# FIRST QUARTER
## INTERIM REPORT
MARCH 31, 2008

*Strateco Resources Inc.*
1225 rue Gay-Lussac, Boucherville (Québec) J4B 7K1
Tel.: (450) 641-0775 •1-866-774-7722 Fax: (450) 641-1601
Website: www.stratecoin.com Email: info@stratecoinc.com
Toronto Stock Exchange: RSC Frankfurt Stock Exchange "FSE": RF9

# Interim Management Discussion and Analysis for the Quarter ended March 31, 2008

**Scope of Management's Financial Analysis**

The following analysis should be read in conjunction with the Company's audited financial statements and notes thereto for the years ended December 31, 2007 and 2006, and the management discussion and analysis as required.

**Incorporation, Nature of Operations and Ongoing Exploration**

The Company was incorporated under the *Canada Business Corporations Act* by articles of incorporation dated April 13, 2000.

The Company is primarily engaged in the exploration of mining properties with a view to commercial production. It currently owns or holds interests in various mining properties in Québec but does not have any mines in production. Its activities are focused on the development of two uranium properties, including the Matoush project in the Otish Mountains of northern Quebec, considered one of the highest-grade uranium projects in the world.

Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the Company's ability to obtain the financing required to pursue exploration and development of its properties, and profitable future production or the proceeds from the sale of its properties. The Company must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so, there can be no assurance that it will continue to do so.

**Selected Annual Information (Unaudited)**

| | **Earnings Statement as at March 31, 2008 (3 months) $** | **Earnings Statement as at March 31, 2007 (3 months) $** |
|---|---|---|
| **Income** | | |
| Interest | 174,518 | 243,613 |
| **Expenses** | | |
| General and administrative | 396,116 | 391,545 |
| Stock-based compensation | 91,260 | 410,982 |
| **Net loss** | 420,858 | 558,914 |
| **Net loss per share, basic and diluted** | 0.00 | 0.01 |
| | **Balance sheet as at March 31, 2008** | **Balance sheet as at December 31, 2007** |
| **Total assets** | 56,455,302 | 52,744,142 |
| **Current liabilities** | 5,107,367 | 1,162,814 |
| **Shareholders' equity** | 50,235,935 | 50,377,333 |

**Strategy and Outlook**

The Company's mission is to discover and develop uranium deposits primarily located in Quebec's Otish Mountains and Great North. It recently signed agreements to earn 60% interests in the Mistassini property and the Pacific Bay-Matoush property owned by Consolidated Pacific Bay Minerals Ltd.

During the period covered by this interim management discussion and analysis, exploration was carried out on the Matoush, Apple, Eclat and Mistassini properties.

**Project and New Acquisitions**

On January 15, 2008, the Company signed a final agreement to acquire a 60% interest in the 277 claims of the Pacific Bay-Matoush property belonging to Consolidated Pacific Bay Minerals Ltd. ("Pacific Bay") and located in the Matoush area of Quebec's Otish Mountains. The agreement provides for the Company to pay a total of $500,000 to Pacific Bay and issue

200,000 shares over a four-year period, and to spend $3 million on exploration over four years, including a minimum of 10,000 metres of drilling.

On February 21, 2008, the Company and Majescor Resources Inc. ("Majescor") signed a letter of intent allowing Strateco to acquire an undivided 60% interest in the uranium rights on the Mistassini property in Quebec's Otish Mountains. The Mistassini property consists of 721 claims covering 391 $km^2$. Strateco decided to exercise its option right on the Mistassini property following receipt of analyses for three holes drilled by Majescor in December 2007 on the Lac Mantouchiche uranium prospect (see press release dated November 26, 2007).

The option agreement provides for Strateco to acquire a 60% interest in the uranium rights on the property by carrying out a total of $1.3 million in exploration over three years. Strateco must reimburse Majescor about $250,000 for the cost of the drilling program carried out in December 2007 and conduct another $250,000 in exploration on the property in Year 1, for a total firm commitment of $500,000 for the first year of the option. The remaining $800,000 in exploration expenses will be evenly split between Years 2 and 3.

**Exploration Activities**

The technical data in this text is based on a technical report that complies with *National Instrument 43-101 on standards of disclosure for mineral projects ("NI 43-101")*, and was reviewed by David A. Ross, M. Sc. P. Geo. of Scott Wilson Roscoe Postle & Associates ("Scott Wilson RPA") and by Jean-Pierre Lachance, Executive Vice-President who are qualified persons as defined in *NI 43-101*. Exploration expenses for the year ended March 31, 2008 totalled $6,919,730. The Matoush and Apple properties were the most active, with respective totals of $5,195,994 and $1,148,421 spent on exploration.

