortization	49,950	13,162	80,900	25,807
Unrealized loss on investments	280,701	167,810	268,567	207,381
Stock-based compensation	247,021	199,334	494,042	315,440
Future income tax recovery	-	-	(1,737,356)	-
Changes in non-cash working capital items:				
Increase in deferred revenue	386,656	-	531,994	-
Increase in receivables	(91,017)	(157,201)	(314,785)	(12,534)
(Increase) decrease in prepaid expenses	(1,346)	1,242	12,974	8,821
(Decrease) increase in accounts payable and accrued liabilities	(22,282)	99,977	181,182	170,711
Cash used in operating activities	<u>(475,659)</u>	<u>(420,825)</u>	<u>(1,101,105)</u>	<u>(530,303)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Deferred exploration costs	(3,596,068)	(2,127,722)	(6,327,529)	(2,939,276)
Deferred reorganization costs	(193,753)	-	(257,073)	-
Equipment purchased	(1,020,235)	(8,441)	(1,192,305)	(15,697)
(Increase) decrease in short term investments	2,245,503	(13,493,556)	2,093,968	(17,858,046)
Mineral property interests	<u>(248,232)</u>	<u>(329,338)</u>	<u>(256,527)</u>	<u>(336,947)</u>
Cash used in investing activities	<u>(2,812,785)</u>	<u>(15,959,057)</u>	<u>(5,939,466)</u>	<u>(21,149,966)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Share issuance costs	-	(673,947)	-	(679,245)
Capital stock issued	<u>501,571</u>	<u>12,305,012</u>	<u>3,659,652</u>	<u>20,420,009</u>
Cash provided by financing activities	<u>501,571</u>	<u>11,631,065</u>	<u>3,659,652</u>	<u>19,740,764</u>
Change in cash and equivalents during the period	(2,786,873)	(4,748,817)	(3,380,919)	(1,939,505)
Cash and equivalents, beginning of period	<u>4,705,862</u>	<u>14,953,133</u>	<u>5,299,908</u>	<u>12,143,821</u>
Cash and equivalents, end of period	1,918,989	\$ 10,204,316	\$ 1,918,989	\$ 10,204,316

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)
JUNE 30, 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 with the exception of the accounting policy regarding the financial instruments and comprehensive income as disclosed in Note 9. 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

	June 30, 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	1,959,009	1,720,833
Staked properties, Canada	831,260	831,260
Staked properties, Peru	69,580	69,580
Wyoming properties, USA	<u>2,707,762</u>	<u>2,689,410</u>
	<u>\$ 8,383,973</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 2006, the Company paid \$14,381 (US\$10,000) (2005 - \$12,558 (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.

The Company has granted an option for a 60% interest in its Duddridge Lake property. In return for the option, the Company will receive \$6,000,000 over 5 years to fund the property's exploration.

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 \$507,092, incurring additional costs of \$343,417 and issuing 600,000 common shares valued at \$1,108,500. Certain claims are subject to a 1% royalty.

STRATHMORE MINERALS CORP.
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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 \$421,452 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
Access	-	5,263	-	5,263
Drilling	483,255	120,052	-	603,307
Engineering	-	334,967	479	335,446
Environmental	-	70,222	-	70,222
Equipment & vehicle rental	467,066	-	949	468,015
Facilities/Construction	2,419	6,271	-	8,690
Geology	1,257,786	46,877	-	1,304,663
Geophysics	1,136,041	-	-	1,136,041
General expenses	77,021	80,679	9,783	167,483
Health & safety	-	3,133	-	3,133
Property fees	104,663	208,557	45,674	358,894
Permitting/Regulatory	99,809	130,731	-	230,540
Personnel time	676,028	732,616	54,263	1,462,907
Travel	<u>79,371</u>	<u>83,387</u>	<u>10,167</u>	<u>172,925</u>
As at June 30, 2007	\$ 12,934,592	\$ 4,827,619	\$ 511,332	\$ 18,273,543

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

Subject to regulatory and court 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. (see Note 11 – Subsequent Events)

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	516,000	889,400	-
Exercise of warrants	1,179,364	2,770,252	-
Acquisition of mineral property interests	100,000	425,000	-
Tax benefits renounced to flow through share subscribers	-	(1,737,356)	-
Stock-based compensation	-	-	494,042
As at June 30, 2007	72,426,912	\$ 70,794,402	\$ 2,699,982

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.

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.

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 (cont'd...)

