

Condensed interim consolidated financial statements of

**Strathmore Minerals Corp.**

June 30, 2011

(unaudited)

## Notice

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the six month period ended June 30, 2011.

# Strathmore Minerals Corp.

June 30, 2011

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# Strathmore Minerals Corp.

Condensed interim consolidated statements of financial position

(Unaudited)

(expressed in Canadian dollars)

	As at June 30, 2011	As at December 31, 2010	As at January 1, 2010
	\$	\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents (Note 6)	19,011,039	21,087,388	1,218,006
Short-term investments (Note 3)	3,191,131	3,371,598	2,961,650
Amounts receivable	121,156	196,438	78,096
Income taxes receivable	99,227	1,510,045	-
Prepaid expenses	33,993	194,541	70,283
	<b>22,456,546</b>	26,360,010	4,328,035
Property and equipment	1,164,908	1,077,094	1,363,123
Mineral property interests (Note 4)	29,698,889	27,149,083	22,561,293
<b>Total assets</b>	<b>53,320,343</b>	54,586,187	28,252,451
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	2,391,762	1,011,804	984,747
Deposit on sale proceeds (Note 4(b)(ii))	-	-	261,650
	<b>2,391,762</b>	1,011,804	1,246,397
Deferred income tax liabilities	576,525	1,311,928	-
<b>Total liabilities</b>	<b>2,968,287</b>	2,323,732	1,246,397
<b>Shareholders' equity</b>			
Share capital	62,704,720	62,059,300	53,473,594
Contributed surplus	9,309,770	8,751,330	8,039,812
Deficit	(26,784,886)	(23,807,993)	(39,486,503)
Foreign currency translation reserve	(1,872,240)	(975,486)	-
Attributable to shareholders of:			
Strathmore Minerals Corp.	43,357,364	46,027,151	22,026,903
Non-controlling interests (Note 4(a)(i))	6,994,692	6,235,304	4,979,151
<b>Total shareholders' equity</b>	<b>50,352,056</b>	52,262,455	27,006,054
<b>Total liabilities and shareholders' equity</b>	<b>53,320,343</b>	54,586,187	28,252,451

Contingency (Note 9)

Subsequent event - Gas Hills properties (Note 10)

# Strathmore Minerals Corp.

Condensed interim consolidated statements of income (loss)

(Unaudited)

(expressed in Canadian dollars)

	Three months ended June 30, 2011 \$	Three months ended June 30, 2010 \$	Six months ended June 30, 2011 \$	Six months ended June 30, 2010 \$
<b>General and administrative expenses</b>				
Amortization	76,077	76,460	151,176	154,913
Consulting fees	249,263	416,420	530,384	1,019,264
Corporate development and investor relations	101,737	127,021	306,375	229,881
Office and administration	177,274	179,354	320,265	299,858
Professional fees	84,216	56,678	284,501	116,641
Share-based payments (Note 5(c))	353,198	212,423	701,334	408,394
Transfer agent and regulatory fees	29,553	6,484	228,706	20,919
Wages and benefits	142,080	139,320	302,621	359,102
<b>Loss before other items</b>	<b>(1,213,398)</b>	<b>(1,214,160)</b>	<b>(2,825,362)</b>	<b>(2,608,972)</b>
<b>Other items</b>				
Exploration management fee income	-	1,633	-	18,069
Foreign exchange gain	-	22,032	-	32,719
Interest and miscellaneous income	88,522	34,002	139,266	56,438
Realized gain on short-term investments (Note 3)	-	-	445,474	20,202
Unrealized loss on short-term investments (Note 3)	(231,115)	(565,967)	(1,522,111)	(529,477)
Mineral property write-down (Note 4)	-	-	-	(2,438)
	<b>(142,593)</b>	<b>(508,300)</b>	<b>(937,371)</b>	<b>(404,487)</b>
<b>Loss from continuing operations before income taxes</b>	<b>(1,355,991)</b>	<b>(1,722,460)</b>	<b>(3,762,733)</b>	<b>(3,013,459)</b>
Income tax recovery (Note 4(b)(ii))	-	4,104,518	-	4,104,518
Deferred income taxes recovery	214,183	-	735,403	-
<b>Income (loss) from continuing operations</b>	<b>(1,141,808)</b>	<b>2,382,058</b>	<b>(3,027,330)</b>	<b>1,091,059</b>
<b>Discontinued operations</b>				
Gain on disposition of mineral property interest, net (Note 4(b)(ii))	-	14,177,996	-	14,177,996
<b>Net income (loss) for the year</b>	<b>(1,141,808)</b>	<b>16,560,054</b>	<b>(3,027,330)</b>	<b>15,269,055</b>
Attributable to shareholders of:				
Strathmore Minerals Corp.	(1,117,369)	16,583,577	(2,976,893)	15,309,691
Non-controlling interests	(24,439)	(23,523)	(50,437)	(40,636)
<b>Net income (loss) for the year</b>	<b>(1,141,808)</b>	<b>16,560,054</b>	<b>(3,027,330)</b>	<b>15,269,055</b>
<b>Basic and diluted income (loss) per common share from continuing operations</b>				
Basic and diluted	<b>(0.01)</b>	0.03	<b>(0.03)</b>	0.01
<b>Basic and diluted income (loss) per common share</b>				
Basic	<b>(0.01)</b>	0.20	<b>(0.03)</b>	0.18
Diluted	<b>(0.01)</b>	0.19	<b>(0.03)</b>	0.17
<b>Weighted average number of common shares outstanding</b>				
Basic	<b>89,939,769</b>	84,484,810	<b>89,636,150</b>	86,121,492
Diluted	<b>89,939,769</b>	86,012,108	<b>89,636,150</b>	87,712,166

# Strathmore Minerals Corp.

Condensed interim consolidated statements of comprehensive income (loss)

(Unaudited)

(expressed in Canadian dollars)

	<b>Three months ended June 30, 2011</b>	Three months ended June 30, 2010	<b>Six months ended June 30, 2011</b>	Six months ended June 30, 2010
	\$	\$	\$	\$
<b>Net income (loss) for the period</b>	<b>(1,141,808)</b>	16,560,054	(3,027,330)	15,269,055
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustment	<b>(217,728)</b>	1,632,599	(896,754)	1,058,657
<b>Comprehensive income (loss) for the period</b>	<b>(1,359,536)</b>	18,192,653	(3,924,084)	16,327,712
Attributable to shareholders of:				
Strathmore Minerals Corp.	<b>(1,335,097)</b>	18,216,176	(3,873,647)	16,368,348
Non-controlling interests	<b>(24,439)</b>	(23,523)	(50,437)	(40,636)
<b>Comprehensive income (loss) for the period</b>	<b>(1,359,536)</b>	18,192,653	(3,924,084)	16,327,712

# Strathmore Minerals Corp.

Condensed interim consolidated statements of changes in equity  
(Unaudited)

(expressed in Canadian dollars)

	Common shares (Note 5)		Contributed surplus	Foreign currency translation reserve	(Deficit)	Attributable to shareholders of:		Total
	Shares	Amount				Strathmore Minerals Corp.	Non-controlling interests	
		\$				\$	\$	
<b>Balance, January 1, 2010</b>	72,458,911	53,473,594	8,039,812	-	(39,486,503)	22,026,903	4,979,151	27,006,054
Foreign currency translation adjustment	-	-	-	1,058,657	-	1,058,657	-	1,058,657
Share-based payments (Note 5(c))	-	-	408,394	-	-	408,394	-	408,394
Non-brokered private placement (Note 5(a))	15,243,727	8,384,050	-	-	-	8,384,050	-	8,384,050
Finders' fees (Note 5(a))	-	(908,704)	389,509	-	-	(519,195)	-	(519,195)
Exercise of options (Note 5(b))	95,667	58,968	(19,747)	-	-	39,221	-	39,221
Contributions to Roca Honda	-	-	-	-	-	-	544,319	544,319
Net income	-	-	-	-	15,309,691	15,309,691	(40,636)	15,269,055
<b>Balance, June 30, 2010</b>	87,798,305	61,007,908	8,817,968	1,058,657	(24,176,812)	46,707,721	5,482,834	52,190,555
Exercise of options (Note 5(b))	425,000	299,049	(110,800)	-	-	188,249	-	188,249
Exercise of warrants (Note 5(b))	718,964	752,343	(213,119)	-	-	539,224	-	539,224
Foreign currency translation adjustment	-	-	-	(2,034,143)	-	(2,034,143)	-	(2,034,143)
Share-based payments (Note 5(c))	-	-	257,281	-	-	257,281	-	257,281
Contributions to Roca Honda	-	-	-	-	-	-	797,676	797,676
Net income	-	-	-	-	368,819	368,819	(45,206)	323,613
<b>Balance, December 31, 2010</b>	88,942,269	62,059,300	8,751,330	(975,486)	(23,807,993)	46,027,151	6,235,304	52,262,455
Exercise of options (Note 5(b))	740,000	452,295	(142,894)	-	-	309,401	-	309,401
Exercise of warrants (Note 5(b))	257,500	193,125	-	-	-	193,125	-	193,125
Foreign currency translation adjustment	-	-	-	(896,754)	-	(896,754)	-	(896,754)
Share-based payments (Note 5(c))	-	-	701,334	-	-	701,334	-	701,334
Contributions to Roca Honda	-	-	-	-	-	-	809,825	809,825
Net loss	-	-	-	-	(2,976,893)	(2,976,893)	(50,437)	(3,027,330)
<b>Balance, June 30, 2011</b>	89,939,769	62,704,720	9,309,770	(1,872,240)	(26,784,886)	43,357,364	6,994,692	50,352,056