The Company incurred allowable exploration expenses of $6,919,730 during the period and therefore qualifies for Quebec refundable tax credits of up to 38.75% and a credit on duties refundable from Quebec of 12% of all eligible exploration expenses. The estimated value of such credits receivable as at March 31, 2008 is $3,150,168.

**Exploration**

2008 looks very promising given the drill results obtained at the Matoush project in the first quarter. The potential and size of the new MT-22 mineralized zone was confirmed, as well as the extension of the AM-15 zone at depth.

In terms of exploration work per se, four active drills drilled 29 holes on the entire Matoush project from January 9 to the end of March 2008, for a total of 14,714 metres. Two drills were assigned to the MT-22 zone and a third to the lake to test and outline the southern extension of the AM-15 zone at depth. The fourth drill was assigned to the Eclat property, at the southern end of the Matoush project.

The new MT-22 mineralized zone discovered by Strateco in 2007 lies under the AM-15 zone and parallel to its plunge, from a vertical depth of -300 to -650 and spanning a length of more than 500 metres. It remains open to the north. Holes drilled in the fall of 2007 on a grid of approximately 100 metres from Section 31+50S heading north returned significant grades at the intersection with the Matoush fault.

The best results were obtained in the two last holes drilled in 2007, MT-07-129 and MT-07-130, and were located 80 metres apart at the same depth, -350 metres. Hole MT-07-129, which intersected 8.3 metres at 0.24% $eU_3O_8$, including 3.7 metres at 0.51% $eU_3O_8$, was very encouraging, particularly as the alteration halo in this hole is identical to that of the AM-15 zone.

The holes drilled in the first quarter of 2008 on the MT-22 zone proved extremely positive, with impressive intersections that confirm the importance of this major new zone. The best intersections include Hole MT-08-003, with 2.86% $eU_3O_8$ over 5.8 metres including 4.48% $eU_3O_8$ over 3.4 metres; Hole MT-08-013 with 0.52% $eU_3O_8$ over 7.2 metres; Hole MT-08-022 with 0.37 % $eU_3O_8$ over 18.4 metres including 1.16% $eU_3O_8$ over 5.3 metres, and finally, Hole MT-08-028, drilled in early April, with 0.47% $eU_3O_8$ over a very significant length of 41.6 metres, including 2.40% $eU_3O_8$ over 7.0 metres (see longitudinal for pierce points).

Given the structural context at Matoush, various zones of varying grade and thickness could be outlined using a smaller drill grid.

The holes drilled on the lake to test the southern extension of the AM-15 zone were also very encouraging. It should be noted that the southern extension of the AM-15 zone was tested in the winter of 2006-2007 along the ACF unit that hosts the AM-15 resource.

Detailed geological interpretation of the AM-15 zone as part of the 43-101 resource estimates revealed that the zone dips about $20^0$ to the south and that the mineralization appears to continue in the underlying CBF unit. Drilling carried out on the lake ice showed clearly that the AM-15 zone continues at depth toward the south.

The five holes drilled in the less porous, 75-metre thick intermediate CBF unit all intersected the fault zone, with variable thicknesses and grades that averaged 0.08% $eU_3O_8$ over 4.2 metres. The mineralization extends to the lower CBF contact, and the goal is now to explore the underlying ACF unit in the extension of the AM-15 zone plunge.

The two first holes drilled in the ACF-4 (MT-08-019 and MT-08-027) proved very encouraging, both in terms of geological context and the potential size of the mineralized body.

The main interest of MT-08-019, which intersected 0.04% $eU_3O_8$ over 8.7 metres, is the fact that it shows a fault offset that is a prime site for uranium precipitation.

Hole MT-08-027, drilled in early April, returned an exceptionally wide mineralized section of 63 metres down hole, representing a true width of about 23 metres. The hole intersected 0.05% $eU_3O_8$ over 63.2 metres, including 0.13% $eU_3O_8$ over 8.0 metres. This sector unquestionably has strong potential.

A fourth drill working on the site was mobilized on the Eclat property in early March after being transported to the camp by the winter road, to explore the southern part of the Matoush project. The first hole (EC-08-01) had to be abandoned at -759 metres because of large influxes of water and sand. No such water was encountered in the AM-15and MT-22 zones. However, it should be noted that the stratigraphy seen in the sediments is the same as that seen in the AM-15 area 8.5 km to the north. In fact, a clay brecchia that appears to correspond to the Matoush fault was intersected at a depth of 575 metres down hole, followed by disseminated mineralization grading 0.15% $eU_3O_8$ over 2.1 metres at 587 metres.