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	1,720,688	\$ 2.63	4,195,000	\$ 2.18
Exercised	<u>(1,179,363)</u>	1.16	<u>(516,000)</u>	1.72
Outstanding, June 30, 2007	541,325	\$ 3.25	3,679,000	\$ 1.82
Number currently exercisable	541,325	\$ 3.25	1,947,600	\$ 1.90

As at June 30, 2007, incentive stock options and share purchase warrants were outstanding as follows:

	Number of Shares	Exercise Price	Expiry Date
Options	300,000	2.20	April 29, 2008
	125,000	2.50	April 13, 2009
	805,000	1.50	October 6, 2010
	100,000	3.00	December 15, 2010
	1,692,000	1.70	August 31, 2011
	<u>657,000</u>	2.10	October 27, 2011
Total	<u>3,679,000</u>		
Warrants	<u>541,325</u>	3.25	November 9, 2007
Total	541,325		

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

Stock-based compensation

During the period ended June 30, 2007, the Company granted Nil (2006 – 275,000) 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 six months ended June 30, 2007 was \$494,042 (2006 - \$315,440). 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:

Six month period ended June 30,	2007	2006
Risk-free interest rate	-	4.13%
Expected life	-	4 years
Annualized volatility	-	46%
Dividend rate	-	0.00%

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Six month period ended June 30,	2007	2006
Cash paid during the period for interest	\$ -	\$ -

During the six month period ended June 30, 2007 the Company issued 100,000 (2006 – 850,000) common shares valued at \$425,000 (2006 -\$2,105,500) pursuant to the acquisition of mineral property interests.

8. RELATED PARTY TRANSACTIONS

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

Six month period ended June 30,	2007	2006
Directors' fees	\$ 78,000	\$ -
Consulting fees	358,493	285,736
Total	\$ 436,493	\$ 285,736

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.

STRATHMORE MINERALS CORP.
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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 June 30, 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 held-for-trading.

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 June 30, 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 \$18,133,612 (2006 - \$11,979,000), Peru is \$580,912 (2006 - \$459,597) and the USA is \$10,002,375 (2006 - \$7,900,767).

11. SUBSEQUENT EVENTS

- a) On July 17, 2007, the spin out agreement between Fission Energy Corp. (“Fission”) and Strathmore was completed. Fission acquired all of Strathmore’s interests in its Canadian and Peruvian properties together with \$500,000 in cash. In exchange for their old Strathmore common shares, each shareholder received one new common share in Strathmore and one-third of one common share in Fission.
- b) On July 26, 2007, the Company completed a joint venture agreement with Sumitomo Corp (“Sumitomo”) of Japan to develop its Roca Honda project in New Mexico. As of July 30, 2007, the Company has received US\$ 100,000 from Sumitomo. The company expects to receive an additional US\$ 900,000, for a total of US\$ 1,000,000, a one time payment for entering into the joint venture agreement. Sumitomo will contribute 40% of the cost of the feasibility study. Upon completion of the feasibility study, Sumitomo has the choice to participate in the development of the Roca Honda project. Following a positive investment decision, Sumitomo will fund at least US\$ 50 million to further develop the project towards production.

MANAGEMENT'S DISCUSSION & ANALYSIS
STRATHMORE MINERALS CORP.
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007

Strathmore Minerals Corp. (the "Company") is a junior resource issuer primarily engaged in the acquisition, exploration, and development of uranium resource properties in the United States, Canada, and Peru. 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 June 30, 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 July 30, 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.

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

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.

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 has commenced. 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. During the 2007 calendar year, exploration and development will continue on the uranium projects discussed herein.

During the six month period ending June 30, 2007 the spot price of uranium continued its uptrend to approximately \$138 US/lb, before declining to approximately \$90 US/lb at the time of writing. In New Mexico, the Company continued permitting activities at Roca Honda. 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 lbsU₃O₈. Negotiations with Sumitomo Corp., an international Fortune 500 corporation, interested in co-developing the Roca Honda project, announced during the first quarter, continued into the second quarter. (See Subsequent Events) In Wyoming, the Company continued to acquire claims strategic to its core properties in that State. Significant claims known as the Andria Ore-Body and the East Day Loma deposit with near-surface uranium mineralization were added in the Gas Hills Uranium District. These properties complement the Geroge-Ver, Loco-Lee, Bull Rush and Fazier-LeMac projects. Historically, the Gas Hills was the second largest uranium producing region in the United States, with cumulative production exceeding 100 million pounds. NI 43-101 technical reports with resource calculations were completed for the Sky property, and subsequent to June 30th, the Jeep property. Permitting activities continued at the Sky project and the Company received state regulatory approvals to conduct an exploration drill program at Jeep. In Canada, a first phase drill program was

completed at the Company's wholly-owned project at Waterbury Lake in the Athabasca basin. The results warrant continued exploration on the property. Additional ground geophysical programs were carried out at Davy Lake, a first phase drill program was initiated at Patterson Lake, while airborne geophysical and surface sampling programs have begun on properties owned by the Company in the Western part of the basin.

During the second quarter the Company began to aggressively joint venture non-core properties with other interested parties. Letters of Intent were signed with Yellowcake Mining Inc to explore and develop the Sky, Juniper Ridge (Red Creek) and Jeep properties in Wyoming. A Letter of Intent was signed with American Uranium for the Pine Tree/Reno Creek properties in Wyoming and a Letter of Intent was signed with NuMex Uranium for the development of the Nose Rock property in New Mexico. In Canada, Strathmore closed an option agreement with Great Bear Resources at Duddridge Lake in northern Saskatchewan. Joint venture discussions have continued into the third quarter. Management is confident the preliminary agreements signed with Yellowcake Mining, American Uranium Corp, and NuMex Uranium Resources Inc. will be finalized during the third quarter.