# Strathmore Minerals Corp.

Condensed interim consolidated statements of cash flows

(Unaudited)

(expressed in Canadian dollars)

	Six months ended June 30, 2011 \$	Six months ended June 30, 2010 \$
<b>Operating activities</b>		
Net income (loss) for the period from continuing operations	(3,027,330)	1,091,059
Items not affecting cash:		
Amortization	151,176	154,913
Interest income	(139,266)	(49,769)
Realized gain on short-term investments	(445,474)	(20,202)
Unrealized loss on short-term investments	1,522,111	529,477
Share-based payments	701,334	408,394
Income tax recovery	-	(4,104,518)
Mineral property write-down	-	2,438
Foreign exchange gain (loss)	-	(32,719)
Deferred income tax recovery	(735,403)	-
Changes in non-cash working capital items (Note 6)	1,768,023	(8,220,272)
Cash used in operations	(204,829)	(10,241,199)
Interest received	243,611	8,482
Net cash provided by (used in) operating activities	38,782	(10,232,717)
<b>Investing activities</b>		
Purchases of equipment	(95,942)	(99,667)
Exploration and development of mineral property interests	(2,521,715)	(1,746,323)
Cash used in continuing investing activities	(2,617,657)	(1,845,990)
<b>Financing activities</b>		
Proceeds from the issuance of common shares and share units	-	8,384,049
Share issuance costs	-	(519,197)
Exercise of stock options	309,401	39,224
Exercise of warrants	193,125	-
Cash provided by continuing financing activities	502,526	7,904,076
<b>Net decrease in cash and cash equivalents from continuing operations</b>	<b>(2,076,349)</b>	<b>(4,174,631)</b>
<b>Discontinued operations</b>		
<b>Operating activities</b>		
Net income from discontinued operations	-	14,177,996
Gain on disposition of discontinued operations, net	-	(14,177,996)
<b>Investing activities</b>		
Proceeds from the sale of discontinued operations	-	17,240,097
Cash provided by discontinued operations	-	17,240,097
<b>Net increase (decrease) in cash and cash equivalents from continuing and discontinued operations</b>	<b>(2,076,349)</b>	<b>13,065,466</b>
Cash and cash equivalents, beginning of period	21,087,388	1,218,006
<b>Cash and cash equivalents, end of period</b>	<b>19,011,039</b>	<b>14,283,472</b>

Supplemental disclosure with respect to cash flows (Note 6)

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

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## 1. Nature and continuance of operations

Strathmore Minerals Corp. (the "Company") is a publically listed Company incorporated in Canada under the laws of the Province of British Columbia. The Company's shares are listed on the Toronto Stock Exchange. The registered office of the Company is located at 700 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The principal address and records office of the Company is located at 700 – 1620 Dickson Avenue, Kelowna, British Columbia, V1Y 9Y2.

The Company is engaged in the acquisition, exploration, and development of uranium mineral properties. The Company is in the process of exploring and developing its mineral property interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral property interests, including related deferred exploration costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, obtaining the necessary permits to operate a mine and upon future profitable production, or alternatively, upon cash generated from non-core property divestures.

## 2. Basis of preparation and first time adoption of international financial reporting standards

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with IAS 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its first IFRS consolidated annual financial statements for the year ending December 31, 2011. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that the Company expects to be applicable at that time. These condensed interim consolidated financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2010 prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). IAS 34 does not require disclosure of accounting policies in interim financial statements. The accounting policies required by IFRS were disclosed in the Company's condensed interim consolidated financial statements for the period ended March 31, 2011.

The Company's consolidated financial statements were previously prepared in accordance with Canadian GAAP. Canadian GAAP differs in some areas from IFRS. In preparing these condensed interim consolidated financial statements, management has amended certain accounting and consolidation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2010 were restated to reflect these adjustments as required by IFRS 1, *First-Time Adoption of IFRS*. Certain information and footnote disclosures which are considered material to the understanding of the Company's condensed interim consolidated financial statements and which are normally included in annual financial statements prepared in accordance with IFRS are provided in note 12 along with reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements  
June 30, 2011 and 2010  
(unaudited)  
(expressed in Canadian dollars)

on the consolidated statements of financial position, changes in equity, income (loss), comprehensive income (loss) and cash flows.

These consolidated interim financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Management has carried out an assessment of the going concern assumption and has concluded that the Company has sufficient cash and cash equivalents and short-term investments (as well as no debt obligations outside of normal course accounts payable and accrued liabilities) to continue operating at current levels for the ensuing twelve months.

The comparative figures presented in these condensed interim consolidated financial statements are in accordance with IFRS and have not been audited. These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss which are stated at fair value. These financial statements are presented in Canadian dollars.

### 3. Short-term investments

Short-term investments have been classified as "fair value through profit or loss" and are comprised of the following:

	Fair value June 30, 2011	Fair value December 31, 2010
	\$	\$
Sky Digital Stores Corp. ("Sky") (formerly Yellowcake Mining Inc.)	108,480	192,460
American Uranium Corporation ("American Uranium")	20,125	12,970
Bayswater Uranium Corporation ("Bayswater")	1,062,526	3,166,168
Mogul Ventures Corp. ("Mogul")	2,000,000	-
	<b>3,191,131</b>	<b>3,371,598</b>

During the six months ended June 30, 2011, the Company sold 1,248,000 of its Bayswater common shares and recorded a \$445,474 gain on disposal. During 2010, the Company sold 415,000 of its Bayswater common shares and recorded an \$118,365 gain on disposal. The Bayswater common shares were received in conjunction with the sale of the Pine Tree/Reno Creek property (see Note 4(b)(ii)). The unrealized loss of \$1,522,112 for the six months ended June 30, 2011 on the 2,759,807 remaining Bayswater common shares and the remaining Sky and American Uranium common shares reflects the change in their market values. The unrealized gain of \$1,152,800 for the year ended December 31, 2010 on the 4,007,807 remaining Bayswater common shares and the remaining Sky and American Uranium common shares reflects their increased market values at year end. During the six months ended June 30, 2011, the Company acquired \$2,000,000 in common shares of Mogul Ventures Corp. which is pursuing coal interests in Mongolia.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## 4. Mineral property interests

For the six months ended June 30, 2011	Roca Honda Property	Nose Rock/Crown Point Property	Marquez Property	Church Rock Property	Gas Hills Property	Sky/Cedar Rim Property	Other Properties	Total Property Costs
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>								
Balance, beginning of period	544,010	603,594	1,495,924	268,355	1,343,609	-	521,022	<b>4,776,514</b>
Additions	-	-	253,868	-	-	-	-	<b>253,868</b>
Foreign currency translation	(16,573)	(18,388)	(58,204)	(8,175)	(40,932)	-	(15,873)	<b>(158,145)</b>
Balance, end of period	527,437	585,206	1,691,588	260,180	1,302,677	-	505,149	<b>4,872,237</b>
<b>Exploration costs</b>								
Balance, beginning of period	14,938,783	274,826	75,969	2,121,380	3,626,828	934,419	400,364	<b>22,372,569</b>
Incurred during the period								
Administration	158,731	-	42	989	12,047	-	322	<b>172,131</b>
Drilling	41,466	-	-	-	244,524	129	-	<b>286,119</b>
Engineering	666,481	-	-	128,225	120,510	-	-	<b>915,216</b>
Feasibility study	532,830	-	-	-	-	-	-	<b>532,830</b>
Geology & Geophysics	89,415	-	-	2,389	32,984	-	-	<b>124,788</b>
Property maintenance fees	-	-	-	290	12,613	-	7,793	<b>20,696</b>
Permitting/Regulatory	834,984	-	-	253	205,069	185	12	<b>1,040,503</b>
Personnel time	11,918	185	-	1,483	-	-	-	<b>13,586</b>
Travel	62,434	-	-	-	87	-	-	<b>62,521</b>
Health & Safety	-	-	-	-	507	-	-	<b>507</b>
	2,398,259	185	42	133,629	628,341	314	8,127	<b>3,168,897</b>
Foreign currency translation	(483,217)	(8,379)	(2,315)	(66,297)	(113,992)	(28,472)	(12,142)	<b>(714,814)</b>
Balance, end of period	16,853,825	266,632	73,696	2,188,712	4,141,177	906,261	396,349	<b>24,826,652</b>
<b>Total costs</b>	<b>17,381,262</b>	<b>851,838</b>	<b>1,765,284</b>	<b>2,448,892</b>	<b>5,443,854</b>	<b>906,261</b>	<b>901,498</b>	<b>29,698,889</b>