A hole is currently being drilled to test the contact (unconformity) at the southern edge of the Eclat property, on the border with Cameco's property, 11.5 km south of the AM-15 zone.

A 142 stretch of the winter road was rebuilt as planned to provide the necessary access to the camp and allow the equipment and fuel required for 2008 to be brought in. Among other things, four new fuel tanks, over 900,000 litres of fuel and an additional drill were brought in by road.

On February 21, 2008, Strateco announced the signature of an agreement to earn a 60% undivided interest in the uranium rights owned by Majescor Resources Inc. ("Majescor") on the Mistassini property, also located in the Otish Mountains of Quebec, approximately 50 km south-east of Matoush project's AM-15 zone.

Strateco decided to exercise its option on the Mistassini property following receipt of the analyses for three holes drilled by Majescor in December 2007 on the Lac Mantouchiche uranium showing (see Strateco press release dated November 26, 2007).

Under the option agreement, Strateco can earn an undivided 60% interest in the uranium rights on the property by incurring an aggregate of $1.3 million in exploration expenditures over three years. Strateco reimbursed Majescor $294,800 for the cost of the drilling program carried out in December 2007, and incurred $205,200 in exploration expenses on the property in Year 1, for a total Year 1 firm commitment of $500,000. The remaining $800,000 in exploration expenses will be incurred equally in Year 2 and Year 3.

Meanwhile, your Company has been authorized to begin the process of obtaining the permits required to carry out underground exploration at its Matoush uranium project.

Strateco notified the Directorate of Nuclear Cycle and Facilities Regulation ("DNCFR") and Quebec's *Ministère du développement durable, de l'environnement et des parcs* by written "letter of intent" that it intends to begin the process of obtaining the permits required for planned underground exploration work to start by mid-2009. To be carried out as part of a feasibility study, this work will essentially consist of site preparation, excavation of an access ramp to the -300-metre level and the excavation of exploration drifts for definition drilling. Excavation will take place in waste rock and ore. The exploration work will also allow assessment of the quantity and processing of mine water, ventilation, mining methods and ore stockpiling.

By obtaining such authorizations, your Company will become the first Quebec company to advance a uranium exploration project to the underground exploration stage, and the first so-called junior company to do so in the present uranium cycle, or in nearly 25 years. Currently, the Canadian companies who have achieved this are Cameco, Areva and Denison Mines.

The growing importance of the Matoush project, and particularly the underground exploration program planned for the summer of 2009, warranted the addition of senior personnel. Consequently, Pierre H. Terreault has been hired as Vice President, Operations and Engineering.

On February 10, 2008, Strateco began a 4,000-metre drilling program on its wholly-owned Apple property located 80 kilometres southeast of Radisson in the James Bay area. A 20-person camp has been erected to support the drilling and exploration work planned for the summer of 2008. An old winter road also had to be rebuilt before starting drilling in order to bring in the drill. The program was halted on April 7, 2008, due to the spring thaw.

Thirteen holes totalling 3,357 metres were drilled. Nine holes totalling 2,647 metres are located near or in the extensions of old INCO drill holes from the 1970s, and were drilled to confirm the geology and locate the mineralized zones intersected by these old holes, spread out over a linear distance of 1 km. The INCO drill tubes were located on the ground.

In all the twin holes (AP-08-01 to 04), the main geological units intersected were consisted with and virtually identically placed as those shown on the INCO drill sections (GM57894). There was also very good correlation between the conglomerate units identified by INCO and those seen in 2008 drilling. The conglomerate units are where they were expected to be. The correlation between the grades and thicknesses obtained by INCO and the twin holes drilled in 2008 will be made once the chemical analysis results are received.

The results of this drilling program will be used to generate an initial 43-101 resource estimate, for which a mandate has been given to Scott Wilson Roscoe Postle Associates Inc. Four holes totalling 710 metres were drilled to test new targets identified by aerial surveys conducted by Strateco in the fall of 2007, with inconclusive results.