During the first quarter, Strathmore announced that it intended to enhance shareholder value by spinning off its Canadian and Peruvian exploration properties, in addition to \$500,000 cash into a separate publicly traded company. At the Company's Annual General and Special Shareholder's meeting held in Vancouver on June 19, shareholders unanimously approved the spin-off and Fission Energy Corp was created. The Plan of Arrangement received British Columbia Supreme Court approval on June 22nd. TSX Exchange and other regulatory approvals were received subsequent to June 30th and Fission began trading as a new public company on July 25 under the symbol FIS.V (TSX Venture Exchange) Strathmore Minerals Corp continues to trade on the TSX Venture Exchange under the symbol STM.V. All of Strathmore's uranium exploration and development properties are now located in the United States.

Uranium Resources Summary by Property

The following table updates the Company's uranium resources as of June 30, 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 % U₃O₈	Lbs/U₃O₈
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
Andria	Federal American Partners	Historical: Measured & Indicated	739,565	.06	949,100
East Day Loma	Energy Fuels	Historical: Proven & Probable	450,096	.21	1,940,945
Gas Hills (Frazier LeMac), Wyoming	Pathfinder	Historical: Demonstrated	696,327	.11	1,522,000
Gas Hills, (Jeep), Wyoming	Federal American Partners	Historical: Demonstrated Historical: Inferred	210,970 85,545	.078 .077	329,112 133,341
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.

Deferred Exploration Costs

For the six months ended June 30, 2007, the Company spent \$6,327,529 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
Access	-	5,263	-	5,263
Drilling	483,255	120,052	-	603,307
Engineering	-	334,967	479	335,446
Environmental	-	70,222	-	70,222
Equipment & vehicle rental	467,066	-	949	468,015
Facilities/Construction	2,419	6,271	-	8,690
Geology	1,257,786	46,877	-	1,304,663
Geophysics	1,136,041	-	-	1,136,041
General expenses	77,021	80,679	9,783	167,483
Health & safety	-	3,133	-	3,133
Property fees	104,663	208,557	45,674	358,894
Permitting/Regulatory	99,809	130,731	-	230,540
Personnel time	676,028	732,616	54,263	1,462,907
Travel	<u>79,371</u>	<u>83,387</u>	<u>10,167</u>	<u>172,925</u>
	<u>4,383,459</u>	<u>1,822,755</u>	<u>121,315</u>	<u>6,327,529</u>
As at June 30, 2007	\$ 12,934,592	\$ 4,827,619	\$ 511,332	\$18,273,543

Results of Operations

General and administrative expenses increased from \$1,643,843 for the six months ended June 30, 2006 to \$3,251,384 for the six months ended June 30, 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 June 30, 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 in 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)	(1,325,342)		
	Net Income (loss) per share	(0.01)	(0.02)		

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 six months ended June 30, 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 July 30, 2007, the Company has 72,506,911 common shares issued and outstanding. The Company also has 3,599,000 incentive stock options ranging in exercise price from \$1.50 to \$3.00 per share and 541,325 share purchase warrants for an exercise price of \$3.25 per share.

Transactions with Related Parties

During the six months ended June 30, 2007, the Company paid or accrued management consulting fees in the amount of \$100,415 to a company controlled by Devinder Randhawa, the Chairman and Chief Executive Officer of the Company. Management consulting fees of \$63,767 were paid or accrued to a company controlled by an officer, Steven Khan, for services provided to the Company. David Miller, the President and Chief Operating Officer, received \$95,952 for his services. Bob Hemmerling, the Secretary of the Company, received \$49,500 for his services. Patrick Groening, the Chief Financial Officer, received \$48,860 for his services. In addition, Directors' fees in the amount of \$16,000, \$15,000, \$16,250, \$14,000 and \$16,750 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.

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 June 30, 2007, and concluded that the current disclosure controls and procedures are effective.

During the interim period ended June 30, 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 June 30, 2007, the Company:

- a) On July 17, 2007, the spin out agreement between Fission Energy Corp. ("Fission") and Strathmore was completed. Fission acquired all of Strathmore's interests in its Canadian and Peruvian properties together with \$500,000 in cash. In exchange for their old Strathmore common shares, each shareholder received one new common share in Strathmore and one-third of one common share in Fission.
- b) On July 26, 2007, the Company completed a joint venture agreement with Sumitomo Corp ("Sumitomo") of Japan to develop its Roca Honda project in New Mexico. As of July 30, 2007, the Company has received US\$ 100,000 from Sumitomo. The company expects to receive an additional US\$ 900,000, for a total of US\$ 1,000,000, a one time payment for entering into the joint venture agreement. Sumitomo will contribute 40% of the cost of the feasibility study. Upon completion of the feasibility study, Sumitomo has the choice to participate in the development of the Roca Honda project. Following a positive investment decision, Sumitomo will fund at least US\$ 50 million to further develop the project towards production.