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

For the year ended December 31, 2010	Roca Honda Property	Nose Rock/ Crown Point Property	Marquez Property	Church Rock Property	Gas Hills Property	Pine Tree/ Reno Creek Property	Sky/Cedar Rim Property	Other Properties	Total Property Costs
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, beginning of year	572,452	635,151	1,312,484	282,385	849,233	-	-	527,330	4,179,035
Additions	-	-	258,775	-	567,794	129,930	-	20,621	977,120
Recoveries	-	-	-	-	-	(129,930)	-	-	(129,930)
Foreign currency translation	(28,442)	(31,557)	(75,335)	(14,030)	(73,418)	-	-	(26,929)	(249,711)
Balance, end of year	544,010	603,594	1,495,924	268,355	1,343,609	-	-	521,022	4,776,514
<b>Exploration costs</b>									
Balance, beginning of year	11,769,962	262,372	63,799	2,215,947	2,771,452	-	967,131	331,595	18,382,258
Incurred during the year									
Administration	234,973	165	5,966	379	9,541	33,859	24	11,954	296,861
Drilling	993,505	-	-	-	333,014	-	8,432	-	1,334,951
Engineering	861,496	-	-	-	90,539	-	-	1,634	953,669
Feasibility Study	413,185	-	-	-	-	-	-	-	413,185
Geology & Geophysics	101,261	1,124	9,311	417	91,631	193	-	237	204,174
Property maintenance fees	17,669	25,315	848	15,292	256,143	504	7,371	143,295	466,437
Permitting/regulatory	1,195,974	-	-	-	242,264	6,224	195	1,127	1,445,784
Personnel time	60,517	-	-	-	-	-	-	-	60,517
Quality assurance	866	-	-	-	-	-	-	-	866
Travel	513	-	-	-	-	9,980	-	-	10,493
	3,879,959	26,604	16,125	16,088	1,023,132	50,760	16,022	158,247	5,186,937
Sale of properties	-	-	-	-	-	-	-	(68,632)	(68,632)
Cost recoveries	-	-	-	-	-	(50,760)	-	-	(50,760)
Write-down	-	-	-	-	-	-	-	(2,438)	(2,438)
Foreign currency translation	(711,138)	(14,150)	(3,955)	(110,655)	(167,756)	-	(48,734)	(18,408)	(1,074,796)
Balance, end of year	14,938,783	274,826	75,969	2,121,380	3,626,828	-	934,419	400,364	22,372,569
<b>Total Costs</b>	<b>15,482,793</b>	<b>878,420</b>	<b>1,571,893</b>	<b>2,389,735</b>	<b>4,970,437</b>	<b>-</b>	<b>934,419</b>	<b>921,386</b>	<b>27,149,083</b>

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements  
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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 using accepted industry standards.

Based on the Company's analysis of its properties in consideration of any impairment, it was concluded that there was no impairment as at June 30, 2011 (June 30, 2010 - \$2,438).

(a) *New Mexico properties, USA*

(i) Roca Honda property

On July 26, 2007, the Company completed an agreement with Sumitomo Corp. ("Sumitomo") of Japan to develop the Roca Honda uranium project located in New Mexico. The Company has transferred its entire interest in the Roca Honda Property to Roca Honda Resources LLC, a subsidiary which the Company owns 60% and Sumitomo owns 40%. The Company and Sumitomo are committed to a five year budget for the year ending December 31, 2011 of up to \$27,215,000, in proportion to their ownership interests, on development, permitting and feasibility of the Roca Honda property. Following completion of development, permitting and the feasibility study, should a positive decision be made to proceed, Sumitomo will contribute a pre-determined cash contribution for development of the Roca Honda mine.

The Company had acquired its original 100% interest in the Roca Honda claims during prior years by paying \$227,970 and issuing 200,000 common shares of the Company valued at \$271,000. Certain claims are subject to a 1% royalty.

The Company has consolidated Roca Honda Resources LLC into its operations and recorded a non-controlling interest of \$6,994,692 as at June 30, 2011 (December 31, 2010 - \$6,235,304, January 1, 2010 - \$4,979,151) to reflect Sumitomo's 40% interest.

(ii) Nose Rock/Crown Point property

The Company had acquired its original 100% interest in Nose Rock/Crown Point property during prior years by paying \$206,991 and issuing 300,000 common shares valued at \$702,000.

(iii) Marquez property

On September 5, 2007, the Company entered into a mineral lease agreement on the Marquez property located in New Mexico, for a period of ten years, with the option to extend the lease for an additional five years. The Company has paid US\$750,000 and is required to make annual payments of US\$250,000 during the initial ten year term. To extend the lease for an additional five years, the Company is required to pay

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US\$750,000 and make annual payments of US\$300,000 thereafter. To extend the lease beyond fifteen years, the Company is required to pay an additional US\$750,000.

The property is subject to an 8% net proceeds production royalty. Should commercial production not commence by September 2015, the Company will be required to pay additional annual minimum advance royalty payments of US\$250,000, which may be recovered from future production royalties.

(iv) Church Rock property

The Company had acquired its original 100% interest in the Church Rock property during prior years by paying \$153,655 and issuing 100,000 common shares valued at \$135,500.

(b) *Wyoming properties, USA*

(i) Gas Hills properties (see subsequent event note 10)

Gas Hills Mill Site property

On December 10, 2007, the Company entered into an option agreement to acquire the Gas Hills Mill Site property located in Wyoming and the related Nuclear Regulatory Commission ("NRC") license. The Company paid US\$10,000 for a one year option to acquire the property. On December 10, 2010, the Company negotiated a one year extension to the agreement and paid an additional US\$10,000.

Jeep property

The Company had acquired, by staking, its original 100% interest in the Jeep property during prior years.

Rock Hill/Red Horse property

On October 31, 2007, the Company acquired 100% of Rock Hill mineral claims by paying US\$770,960 and reimbursing the vendor for staking fees of \$46,500. The Company also acquired data related to this property by issuing 25,000 common shares valued at \$62,500. The property is subject to a 5% net proceeds royalty.

Other Gas Hills properties

The Company had acquired, by staking, its original 100% interest in certain claims located in the Gas Hills region of Wyoming, USA during prior years. Certain claims are subject to a 5% net proceeds royalty.

(ii) Pine Tree/Reno Creek property – discontinued operations

On August 20, 2007, the Company granted American Uranium Corp. ("American Uranium") an option to acquire a 60% interest in the Pine Tree/Reno Creek property. Total expenditures of US\$33,000,000 were required to be spent by American Uranium to earn a 60% interest. On April

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7, 2010, the Company and American Uranium mutually agreed to terminate the option agreement. Minimum funding requirements were not met and American Uranium retains no interest in the property.

On April 7, 2010, the Company closed an agreement to sell the Pine Tree/Reno Creek property to Bayswater Uranium Corporation ("Bayswater"). The terms of the agreement include a cash deposit of \$261,650 received in 2009, cash proceeds of \$17,240,100 received in 2010, and 4,422,807 common shares of Bayswater valued at \$2,344,088 for total proceeds of \$19,845,838. In addition, the Company retains a 5% gross proceeds royalty from sales which can be re-purchased in whole or in part by Bayswater at any time before the commencement of commercial production for US\$2,000,000 (US\$1,000,000 cash and US\$1,000,000 in common shares of Bayswater) per 1% royalty reduction up to a maximum of the entire 5% royalty for US\$10,000,000.

The Company has no cost basis in the property as all expenditures were funded by American Uranium. Accordingly, the Company has recognized a \$19,845,838 gain on disposition less taxes of \$5,648,020 for a net gain of \$14,197,818. As at December 31, 2010, the Company has previously unrecognized tax assets and therefore the Company recorded an income tax recovery of \$5,648,020 to offset taxes payable.

(iii) Sky/Cedar Rim property

The Company had acquired its original 100% interest in the Sky/Cedar Rim property during prior years by issuing 50,000 common shares valued at \$86,250 and incurring additional costs of \$13,029.

(c) *Other properties*

(i) Other New Mexico properties

The Company had acquired its original 100% interest in certain claims located in New Mexico, USA, during prior years by paying \$91,651.

(ii) Other Wyoming properties

The Company had acquired its original 100% interest in certain claims located in Wyoming, USA, during prior years by paying \$87,560, incurring \$90,509 in additional costs, and issuing 550,000 common shares valued at \$986,250.

On August 24, 2009, the Company entered into a definitive agreement to sell seven state uranium mineral leases, with a cost of \$150,816 to a subsidiary of Peninsula Minerals Limited ("Peninsula"). The leases are located near Oshoto, Wyoming. In addition, Strathmore will retain a 4% gross royalty. Peninsula will have the option to purchase the Strathmore royalty in part or in whole for a period of 3 years.

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## Juniper Ridge property – disposition of mineral property interest

The Company entered into an option agreement on October 29, 2010 with Crosshair Exploration & Mining Corp. ("Crosshair") for the sale of its Juniper Ridge property. Under the terms of the agreement, Crosshair will pay the Company US\$7,200,000 over six years in cash and common shares of Crosshair to acquire the Juniper Ridge property. As of June 30, 2011, the Company has received US\$200,000 from Crosshair. The purchase price will increase or decrease by \$1.00 for each pound of uranium above or below 5,000,000 pounds as demonstrated by a National Instrument 43-101 technical report to be completed within three years of the agreement. The purchase price will also increase or decrease by \$0.30 for each pound of uranium above or below 5,000,000 pounds as determined by a pre-feasibility study or feasibility study to be completed within six years of the agreement date. Ownership will revert back to the Company if any of the required payments are not received from Crosshair. A 2% gross production royalty is also retained by the Company and can be purchased in whole or in part by Crosshair during the three years after commercial production commences for a total of US\$3,000,000.