## Quarterly Financial Information

The following table contains selected financial information for the last eight quarters.

| | 31-03-2008 | 31-12-2007 | 30-09-2007 | 30-06-2007 | 31-03-2007 | 31-12-2006 | 30-09-2006 | 30-06-2006 |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Total income | 174 518 | 218 021 | 232 777 | 269 484 | 243 613 | 114 002 | 111 752 | 30 798 |
| General and administrative expenses | 487 376 | 298 308 | 339 047 | 1 651 913 | 802 527 | 433 312 | 321 625 | 514 689 |
| Net loss (Net benefit) | 420 858 | (1 525 034) | 106 270 | 1 382 429 | 558 914 | 1 092 509 | 274 118 | 483 891 |
| Net loss per share, basic and diluted | 0,00 | 0,01 | 0,02 | 0,02 | 0,01 | 0,01 | 0,00 | 0,01 |
| Current assets | 28 250 036 | 28 884 998 | 26 939 926 | 29 634 886 | 31 761 695 | 11 561 056 | 11 023 525 | 10 250 315 |
| Total assets | 56 455 302 | 52 744 147 | 45 543 398 | 39 712 848 | 38 686 899 | 15 270 641 | 13 983 050 | 15 655 580 |
| Current liabilities | 5 107 367 | 1 162 814 | 1 353 849 | 1 568 029 | 1 417 067 | 1 555 924 | 523 851 | 560 294 |
| Working capital | 23 142 669 | 27 722 184 | 25 586 077 | 28 066 857 | 30 344 628 | 10 005 132 | 10 499 674 | 9 690 021 |
| Shareholder's equity | 50 235 935 | 50 377 333 | 44 189 549 | 38 144 819 | 37 269 832 | 13 714 717 | 13 434 799 | 15 070 886 |

## Operating Results and Financial Resources

The Company’s income for the quarter consisted of $174,518 in interest on short-term investments, which compares to $243,613 in interest on short-term investments for the same period last year.

At March 31, 2008, the Company had cash and cash equivalents of $15,012,911, $3,973,185 less than at December 31, 2007. The decrease was primarily due to outlays of $3,769,562 in deferred exploration expenses and $396,116 for operation-related activities.

At March 31, 2008, the Company's assets stood at $56,455,302 compared to $52,744,147 at December 31, 2007. This growth in total assets was mainly due to a $300,000 investment in shares, a $3.7 million increase in deferred expenditures and the acquisition of fixed assets for $540,700.

During the first quarter, 731,000 warrants were exercised for proceeds of $188,200.

**General and Administrative Expenses**

General and administrative expenses net of stock-based compensation amounted to $396,116 compared to $391,545 for the same quarter last year.

Excluding stock-based compensation, general expenses have averaged $430,720 over the last eight quarters.

**Source of Financing**

The Company did not close any public or private financings in the first quarter.

**Off Balance-Sheet Arrangements**

The Company does not have any off balance-sheet arrangements.

**Related-Party Transactions**

The Company conducted the following transactions with a company of which Guy Hébert, an officer and director of the Company, is also an officer and director:

The Company pays the same fees to this company that it would otherwise pay to a third party.

| | **March 31, 2008** | **March 31, 2007** |
|---|---|---|
| Expenses capitalized in the statement of deferred expenditures | | |
| Consultants and subcontractors | $ 528,000 | $ 100,000 |
| Management fees [1] | $ 637,000 | $ 732,000 |
| General and administrative expenses in the statement of earnings and deficit | | |
| Professional fees | $ 104,000 | $ 87,000 |
| Legal expenses | $ 21,000 | $ 23,000 |
| Investor relations | $ 49,000 | $ 54,000 |
| Rent | $ 10,000 | $ 10,000 |
| Share issue costs charged against capital stock | $ - | $ 23,000 |

[1] As of April 1, 2007, management fees represent 10% of exploration expenses and 5% of purchases.

**Financial Instruments**

Fair Value

Cash and cash equivalents, accounts receivable, tax credits receivable, deposits on exploration work and accounts payable and accrued charges are financial instruments whose fair values approximate their carrying values due to their short-term maturities or the prevailing market rates.

Investments in shares are recognized at fair value which equals the closing sale price at the end of the period.

Interest Rate Risk

At March 31, 2008, the Company's exposure to interest rate risk was as follows:

- Cash and cash equivalents – variable interest rate
- Amounts receivable – interest free
- Amounts payable – interest free

In management's opinion, the Company was not exposed to any interest rate risk as at March 31, 2008.

**Outstanding Share Data**

The Company is authorized to issue an unlimited number of common shares without par value.

The Company had 114,898,867 shares issued and outstanding at March 31, 2008 (114,167,867 at December 31, 2007) for a value of $54,397,110 ($54,208,910 at December 31, 2007).

**Risks and Uncertainties**

Exploration and Mining

Exploration and mining activities are subject to a high level of risk. Few exploration properties reach the production stage. Unusual or unexpected formations, fires, power failures, labour disputes, floods, explosions, subsidence, landslides and the inability to locate the appropriate or adequate manpower, machinery or equipment are all risks associated with mining activities and the execution of exploration programs.