*Schedule of estimated payments to be received from Crosshair Exploration & Mineral Corp. in cash and common shares based on an estimated 5,000,000 pounds of uranium:*

<b>Year</b>	<b>Cash</b>	<b>Common Shares</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
2010	200,000	-	200,000
2011	250,000	250,000	500,000
2012	1,250,000	1,250,000	2,500,000
2013	1,250,000	1,250,000	2,500,000
2016	To be determined by Strathmore Minerals Corp.		1,500,000
<b>Total</b>			<b>7,200,000</b>

## **5. Share capital, stock options, and warrants**

The Company has authorized an unlimited number of common shares, without par value.

### (a) *Private placement*

On January 20, 2010, the Company completed a non-brokered private placement. The Company issued 15,243,727 common share units at a price of \$0.55 per unit for gross proceeds of \$8,384,050. Each common share unit consists of one common share and one half of one common share purchase warrant that entitles the holder to purchase one common share of the Company for each whole warrant at a price of \$0.75 for a period of 2 years. The Company paid agents' commissions of \$466,380 and issued

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847,964 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company at a price of \$0.75 for a period of 2 years. The broker warrants were valued at \$389,509 using the Black-Scholes option pricing model with a volatility of 124%, risk free interest rate of 1.20%, expected life of 2 years, and a dividend rate of 0%. All warrants vested immediately on the date of issuance.

(b) *Stock options and warrants*

The Company has a stock option plan whereby, from time to time, at the discretion of the Board of Directors (the "Board"), stock options are granted to directors, officers, employees and certain consultants. The Board will establish the exercise prices of options at the time options are granted, provided that such prices shall not be less than the market prices. The options granted must be exercised no later than ten years after the date of grant or such lesser period as the applicable grant may require, and the options will have vesting periods determined by the Board to be settled in the Company's common shares.

The aggregate maximum number of shares available for issuance from treasury under the plan is 10,000,000. Any shares subject to options which have been granted under the plan and which options have been cancelled, surrendered or terminated in accordance with the terms of the plan without having been exercised will again be available under the plan.

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

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
		\$		\$
Outstanding, January 1, 2010	5,872,000	0.54	-	-
Granted	1,695,000	0.65	8,469,828	0.75
Exercised	(95,667)	0.41	-	-
Forfeited	(66,333)	0.41	-	-
Outstanding, June 30, 2010	7,405,000	0.57	8,469,828	0.75
Granted	1,540,000	1.18	-	-
Exercised	(425,000)	0.44	(718,964)	0.75
Forfeited	(115,000)	0.50	-	-
Outstanding, December 31, 2010	8,405,000	0.69	7,750,864	0.75
Granted	200,000	1.30	-	-
Exercised	(740,000)	0.42	(257,500)	0.75
Outstanding, June 30, 2011	7,865,000	0.73	7,493,364	0.75

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For stock options exercised during the six months ended June 30, 2011, the weighted average fair value per option is \$0.19 (June 30, 2010 - \$0.16).

The following tables summarize information about outstanding stock options and warrants as at June 30, 2011:

## *Stock Options*

	Number Outstanding	Exercise Price	Number Exercisable	Expiry Date
		\$		
	400,000	2.25	400,000	January 2, 2013
	35,000	0.70	35,000	April 23, 2013
	150,000	0.60	150,000	September 26, 2013
	3,975,000	0.41	3,975,000	November 10, 2013
	200,000	1.30	-	February 1, 2014
	1,565,000	0.65	521,666	February 17, 2015
	190,000	1.30	31,667	November 29, 2015
	1,350,000	1.17	225,005	December 23, 2015
	7,865,000		5,338,338	

## *Warrants*

	Number Outstanding	Exercise Price	Number Exerciseable	Expiry Date
		\$		
Broker warrants	384,000	0.75	384,000	January 20, 2012
Warrants	7,109,364	0.75	7,109,364	January 20, 2012
	7,493,364		7,493,364	

### (c) *Share-based payments*

During the six months ended June 30, 2011, the Company granted 200,000 (June 30, 2010 – 1,695,000) options to employees, consultants and directors. The stock options are recorded at fair value in the condensed interim consolidated statements of income (loss) using the Black-Scholes option pricing model. The expected volatility assumption is based on the historical and implied volatility of the Company's Canadian dollar common share prices on the Toronto Stock Exchange and on the Toronto Stock Venture Exchange. The risk-free interest rate assumption is based on yield curves on Canadian Government zero-coupon bonds with a remaining term equal to the stock options' expected life. Total share-based payments recognized in the condensed interim consolidated statements of income (loss) during the six months ended June 30, 2011 is \$701,334 (June 30, 2010 – \$408,394) as a result of options granted and vested. This amount is also recorded as contributed surplus on the condensed interim consolidated statement of financial position. The weighted average fair value of options granted for the six months ended June 30, 2011 is \$0.83 (June 30, 2010 -

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\$0.65) per option. The weighted average remaining contractual life for options outstanding at June 30, 2011 is 3.0 years (June 30, 2010 – 3.6 years).

During the six months ended June 30, 2011, the following weighted average assumptions were used for the valuation of stock options:

Six months ended June 30	2011	2010
Expected risk-free interest rate	1.80%	3.07%
Expected life	2.5 years	4.4 years
Expected volatility	113%	92%
Expected dividend rate	0.00%	0.00%

(d) *Restricted share plan*

The Company implemented a restricted share plan on June 30, 2011 whereby, from time to time, at the discretion of the Board, restricted share rights are granted to directors, officers, employees and certain consultants to acquire any number of fully paid and non-assessable shares. The Board shall determine the restricted period applicable to such restricted share rights. The aggregate maximum number of shares available for issuance from treasury under this plan shall not exceed 4,000,000 shares. Any shares subject to restricted share rights which have been granted under the plan and which have been cancelled or terminated in accordance with the terms of the plan without the applicable restricted period having expired will again be available under the plan.

## 6. Supplemental disclosure with respect to cash flows

	June 30, 2011	December 31, 2010
	\$	\$
Cash and cash equivalents		
Cash	6,522,280	5,116,484
Term deposits	12,488,759	15,970,904
	<b>19,011,039</b>	21,087,388

Of the total cash and cash equivalents at June 30, 2011, the Company has \$287,441 in restricted term deposits (December 31, 2010 - \$342,679) which are being held to guarantee credit cards, and performance bonds for compliance with environmental laws and are therefore not available for general use by the Company.

During the six months ended June 30, 2011, the Company earned \$139,266 (June 30, 2010 - \$56,438) in interest income on cash and cash equivalents and short-term investments.

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For the six months ended	June 30, 2011	June 30, 2010
	\$	\$
Changes in non-cash working capital items:		
(Increase) decrease in amounts receivable	(29,063)	65,537
Decrease (increase) in short-term investments	1,103,830	(9,612,803)
Increase in prepaid expenses	(18,827)	(210,619)
Increase (decrease) in accounts payable and accrued liabilities	1,301,265	(25,711)
Increase in deposit for acquisition of shares of an investment	(2,000,000)	-
Increase in income taxes payable	-	1,563,324
Decrease in in income taxes receivable	1,410,818	-
Total changes in non-cash working capital items	1,768,023	(8,220,272)

There were \$nil (June 30, 2010 - \$nil) cash payments for interest and income taxes paid by the Company during the six months ended June 30, 2011.

Significant non-cash transactions during the period ended June 30, 2011 include:

- Incurring mineral property expenditures of \$629,567 through accounts payable and accrued liabilities;
- Reclassifying \$809,825 from mineral properties to non-controlling interests for reimbursements from the non-controlling interests;
- Recognizing \$872,958 in foreign currency translation adjustment in mineral properties;
- Recognizing \$12,531 in foreign currency translation adjustment in accounts payable and accrued liabilities;
- Purchasing \$179,375 in property and equipment through prepaid expenses; and
- Recognizing \$142,894 of contributed surplus on exercised options into common shares.

Significant non-cash transactions during the period ended June 30, 2010 include:

- Incurring mineral property expenditures of \$674,627 through accounts payable and accrued liabilities;
- Reclassifying \$389,509 from share issuance costs to contributed surplus for broker warrants;
- Reclassifying \$544,319 to mineral properties from non-controlling interests for reimbursements from the non-controlling interests;
- Recognizing \$19,747 of contributed surplus on exercised options into common shares;
- Recognizing \$1,125,514 in foreign currency translation adjustment in mineral properties; and
- Recognizing \$34,138 in foreign currency translation adjustment in property and equipment.

## 7. Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are discussed below.

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	June 30, 2011	June 30, 2010
	\$	\$
Share-based payments for options granted to key management personnel	399,696	731,402
Wages and consulting fees paid to key management personnel	679,898	1,013,013
	<b>1,079,594</b>	<b>1,744,415</b>

Included in accounts payable at June 30, 2011 is \$5,274 (December 31, 2010 - \$12,911) for consulting and directors fees to directors, officers and companies controlled by directors and officers.

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.

Share-based payments represent the fair value calculations of options in accordance with IFRS 2, *Share-Based Payments*, granted to key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (whether executive or otherwise) of the Company.

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the six months ended June 30, 2011 and June 30, 2010.

## 8. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration and development of mineral property interests, and considers its loss from operations for the six months ended June 30, 2011 and its income from operations for the six months ended June 30, 2010 to relate to this segment.

For the mineral property interests, the Company receives discrete financial information that is used by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. The segment is principally engaged in uranium exploration and development in the US. The Company's corporate segment only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8, *Operating segments*.

Assets by geographic area are as follows:

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	June 30, 2011		December 31, 2010	
	Canada	United States	Canada	United States
	\$	\$	\$	\$
Property and equipment	105,564	1,059,344	153,413	923,681
Mineral property interests	-	29,698,889	-	27,149,083
	105,564	30,758,233	153,413	28,072,764

## 9. Contingency

The Company has a claim for services allegedly performed on its mineral properties totalling \$182,616. The party has commenced legal proceedings against the Company. The Company unequivocally rejects this claim and is actively defending itself. No amount has been accrued in the financial statements with respect to this claim as the outcome is not determinable.

On September 1, 2010, the Company received a general release from a separate claim in the amount of \$108,000. Under the terms of the settlement, no amounts were payable by the Company.

## 10. Subsequent event – Gas Hills properties

On August 4, 2011, Strathmore entered into a binding Heads of Agreement (“HOA”) with Korea Electric Power Corp. (KEPCO”) for a phased US \$45 million development of the Gas Hills uranium properties. The HOA is divided into two phases over four years. Phase I requires KEPCO to subscribe for US \$8 million private placement financing in Strathmore at \$0.66 per share, subject to market conditions, and provide a US \$2 million project development allowance. No interest is earned by KEPCO during Phase I but the combined proceeds of US \$10 million must be used to develop the Gas Hills Properties. Subject to achieving successful results from the completion of Phase I, KEPCO at its sole discretion, may enter into a Phase II program, allowing them to earn-in up to a 40% interest in the Gas Hills Properties, for an additional \$35 million in expenditures over the subsequent three years.

Both Strathmore and KEPCO will have 45 days from the agreement date to complete the share subscription and definitive agreements. The HOA is subject to several conditions which include final due diligence, regulatory approval, approval of the Board of Directors, and the resolution of definitive documents. There is no certainty that definitive agreements will be entered into or the transaction completed.

## 11. Financial instruments and risk management

The Company's financial assets and liabilities consist of cash and cash equivalents, income taxes receivable, amounts receivable, short-term investments and accounts payable and accrued liabilities. For cash and cash equivalents, amounts receivable, income taxes receivable and accounts payable and accrued liabilities, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The fair value of short-term investments represents quoted prices in active markets for identical securities.

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As at June 30, 2011, the determination of the fair value measurements, which the Company's financial assets and liabilities are categorized on the condensed interim consolidated statements of financial position, is as follows: cash and cash equivalents and short-term investments are measured at fair value. As at June 30, 2011, there were no available-for-sale financial assets measured and recognized at fair value and there were no loans and receivables or held-to-maturity investments measured and recognized at amortized cost on the condensed interim consolidated statements of financial position.

The Company's financial assets and liabilities are exposed to a number of financial and market risks, including credit, liquidity, interest rate and price risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

(a) *Credit Risk*

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis, including evaluation of counterparty credit ratings, monitoring activities related to receivables and counterparty concentrations measured by amounts and percentages. The primary sources of credit risk for the Company arise from financial assets including cash and cash equivalents held with major financial institutions and amounts receivable. The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. As at June 30, 2011, the Company has no financial assets that are past due or impaired due to credit risk defaults. Therefore, the Company is not exposed to significant credit risk.

The Company's maximum exposure to credit risk at the reporting date is as follows:

	<b>June 30, 2011</b>	December 31, 2010	January 1, 2010
	\$	\$	\$
Cash and cash equivalents	<b>19,011,039</b>	21,087,388	1,218,006
Amounts receivable	<b>99,227</b>	196,438	78,096
	<b>19,110,266</b>	21,283,826	1,296,102

(b) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and short-term investment balances to meet its anticipated operational needs.

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The Company's financial liabilities, consisting of accounts payable and accrued liabilities are a result of exploration of its mineral property interests and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

As at June 30, 2011, the Company had positive working capital of \$20,064,784. Accordingly, the Company is able to meet its current obligations and has minimal liquidity risk.

The following table summarizes the Company's financial liabilities:

	June 30, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Accounts payable and accrued liabilities	2,391,762	1,011,804	984,747
	<b>2,391,762</b>	1,011,804	984,747

(c) *Market risk*

Market risk is the risk that the fair value for assets classified as fair value through profit or loss ("FVTPL") and available-for-sale or as future cash flows for assets and liabilities considered to be held-to-maturity, as other financial liabilities, and as loans or receivables of a financial instrument will fluctuate because of changes in market conditions. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to market fluctuations. The Company holds certain marketable securities that will fluctuate in value as a result of trading on global financial markets. Based on the Company's portfolio at June 30, 2011, a 10% increase or decrease in the market price of the securities held, ignoring any foreign currency risk which is described below, would have resulted in an increase or decrease to net income of approximately \$319,113 (December 31, 2010 - \$337,160, January 1, 2010 - \$296,165). The Company is not exposed to interest rate risk, as it does not hold debt balances and is not charged interest on its accounts payable balances.

## 12. Transition to IFRS

(a) *IFRS optional exemptions*

Under IFRS 1, the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets, liabilities, and equity taken to deficit unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position as at January 1, 2010:

(i) Business combinations

IFRS 1 provides the options to apply IFRS 3, Business Combinations, retrospectively or prospectively from the date of transition. The retrospective basis would require restatement of all business combinations

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that occurred prior to the date of transition. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its Transition Date and such business combinations have not been restated. Any goodwill arising on such business combinations before the Transition Date has not been adjusted from the carrying value previously under Canadian GAAP as a result of applying these exemptions. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after the Transition Date.

(ii) Cumulative translation differences

IFRS 1 allows a first-time adopter to be exempt from the requirements of IAS 21, *The Effects of Changes in Foreign Exchange Rates*, for cumulative translation difference that existed at the date of transition to IFRS. The Company has chosen to apply this election and has eliminated the cumulative translation differences and adjusted deficit by the same amount at the Transition Date to IFRS. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before the Transition Date to IFRS will not affect the gain or loss on disposal.

(iii) Share-based payments transactions

IFRS 2, *Share-based Payments*, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested or had been modified by the date of transition. The Company has elected not to apply IFRS 2 to awards that were modified or vested prior to the Transition Date.

(iv) Financial instruments

IFRS 1 allows a first-time adopter to designate, at the date of transition to IFRS, any financial asset or financial liability, previously designated as available-for-sale financial instruments, as at fair value through profit or loss provided the asset or liability meets the criteria in IAS 39. The Company has chosen to apply this election by designating its short-term investments as at fair value through profit or loss. The investments were previously designated as available-for-sale financial instruments and carried at fair value, with the unrealized gain or loss recorded in shareholders' equity as a component of accumulated other comprehensive income.

(b) *IFRS mandatory guidelines*

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening interim consolidated statement of financial position at January 1, 2010:

(i) Estimates

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In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of the Transition Date are consistent with its Canadian GAAP estimates for the same date.

(ii) Accounting for non-controlling interests

IAS 27, Consolidated and Separate Financial Statements, requires certain amounts to be allocated between owners and non-controlling interests. IFRS 1 provides relief from requiring companies to gather information and calculate allocations between owners and non-controlling interests under IFRS for transactions in periods prior to the date of transition. As the Company elected to apply IFRS 3 prospectively, the Company will account for non-controlling interests under IAS 27 prospectively.

(c) *IFRS accounting policy changes*

The significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS policies applied by the Company are discussed in the following narratives and the resulting changes to the 2010 reported comprehensive income (loss) and financial position are shown in the following reconciliations of the Canadian GAAP consolidated statements of income (loss) and comprehensive income (loss) and consolidated statements of financial position as at January 1, 2010, the three months ended March 31, 2010, the six months ended June 30, 2010, and the year ended December 31, 2010 to IFRS.

(i) Exploration and evaluation expenses

IFRS currently does not prescribe specific accounting treatment to capitalize or expense exploration and evaluation expenditures. Therefore, the Company expects to continue its current policy of capitalizing exploration and evaluation expenditures.

(ii) Impairment of non-financial assets

Unlike Canadian GAAP that requires an assessment of impairment on an annual basis, IFRS requires an assessment at each reporting date as to whether there are indicators of impairment for exploration and evaluation expenditures. However, the IFRS impairment test requires the carrying value of the asset to be compared to the higher of the fair value less costs to sell and the value in use which is the discounted future cash flows projected to be generated by the asset. This use of discounted cash flows is different to Canadian GAAP, which uses an undiscounted model for impairment testing.