The development of resource properties depends on many factors, including the cost of mining, variations in the material mined, fluctuations in the commodities and exchange markets, the cost of processing equipment and other factors such as aboriginal claims, government regulations including in particular regulations on royalties, authorized production, importation and exportation of natural resources and environmental protection. Depending on the price of the commodities produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the exploration expenses incurred by the Company will result in the discovery of commercial quantities of ore. Most exploration projects do not result in the discovery of economic deposits.

Environmental and Other Regulations

Current, possible or future environmental legislation, regulations and measures may entail unforeseeable additional cost, capital expenditures, restrictions or delays in the Company's activities. The requirements of the environmental regulations and standards are constantly re-evaluated and may be considerably increased, which could seriously hamper the Company or its ability to develop its properties economically. Before a property can enter into production, the Company must obtain regulatory and environmental approvals. There can be no assurance that such approvals will be obtained or that they will be obtained in a timely manner. The cost related to assessing changes in government regulations may reduce the profitability of the operation or altogether prevent a property from being developed. The Company considers that it is in material compliance with the existing environmental legislation.

Financing and Development

The Company has incurred losses to date and does not presently have the financial resources required to finance its planned exploration and development programs. Development of the Company's properties therefore depends on its ability to obtain the additional financing required. There can be no assurance that the Company will succeed in obtaining the required funding. Failure to do so may lead to substantial dilution of its interests (existing or proposed) in its properties. Furthermore, the Company has limited experience in developing a resource property, and its ability to do so depends on the use of experienced people or in the signature of agreements with major resource companies that can produce such expertise.

Commodities Prices

The market for uranium, gold, diamonds, base metals or any other mineral discovered can be affected by factors beyond the Company's control. Commodities prices have fluctuated widely, particularly in recent years. The impact of these factors cannot be accurately predicted.

Uninsured Risks

The Company could become liable for subsidence, pollution and other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or for some other reason. Payment of such liabilities could decrease or even eliminate the funds available for exploration and mining activities.

**Reporting Controls and Procedures**

The president and chief financial officer have designed or supervised the design of reporting controls and procedures to provide reasonable assurance that the material information relating to the Company is made known to them, particularly during the period in which the interim documents are prepared. They have also designed or had designed internal reporting controls to provide reasonable assurance that financial reporting is reliable and that the financial statements are designed to report financial information in accordance with Canadian generally accepted accounting principles.

Company management, including the president and chief financial officer, participated in and supervised an assessment of the effectiveness of reporting controls and procedures for the year ended March 31, 2008. Based on this assessment, the president and chief financial officer have concluded that such reporting controls and procedures were effective and were applied in such a way as to provide reasonable assurance that material information on the Company was made known to them in a timely fashion by the other Company personnel.

There were no changes involving internal reporting controls during the quarter ended March 31, 2008 that had or could reasonably be expected to have a material effect on internal reporting controls.

**Additional Information and Continuous Disclosure**

This management discussion and analysis is dated May 12, 2008 and complies with Canadian Securities Administrators' *National Instrument 51-102A* on continuous disclosure. The purpose of this management discussion and analysis is to help the reader understand and assess the material changes and trends in the Company's results and financial position. It presents management's perspective on the Company's current and past activities and financial results, as well as an outlook of activities planned for the coming months. The Company regularly discloses additional information through press releases and financial statements filed on the Strateco (www.stratecoinc.com), SEDAR (www.sedar.com) and EDGAR (www.sec.gov/edgar.shtml) websites.

Guy Hébert
President and Chief Executive Officer

Pauline Comtois
Chief Financial Officer

## STRATECO RESOURCES INC.

### BALANCE SHEETS

(In Canadian dollars)

| | March 31, 2008 | December 31, 2007 |
|---|---|---|
| **ASSETS** | (unaudited) | (audited) |
| CURRENT ASSETS | | |
| Cash and cash equivalents (Note 2) | $ 15,012,911 | $ 18,986,096 |
| Accounts receivable | 10,732 | - |
| Subscriptions receivable | - | 55,200 |
| Tax credits receivable | 11,971,478 | 8,821,310 |
| Sales tax recoverable | 1,011,657 | 599,742 |
| Deposits on exploration work | 193,000 | 358,031 |
| Prepaid expenses | 50,258 | 64,619 |
| | 28,250,036 | 28,884,998 |
| INVESTMENT IN SHARES (Note 3) | 100,000 | - |
| MINING PROPERTIES (Note 4) | 10,044,314 | 10,044,314 |
| DEFERRED EXPENDITURES (Note 5) | 17,119,708 | 13,350,146 |
| FIXED ASSETS (Note 6) | 941,244 | 464,689 |
| | $ 56,455,302 | $ 52,744,147 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued charges | $ 5,107,367 | $ 1,162,814 |
| FUTURE INCOME TAXES | 1,112,000 | 1,204,000 |
| SHAREHOLDERS' EQUITY | | |
| Capital stock (Note 7) | 54,397,110 | 54,208,910 |
| Contributed surplus | 3,097,268 | 3,006,008 |
| Deficit | (7,258,443) | (6,837,585) |
| | 50,235,935 | 50,377,333 |
| | $ 56,455,302 | $ 52,744,147 |

See notes to financial statements.