Unlike Canadian GAAP, IFRS allows for the reversal of impairment charges. IFRS permits the reversal of previous recorded impairment charges to the extent that circumstances changed such that the impairments have been

# Strathmore Minerals Corp.

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reduced. The reversal may not exceed the aggregate of previously recorded impairments.

The Company completed an impairment review of its exploration and evaluation assets and property and equipment as at January 1, 2010, March 31, 2010, June 30, 2010 and December 31, 2010 and concluded that the assets were not impaired in accordance with IFRS. The Company also concluded that previously recorded impairment charges should not be reversed as at January 1, 2010, March 31, 2010, June 30, 2010 and December 31, 2010 in accordance with IFRS.

(iii) Foreign currency

IFRS requires that the functional currency of the Company and its subsidiaries be determined separately. Although similar to Canadian GAAP, IFRS has a specific hierarchy which puts greater emphasis on the currency of revenues and costs rather than financing in the determination of functional currency. The Company has determined that as at the Transition Date, the Canadian dollar is the functional currency of the parent Company and the US dollar is the function currency of the Company's US subsidiaries. Under Canadian GAAP, the US subsidiaries were defined as integrated foreign operations and therefore no foreign exchange translation in equity was noted. In electing to take the IFRS 1 exemption, the Company has included the foreign exchange, resulting from the translation of the US subsidiaries at the Transition Date under IFRS, within deficit. For the period ended June 30, 2010 and for the year ended December 31, 2010, the foreign exchange, resulting from the translation of the Company's US subsidiaries under IFRS, is included in the foreign currency translation reserve in equity.

(iv) Share-based payments

IFRS requires each tranche in an award with graded vesting be considered as a separate grant with a different vesting date and fair value whereas the total fair value of the award is recognized on a straight-line basis over the employment period necessary to vest the award under Canadian GAAP.

IFRS requires an estimate of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Under Canadian GAAP, forfeitures of awards are recognized as they occur.

For the purpose of accounting for share-based payments transactions under IFRS, an individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by employees. This definition of an employee is broader than that previously applied by the Company under Canadian GAAP and resulted in certain contractors and consultants being classified as employees under IFRS.

# Strathmore Minerals Corp.

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As a result of these differences, the Company adjusted its share-based payments.

(v) Income taxes

All deferred tax assets and liabilities are classified as non-current under IFRS whereas under Canadian GAAP, deferred tax assets and liabilities are split between current and non-current components on the basis of either (1) the underlying asset or liability or (2) the expected reversal of items not related to an asset or liability. The Company reclassified its deferred tax liabilities from current to non-current liabilities at June 30, 2010 and December 31, 2010.

(vi) Presentation and disclosure

The increased disclosure required under IFRS will cause the Company to change financial reporting processes so that appropriate data is collected and to ensure we meet the presentation and disclosure requirements under IFRS in our IFRS financial statements.

(d) *Consolidated Statements of Cash Flows*

The Company's cash flows from continuing operations prepared in accordance with Canadian GAAP and as previously reported have decreased in comparison to those prepared and reported in these unaudited interim consolidated financial statements in accordance with IFRS as follows:

Six months ended June 30, 2010:

- (i) Net cash used in operating activities from continuing operations decreased from \$10,922,036 to \$10,232,717.
- (ii) Net cash used in investing activities from continuing operations increased from \$1,185,304 to \$1,845,990.
- (iii) Net cash provided by investing activities from discontinued operations decreased from \$17,321,060 to \$17,240,097.

Year ended December 31, 2010:

- (i) Net cash used in operating activities from continuing operations decreased from \$2,689,569 to \$2,446,982.
- (ii) Net cash used in investing activities from continuing operations increased from \$3,739,693 to \$3,740,623.

# Strathmore Minerals Corp.

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(unaudited)

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## Interim consolidated statement of financial position

As at January 1, 2010

### Effect of Transition to IFRS

	Canadian GAAP	Share-Based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Notes 11(a)(ii) and 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Current assets						
Cash and cash equivalents	1,116,984	-	-	101,022	-	1,218,006
Restricted cash and cash equivalents	101,022	-	-	(101,022)	-	-
Short-term investments	2,866,990	-	-	94,660	-	2,961,650
Amounts receivable	78,096	-	-	-	-	78,096
Prepaid expenses	38,885	-	-	-	31,398	70,283
	4,201,977	-	-	94,660	31,398	4,328,035
Investments	94,660	-	-	(94,660)	-	-
Property and equipment	1,510,759	-	(52,325)	-	(95,311)	1,363,123
Mineral property interests	23,030,636	-	(469,343)	-	-	22,561,293
<b>Total assets</b>	<b>28,838,032</b>	<b>-</b>	<b>(521,668)</b>	<b>-</b>	<b>(63,913)</b>	<b>28,252,451</b>
<b>Liabilities</b>						
Current liabilities						
Accounts payable and accrued liabilities	984,747	-	-	-	-	984,747
Deposit on sale proceeds	261,650	-	-	-	-	261,650
<b>Total liabilities</b>	<b>1,246,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,246,397</b>
<b>Shareholders' equity</b>						
Share capital	53,473,594	-	-	-	-	53,473,594
Contributed surplus	7,427,613	612,199	-	-	-	8,039,812
Deficit	(38,304,278)	(612,199)	(442,623)	(63,490)	(63,913)	(39,486,503)
Accumulated other comprehensive income	(63,490)	-	-	63,490	-	-
Attributable to Shareholders of:						
Strathmore Minerals Corp.	22,533,439	-	(442,623)	-	(63,913)	22,026,903
Non-controlling interests	5,058,196	-	(79,045)	-	-	4,979,151
<b>Total shareholders' equity</b>	<b>27,591,635</b>	<b>-</b>	<b>(521,668)</b>	<b>-</b>	<b>(63,913)</b>	<b>27,006,054</b>
<b>Total liabilities and shareholders' equity</b>	<b>28,838,032</b>	<b>-</b>	<b>(521,668)</b>	<b>-</b>	<b>(63,913)</b>	<b>28,252,451</b>

\* Change in accounting policy not part of IFRS transition.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## Interim consolidated statement of financial position

As at March 31, 2010

### Effect of Transition to IFRS

	Canadian GAAP	Share-based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Note 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Current assets						
Cash and cash equivalents	10,216,651	-	-	238,068	-	10,454,719
Restricted cash and cash equivalents	238,068	-	-	(238,068)	-	-
Short-term investments	-	-	-	131,150	-	131,150
Amounts receivable	60,026	-	-	-	-	60,026
Prepaid expenses	253,888	-	-	-	30,468	284,356
	10,768,633	-	-	131,150	30,468	10,930,251
Investments	131,150	-	-	(131,150)	-	-
Property and equipment	1,501,206	-	(84,183)	-	(115,103)	1,301,920
Mineral property interests	23,790,399	-	(1,151,491)	-	-	22,638,908
<b>Total assets</b>	<b>36,191,388</b>	<b>-</b>	<b>(1,235,674)</b>	<b>-</b>	<b>(84,635)</b>	<b>34,871,079</b>
<b>Liabilities</b>						
Current liabilities						
Accounts payable and accrued liabilities	1,114,661	-	-	-	-	1,114,661
Deposit on sale proceeds	507,800	-	-	-	-	507,800
<b>Total liabilities</b>	<b>1,622,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,622,461</b>
<b>Shareholders' equity</b>						
Share capital	60,969,848	-	-	-	-	60,969,848
Contributed surplus	8,140,794	478,623	-	-	-	8,619,417
Deficit	(39,736,419)	(478,623)	(436,222)	(24,490)	(84,635)	(40,760,389)
Accumulated other comprehensive income	(27,000)	-	-	27,000	-	-
Foreign currency translation reserve	-	-	(571,432)	(2,510)	-	(573,942)
Attributable to Shareholders of:						
Strathmore Minerals Corp.	29,347,223	-	(1,007,654)	-	(84,635)	28,254,934
Non-controlling interests	5,221,704	-	(228,020)	-	-	4,993,684
<b>Total shareholders' equity</b>	<b>34,568,927</b>	<b>-</b>	<b>(1,235,674)</b>	<b>-</b>	<b>(84,635)</b>	<b>33,248,618</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,191,388</b>	<b>-</b>	<b>(1,235,674)</b>	<b>-</b>	<b>(84,635)</b>	<b>34,871,079</b>

\*Change in accounting policy not part of IFRS transition.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## Interim consolidated statement of financial position

As at June 30, 2010

### Effect of Transition to IFRS

	Canadian GAAP	Share-Based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Note 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Current assets						
Cash and cash equivalents	14,181,772	-	-	101,700	-	14,283,472
Restricted cash and cash equivalents	101,700	-	-	(101,700)	-	-
Short-term investments	14,313,346	-	-	95,920	-	14,409,266
Amounts receivable	53,846	-	-	-	-	53,846
Prepaid expenses	249,084	-	-	-	31,818	280,902
	28,899,748	-	-	95,920	31,818	29,027,486
Investments	95,920	-	-	(95,920)	-	-
Property and equipment	1,441,795	-	(34,138)	-	(133,918)	1,273,739
Mineral property interests	25,140,212	-	(122,928)	-	-	25,017,284
<b>Total assets</b>	<b>55,577,675</b>	<b>-</b>	<b>(157,066)</b>	<b>-</b>	<b>(102,100)</b>	<b>55,318,509</b>
<b>Liabilities</b>						
Current liabilities						
Accounts payable and accrued liabilities	1,564,630	-	-	-	-	1,564,630
Income taxes payable	1,563,324	-	-	-	-	1,563,324
<b>Total liabilities</b>	<b>3,127,954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,127,954</b>
<b>Shareholders' equity</b>						
Share capital	61,007,908	-	-	-	-	61,007,908
Contributed surplus	8,362,807	455,161	-	-	-	8,817,968
Deficit	(22,342,815)	(455,161)	(1,214,506)	(62,230)	(102,100)	(24,176,812)
Accumulated other comprehensive income	(62,230)	-	-	62,230	-	-
Foreign currency translation reserve	-	-	1,058,657	-	-	1,058,657
Attributable to Shareholders of:						
Strathmore Minerals Corp.	46,965,670	-	(155,849)	-	(102,100)	46,707,721
Non-controlling interests	5,484,051	-	(1,217)	-	-	5,482,834
<b>Total shareholders' equity</b>	<b>52,449,721</b>	<b>-</b>	<b>(157,066)</b>	<b>-</b>	<b>(102,100)</b>	<b>52,190,555</b>
<b>Total liabilities and shareholders' equity</b>	<b>55,577,675</b>	<b>-</b>	<b>(157,066)</b>	<b>-</b>	<b>(102,100)</b>	<b>55,318,509</b>

\*Change in accounting policy not part of IFRS transition.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## Interim consolidated statement of financial position

As at December 31, 2010

### Effect of Transition to IFRS

	Canadian GAAP	Share-Based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Note 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Current assets						
Cash and cash equivalents	20,744,709	-	-	342,679	-	21,087,388
Restricted cash and cash equivalents	342,679	-	-	(342,679)	-	-
Short-term investments	3,166,168	-	-	205,430	-	3,371,598
Amounts receivable	196,438	-	-	-	-	196,438
Income taxes receivable	1,510,045	-	-	-	-	1,510,045
Prepaid expenses	164,621	-	-	-	29,920	194,541
	26,124,660	-	-	205,430	29,920	26,360,010
Investments	205,430	-	-	(205,430)	-	-
Property and equipment	1,321,603	-	(102,415)	-	(142,094)	1,077,094
Mineral property interests	28,942,933	-	(1,793,850)	-	-	27,149,083
<b>Total assets</b>	<b>56,594,626</b>	<b>-</b>	<b>(1,896,265)</b>	<b>-</b>	<b>(112,174)</b>	<b>54,586,187</b>
<b>Liabilities</b>						
Current liabilities						
Accounts payable and accrued liabilities	1,011,804	-	-	-	-	1,011,804
	1,011,804	-	-	-	-	1,011,804
Deferred income tax liabilities	1,311,928	-	-	-	-	1,311,928
<b>Total liabilities</b>	<b>2,323,732</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,323,732</b>
<b>Shareholders' equity</b>						
Share capital	62,063,296	(3,996)	-	-	-	62,059,300
Contributed surplus	8,515,875	235,455	-	-	-	8,751,330
Deficit	(22,922,890)	(231,459)	(545,903)	4,433	(112,174)	(23,807,993)
Accumulated other comprehensive income	4,433	-	-	(4,433)	-	-
Foreign currency translation reserve	-	-	(975,486)	-	-	(975,486)
Attributable to Shareholders of:						
Strathmore Minerals Corp.	47,660,714	-	(1,521,389)	-	(112,174)	46,027,151
Non-controlling interests	6,610,180	-	(374,876)	-	-	6,235,304
<b>Total shareholders' equity</b>	<b>54,270,894</b>	<b>-</b>	<b>(1,896,265)</b>	<b>-</b>	<b>(112,174)</b>	<b>52,262,455</b>
<b>Total liabilities and shareholders' equity</b>	<b>56,594,626</b>	<b>-</b>	<b>(1,896,265)</b>	<b>-</b>	<b>(112,174)</b>	<b>54,586,187</b>

\*Change in accounting policy not part of IFRS transition.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## Interim consolidated statement of income (loss) and comprehensive income (loss)

Three months ended March 31, 2010

### Effect of Transition to IFRS

	Canadian GAAP	Share-Based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Note 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>General and administrative expenses</b>						
Amortization	57,731	-	-	-	20,722	78,453
Consulting fees	602,844	-	-	-	-	602,844
Corporate development and investor relations	102,860	-	-	-	-	102,860
Office and administration	120,504	-	-	-	-	120,504
Professional fees	59,963	-	-	-	-	59,963
Share-based payments	329,547	(133,576)	-	-	-	195,971
Transfer agent and regulatory fees	14,435	-	-	-	-	14,435
Wages and benefits	219,782	-	-	-	-	219,782
<b>Loss before other items</b>	<b>(1,507,666)</b>	<b>133,576</b>	<b>-</b>	<b>-</b>	<b>(20,722)</b>	<b>(1,394,812)</b>
<b>Other items</b>						
Exploration management fee income	16,436	-	-	-	-	16,436
Foreign exchange gain	4,995	-	3,182	-	-	8,177
Interest and miscellaneous income	22,436	-	-	-	-	22,436
Realized gain on short-term investments	20,202	-	-	-	-	20,202
Unrealized gain on short-term investments	-	-	-	39,000	-	39,000
Mineral property write-down	(2,438)	-	-	-	-	(2,438)
	61,631	-	3,182	39,000	-	103,813
<b>Net loss for the period</b>	<b>(1,446,035)</b>	<b>133,576</b>	<b>3,182</b>	<b>39,000</b>	<b>(20,722)</b>	<b>(1,290,999)</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	(1,432,141)	133,576	6,401	39,000	(20,722)	(1,273,886)
Non-controlling interests	(13,894)	-	(3,219)	-	-	(17,113)
<b>Net loss for the period</b>	<b>(1,446,035)</b>	<b>133,576</b>	<b>3,182</b>	<b>39,000</b>	<b>(20,722)</b>	<b>(1,290,999)</b>
<b>Other comprehensive loss</b>						
Gain on available-for-sale securities	36,490	-	-	(36,490)	-	-
Foreign currency translation adjustment	-	-	(571,432)	(2,510)	-	(573,942)
<b>Comprehensive loss for the period</b>	<b>(1,409,545)</b>	<b>133,576</b>	<b>(568,250)</b>	<b>-</b>	<b>(20,722)</b>	<b>(1,864,941)</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	(1,395,651)	133,576	(565,031)	-	(20,722)	(1,847,828)
Non-controlling interests	(13,894)	-	(3,219)	-	-	(17,113)
<b>Comprehensive loss for the period</b>	<b>(1,409,545)</b>	<b>133,576</b>	<b>(568,250)</b>	<b>-</b>	<b>(20,722)</b>	<b>(1,864,941)</b>

\*Change in accounting policy not part of IFRS transition.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## Interim consolidated statement of income (loss) and comprehensive income (loss)

Three months ended June 30, 2010

Effect of transition to IFRS

	Canadian GAAP	Share-Based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Note 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>General and administrative expenses</b>						
Amortization	61,692	-	-	-	14,768	76,460
Consulting fees	416,420	-	-	-	-	416,420
Corporate development and investor relations	127,021	-	-	-	-	127,021
Office and administration	179,354	-	-	-	-	179,354
Professional fees	56,678	-	-	-	-	56,678
Share-based payments	235,885	(23,462)	-	-	-	212,423
Transfer agent and regulatory fees	6,484	-	-	-	-	6,484
Wages and benefits	139,320	-	-	-	-	139,320
<b>Loss before other items</b>	<b>(1,222,854)</b>	<b>23,462</b>	<b>-</b>	<b>-</b>	<b>(14,768)</b>	<b>(1,214,160)</b>
<b>Other items</b>						
Exploration management fee income	1,633	-	-	-	-	1,633
Foreign exchange gain	797,397	-	(775,365)	-	-	22,032
Interest and miscellaneous income	34,002	-	-	-	-	34,002
Unrealized loss on short-term investments	(530,737)	-	-	(35,230)	-	(565,967)
	<b>302,295</b>	<b>-</b>	<b>(775,365)</b>	<b>(35,230)</b>	<b>-</b>	<b>(508,300)</b>
<b>Loss from continuing operations before income taxes</b>	<b>(920,559)</b>	<b>23,462</b>	<b>(775,365)</b>	<b>(35,230)</b>	<b>(14,768)</b>	<b>(1,722,460)</b>
Income tax recovery	4,104,518	-	-	-	-	4,104,518
<b>Income from continuing operations</b>	<b>3,183,959</b>	<b>23,462</b>	<b>(775,365)</b>	<b>(35,230)</b>	<b>(14,768)</b>	<b>2,382,058</b>
<b>Discontinued operations</b>						
Gain on disposition of mineral property interest, net	14,177,996	-	-	-	-	14,177,996
<b>Net income for the period</b>	<b>17,361,955</b>	<b>23,462</b>	<b>(775,365)</b>	<b>(35,230)</b>	<b>(14,768)</b>	<b>16,560,054</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	17,393,604	23,462	(783,491)	(35,230)	(14,768)	16,583,577
Non-controlling interests	(31,649)	-	8,126	-	-	(23,523)
<b>Net income for the period</b>	<b>17,361,955</b>	<b>23,462</b>	<b>(775,365)</b>	<b>(35,230)</b>	<b>(14,768)</b>	<b>16,560,054</b>
<b>Other comprehensive gain</b>						
Gain on available-for-sale securities	(35,230)	-	-	35,230	-	-
Foreign currency translation adjustment	-	-	1,630,089	-	-	1,630,089
<b>Comprehensive income for the period</b>	<b>17,326,725</b>	<b>23,462</b>	<b>854,724</b>	<b>-</b>	<b>(14,768)</b>	<b>18,190,143</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	17,358,374	23,462	863,298	-	(14,768)	18,230,366
Non-controlling interests	(31,649)	-	(8,574)	-	-	(40,223)
<b>Comprehensive income for the period</b>	<b>17,326,725</b>	<b>23,462</b>	<b>854,724</b>	<b>-</b>	<b>(14,768)</b>	<b>18,190,143</b>