ON BEHALF OF THE BOARD

Guy Hébert, Director

Robert Desjardins, Director

# STRATECO RESOURCES INC.

## STATEMENTS OF DEFERRED EXPENDITURES

(unaudited)

(In Canadian dollars)

| | Three-month period ended March 31, 2008 | 2007 |
|---|---|---|
| EXPLORATION EXPENSES | | |
| Consultants and subcontractors | $ 2,363,819 | $ 903,874 |
| Infrastructure, access roads, fuel depot and other | 646,017 | 1,230,912 |
| Drilling | 1,329,736 | 1,378,880 |
| Transport and fuel | 1,323,922 | 887,458 |
| Geophysics | 11,382 | 18,680 |
| Laboratory and analyses | 149,934 | 48,549 |
| Travel expenses and lodging | 335,565 | 84,761 |
| Management fees | 637,298 | 732,248 |
| Supplies and equipment rental | 13,650 | 35,973 |
| Mobile equipment and maintenance | 11,368 | 36,404 |
| Amortization of fixed assets | 64,145 | - |
| General exploration expenses | 32,894 | 28,939 |
| | 6,919,730 | 5,386,678 |
| Credit for duties and other related exploration credits | (3,150,168) | (2,350,000) |
| NET INCREASE IN DEFERRED EXPENDITURES | 3,769,562 | 3,036,678 |
| BALANCE, BEGINNING OF PERIOD | 13,350,146 | 3,250,585 |
| BALANCE, END OF PERIOD | $ 17,119,708 | $ 6,287,263 |

See notes to financial statements.

# STRATECO RESOURCES INC.

## STATEMENTS OF EARNINGS AND DEFICIT

(unaudited)

(In Canadian dollars)

| | Three-month period ended March 31, 2008 | 2007 |
|---|---|---|
| INTEREST INCOME | $ 174,518 | $ 243,613 |
| GENERAL AND ADMINISTRATIVE EXPENSES | | |
| Professional fees | 115,231 | 94,441 |
| Legal and audit expenses | 32,326 | 37,111 |
| Stock-based compensation | 91,260 | 410,982 |
| Directors' fees | 5,400 | 3,200 |
| Shareholder communications | 9,782 | 30,757 |
| Investor relations | 126,571 | 128,543 |
| Listing and registrar fees | 43,976 | 45,558 |
| Social benefits related to stock options | - | 7,203 |
| Travel expenses | 10,312 | 5,820 |
| Rent | 9,960 | 9,840 |
| Insurance | 19,362 | 9,582 |
| Office expenses | 20,420 | 18,087 |
| Interest, penalties and bank charges | 2,776 | 1,403 |
| | 487,376 | 802,527 |
| UNREALIZED LOSS ON CHANGE OF THE INVESTMENT'S FAIR VALUE | 200,000 | - |
| LOSS BEFORE INCOME TAXES | 512,858 | 558,914 |
| FUTURE INCOME TAXES | (92,000) | - |
| NET LOSS | 420,858 | 558,914 |
| DEFICIT, BEGINNING OF PERIOD | 6,837,585 | 6,270,406 |
| DEFICIT, END OF PERIOD | 7,258,443 | 6,829,320 |
| NET LOSS PER SHARE, BASIC AND DILUTED | 0.00 | 0.01 |
| WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUSTANDING (in thousands) | 114,663 | 103,062 |

See notes to financial statements.