\*Change in accounting policy not part of IFRS transition.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## Interim consolidated statement of income (loss) and comprehensive income (loss)

Six months ended June 30, 2010

Effect of transition to IFRS

	Canadian GAAP	Share-Based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Note 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>General and administrative expenses</b>						
Amortization	119,423	-	-	-	35,490	154,913
Consulting fees	1,019,264	-	-	-	-	1,019,264
Corporate development and investor relations	229,881	-	-	-	-	229,881
Office and administration	299,858	-	-	-	-	299,858
Professional fees	116,641	-	-	-	-	116,641
Share-based payments	565,432	(157,038)	-	-	-	408,394
Transfer agent and regulatory fees	20,919	-	-	-	-	20,919
Wages and benefits	359,102	-	-	-	-	359,102
<b>Loss before other items</b>	<b>(2,730,520)</b>	<b>157,038</b>	<b>-</b>	<b>-</b>	<b>(35,490)</b>	<b>(2,608,972)</b>
<b>Other items</b>						
Exploration management fee income	18,069	-	-	-	-	18,069
Foreign exchange gain	802,392	-	(769,673)	-	-	32,719
Gain on disposition of mineral property	-	-	-	-	-	-
Interest and miscellaneous income	56,438	-	-	-	-	56,438
Realized gain on short-term investments	20,202	-	-	-	-	20,202
Unrealized loss on short-term investments	(530,737)	-	-	1,260	-	(529,477)
Mineral property write-down	(2,438)	-	-	-	-	(2,438)
	<b>363,926</b>	<b>-</b>	<b>(769,673)</b>	<b>1,260</b>	<b>-</b>	<b>(404,487)</b>
<b>Loss from continuing operations before income taxes</b>	<b>(2,366,594)</b>	<b>157,038</b>	<b>(769,673)</b>	<b>1,260</b>	<b>(35,490)</b>	<b>(3,013,459)</b>
Income tax recovery	4,104,518	-	-	-	-	4,104,518
<b>Income from continuing operations</b>	<b>1,737,924</b>	<b>157,038</b>	<b>(769,673)</b>	<b>1,260</b>	<b>(35,490)</b>	<b>1,091,059</b>
<b>Discontinued operations</b>						
Gain on disposition of mineral property interest, net	14,177,996	-	-	-	-	14,177,996
<b>Net income for the period</b>	<b>15,915,920</b>	<b>157,038</b>	<b>(769,673)</b>	<b>1,260</b>	<b>(35,490)</b>	<b>15,269,055</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	15,961,463	157,038	(774,580)	1,260	(35,490)	15,309,691
Non-controlling interests	(45,543)	-	4,907	-	-	(40,636)
<b>Net income for the period</b>	<b>15,915,920</b>	<b>157,038</b>	<b>(769,673)</b>	<b>1,260</b>	<b>(35,490)</b>	<b>15,269,055</b>
<b>Other comprehensive gain</b>						
Gain on available-for-sale securities	1,260	-	-	(1,260)	-	-
Foreign currency translation adjustment	-	-	1,058,657	-	-	1,058,657
<b>Comprehensive income for the period</b>	<b>15,917,180</b>	<b>157,038</b>	<b>288,984</b>	<b>-</b>	<b>(35,490)</b>	<b>16,327,712</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	15,962,723	157,038	284,077	-	(35,490)	16,368,348
Non-controlling interests	(45,543)	-	4,907	-	-	(40,636)
<b>Comprehensive income for the period</b>	<b>15,917,180</b>	<b>157,038</b>	<b>288,984</b>	<b>-</b>	<b>(35,490)</b>	<b>16,327,712</b>

\*Change in accounting policy not part of IFRS transition.

# Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

June 30, 2011 and 2010

(unaudited)

(expressed in Canadian dollars)

## Interim consolidated statement of income (loss) and comprehensive income (loss)

Year ended December 31, 2010

Effect of transition to IFRS

	Canadian GAAP	Share-Based Payments (Note 11(c)(iv))	Foreign Exchange Translation (Note 11(c)(iii))	IFRS 1 Exemptions (Note 11(a)(iv))	Change in Accounting Policy *	IFRS
	\$	\$	\$	\$	\$	\$
<b>General and administrative expenses</b>						
Amortization	244,399	-	-	-	48,261	292,660
Consulting fees	1,474,347	-	-	-	-	1,474,347
Corporate development and investor relations	544,773	-	-	-	-	544,773
Office and administration	533,373	-	-	-	-	533,373
Professional fees	272,555	-	-	-	-	272,555
Share-based payments	1,046,415	(380,740)	-	-	-	665,675
Transfer agent and regulatory fees	73,351	-	-	-	-	73,351
Wages and benefits	765,842	-	-	-	-	765,842
<b>Loss before other items</b>	<b>(4,955,055)</b>	<b>380,740</b>	<b>-</b>	<b>-</b>	<b>(48,261)</b>	<b>(4,622,576)</b>
<b>Other items</b>						
Exploration management fee income	18,069	-	-	-	-	18,069
Foreign exchange gain	143,914	-	(111,854)	-	-	32,060
Gain on disposition of mineral property	137,930	-	-	-	-	137,930
Interest and miscellaneous income	204,346	-	-	-	-	204,346
Realized gain on short-term investments	138,567	-	-	-	-	138,567
Unrealized gain on short-term investments	1,042,030	-	-	110,770	-	1,152,800
Mineral property write-down	(2,438)	-	-	-	-	(2,438)
	<b>1,682,418</b>	<b>-</b>	<b>(111,854)</b>	<b>110,770</b>	<b>-</b>	<b>1,681,334</b>
<b>Loss from continuing operations before income taxes</b>	<b>(3,272,637)</b>	<b>380,740</b>	<b>(111,854)</b>	<b>110,770</b>	<b>(48,261)</b>	<b>(2,941,242)</b>
Income tax recovery	5,648,020	-	-	-	-	5,648,020
Deferred income tax expense	(1,269,081)	-	-	(42,847)	-	(1,311,928)
<b>Income from continuing operations</b>	<b>1,106,302</b>	<b>380,740</b>	<b>(111,854)</b>	<b>67,923</b>	<b>(48,261)</b>	<b>1,394,850</b>
<b>Discontinued operations</b>						
Gain on disposition of mineral property interest, net	14,197,818	-	-	-	-	14,197,818
<b>Net income for the year</b>	<b>15,304,120</b>	<b>380,740</b>	<b>(111,854)</b>	<b>67,923</b>	<b>(48,261)</b>	<b>15,592,668</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	15,381,388	380,740	(103,280)	67,923	(48,261)	15,678,510
Non-controlling interests	(77,268)	-	(8,574)	-	-	(85,842)
<b>Net income for the year</b>	<b>15,304,120</b>	<b>380,740</b>	<b>(111,854)</b>	<b>67,923</b>	<b>(48,261)</b>	<b>15,592,668</b>
<b>Other comprehensive (loss)</b>						
Gain on available-for-sale securities	110,770	-	-	(110,770)	-	-
Deferred income tax expense	(42,847)	-	-	42,847	-	-
Foreign currency translation adjustment	-	-	(975,486)	-	-	(975,486)
<b>Comprehensive income for the year</b>	<b>15,372,043</b>	<b>380,740</b>	<b>(1,087,340)</b>	<b>-</b>	<b>(48,261)</b>	<b>14,617,182</b>
Attributable to:						
Shareholders of Strathmore Minerals Corp.	15,449,311	380,740	(1,078,766)	-	(48,261)	14,703,024
Non-controlling interests	(77,268)	-	(8,574)	-	-	(85,842)
<b>Comprehensive income for the year</b>	<b>15,372,043</b>	<b>380,740</b>	<b>(1,087,340)</b>	<b>-</b>	<b>(48,261)</b>	<b>14,617,182</b>

\*Change in accounting policy not part of IFRS transition.