# STRATECO RESOURCES INC.

## STATEMENTS OF CASH FLOWS

(unaudited)

(In Canadian dollars)

| | Three-month period ended March 31, | |
|---|---|---|
| | 2008 | 2007 |
| CASH FLOW FROM (USED IN) OPERATING ACTIVITIES: | | |
| Net loss | $ (420,858) | $ (558,914) |
| Non-cash items | | |
| Stock-based compensation | 91,260 | 410,982 |
| Unrealized loss on fluctuation of the just placement value | 200,000 | - |
| Future income taxes | (92,000) | - |
| Changes in non-cash working capital items (Note 11) | 3,756,498 | (3,392,849) |
| | 3,534,900 | (3,540,781) |
| CASH FLOW FROM (USED IN) INVESTING ACTIVITIES: | | |
| Term deposits | - | (14,095, 649) |
| Acquisition of investment in shares | (300,000) | - |
| Increase in deferred expenditures | (6,855,585) | (3,036,678) |
| Acquisition of property, plant and equipment | (540,700) | (178,941) |
| | (7,696,285) | (17,311,268) |
| CASH FLOW FROM (USED IN) FINANCING ACTIVITIES: | | |
| Common share issuance | 188,200 | 25,397,250 |
| Common share issue costs | - | (1,694,203) |
| | 188,200 | 23,703,047 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (3,973,185) | 2,850,998 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | 18,986,096 | 561,344 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | $ 15,012,911 | $ 3,412,342 |

| **Additional information concerning cash flows** | **2008** | **2007** |
|---|---|---|
| Items related to operations activities, financing and investments with no effect on cash flows: | | |
| Amortization of fixed assets included in deferred expenditures | $ 64,145 | $ - |

See notes to financial statements.

(In Canadian dollars)

The interim financial statements should be read in conjunction with Strateco Resources Inc.'s annual financial statements for the year ended December 31, 2007.

## 1. SIGNIFICANT ACCOUNTING POLICIES

*FINANCIAL INSTRUMENTS*

The Company classifies its investment in shares as a financial asset held for trading and accounts it at its fair value. The fair value of this investment is equal to the closing sale price as at the date of the end of the period.

*FIXED ASSETS*

Fixed assets are depreciated using the straight line method over three years for fuel tanks and over ten years for the camp and using the diminishing balance method at a rate of 20% for rolling stock, machinery and equipment.

## 2. CASH AND CASH EQUIVALENTS

| | March 31, 2008 | December 31, 2007 |
|---|---|---|
| | (unaudited) | (audited) |
| Cash | $ 2,259,544 | $ 763,484 |
| Term deposits – rates of 3.25% and 3.50% | 12,753,367 | 18,222,612 |
| | $ 15,012,911 | $ 18,986,096 |

## 3. INVESTMENT IN SHARES

On January 14, 2008, the Company acquired 1,000,000 units of Consolidated Pacific Bay Ltd. ("Pacific Bay") at $0.30 per unit. Each unit consists of one common share and one warrant entitling its holder to purchase one common share at $0.60 per share during a 24-month period. On March 31, 2008, Pacific Bay shares traded at $0.10 per share.

This investment contains a restriction not allowing the Company to sell its shares before January 14, 2009.

(In Canadian dollars)

## 4. MINING PROPERTIES

| | Interest | March 31, 2008 | December 31, 2007 |
|---|---|---|---|
| | | (unaudited) | (audited) |
| Mont-Laurier Uranium | 100% | $ 10,000 | $ 10,000 |
| Matoush | 100% | 337,000 | 337,000 |
| Eclat | 100% | 774,000 | 774,000 |
| Apple | 100% | 8,923,314 | 8,923,314 |
| | | $ 10,044 ,314 | $ 10,044,314 |

## 5. DEFERRED EXPENDITURES

| | Balance at December 31, 2007 | 2008 exploration expenses | Reduction | Balance at March 31, 2008 |
|---|---|---|---|---|
| Mining properties | (audited) | (unaudited) | | (unaudited) |
| Mont-Laurier Uranium | $ 326,834 | $ - | $ - | $ 326,834 |
| Matoush | 12,530,091 | 5,195,994 | (2,363,538) | 15,362,547 |
| Eclat | 268,742 | 234,002 | (106,880) | 395,864 |
| Apple | 69,526 | 1,148,421 | (522,615) | 695,332 |
| Pacific Bay-Matoush | 149,434 | 46,503 | (21,410) | 174,527 |
| Mistassini | - | 294,810 | (135,725) | 159,085 |
| Prospecting | 5,519 | - | - | 5,519 |
| | $ 13,350,146 | $ 6,919,730 | $ (3,150,168) | $ 17,119,708 |

(In Canadian dollars)

## 6. FIXED ASSETS

| | Cost | Cumulative Depreciation | Balance as at March 31, 2008 | Balance as at December 31, 2007 |
|---|---|---|---|---|
| | | | (unaudited) | (audited) |
| Fuel tanks | $ 354,655 | $ 115,254 | $ 239,401 | $ 180,491 |
| Camp | 371,000 | 3,092 | 367,908 | - |
| Rolling stock | 176,270 | 56,836 | 119,434 | 134,123 |
| Machinery | 105,012 | 40,834 | 64,178 | 72,929 |
| Equipment | 143,967 | 16,350 | 127,617 | 66,159 |
| Computer equipment | 29,025 | 6,319 | 22,706 | 10,987 |
| | $ 1,179,929 | $ 238,685 | $ 941,244 | $ 464,689 |

## 7. CAPITAL STOCK

AUTHORIZED

An unlimited number of common shares without par value

An unlimited number of preferred shares without par value issuable in series with rights, privileges, restrictions and conditions to be determined by the board of directors

| | March 31, 2008 (unaudited) | |
|---|---|---|
| | Common shares | Amount |
| ISSUED AND FULLY PAID | | |
| Balance, beginning of period | 114,167,867 | $ 54,208,910 |
| In cash- Exercise of warrants | 731,000 | 188,200 |
| Balance, end of period | 114,898,867 | $ 54,397,110 |

WARRANTS

At March 31, 2008, there were 5,387,200 warrants outstanding, each entitling its holder to purchase one share of the Company. Changes to the warrants are shown in the following table:

| | March 31, 2008 | |
|---|---|---|
| | Number | Weighted average strike price |
| Balance, beginning of period | 6,118,200 | $3.03 |
| Warrants exercised | (731,000) | 0.26 |
| Balance, end of period | 5,387,200 | $3.40 |

(In Canadian dollars)

## 7. CAPITAL STOCK (SUITE)

The strike prices and the expiry dates of the warrants are as follows:

| Strike Price | Number | Expiry |
|---|---|---|
| $2.60 | 577,200 [1] | January 31, 2009 |
| $3.50 | 4,810,000 | January 31, 2009 |
| | 5,387,200 | |

(1) On January 31, 2007, pursuant to a private placement with an underwriting syndicate led by Orion Securities Inc. and including Dundee Securities Corporation, Blackmont Capital and Sprott Securities Inc., the Company issued broker options equal to 6% of the total number of units sold under the placement (577,200 units). Each broker option allows the underwriters to purchase one unit at the issue price until January 31, 2009. One unit at $2.60 consisted of one common shares and half a warrant. Each full warrant entitles the holder to purchase one share at $3.50 per share. A total of 288,600 warrants could eventually be exercised. At any time, the Company may notify the holders of broker options of its intention to force the exercise of the broker options should the Company's shares trade on the TSX Exchange at a price equal to or greater than $4.50 per share for a period of 20 consecutive trading days.

## 8. STOCK OPTION PLAN

Changes to the stock options under the plan are shown in the following table:

| | March 31, 2008 | |
|---|---|---|
| | **Number of options** | **Weighted-average strike price** |
| Balance, beginning of period | 2,106,500 | $2.32 |
| Options granted | 300,000 | $2.10 |
| Balance, end of period | 2,406,500 | $2.03 |

(In Canadian dollars)

## 8. STOCK OPTION PLAN (SUITE)

The outstanding stock options and the stock options exercisable as at March 31, 2008 are shown in the following table:

| Options Outstanding | | | Options Exercisable | |
|---|---|---|---|---|
| **Weighted average strike price** | **Number** | **Weighted-average lifespan (years)** | **Weighted average strike price** | **Number** |
| $0.20 | 400,000 | 2.68 | $0.20 | 400,000 |
| $0.38 | 25,000 | 2.93 | $0.38 | 25,000 |
| $0.40 | 175,000 | 2.78 | $0.40 | 175,000 |
| $1.50 | 7,500 | 3.59 | $1.50 | 4,500 |
| $2.10 | 300,000 | 4.90 | - | - |
| $2.38 | 45,000 | 3.72 | $2.38 | 30,000 |
| $2.60 | 100,000 | 3.79 | $2.60 | 100,000 |
| $2.72 | 120,000 | 4.23 | $2.72 | 40,000 |
| $2.80 | 30,000 | 3.80 | $2.80 | 20,000 |
| $2.86 | 150,000 | 3.92 | $2.86 | 150,000 |
| $3.00 | 9,000 | 3.95 | $3.00 | 6,000 |
| $3.20 | 345,000 | 4.18 | $3.20 | 115,000 |
| $3.37 | 700,000 | 3.98 | $3.37 | 700,000 |
| $2.28 | 2,406,500 | 3.73 | $2.17 | 1,765,500 |

During the year ended March 31, 2008, the Company granted 300,000 stock options to an employee of a service provider and officer of the Company.

The fair value of each option granted vas determined using the “Black –Scholes” option-pricing model. At the date of grant, this fair value of the options granted was $ 0.8485.

The following assumptions were used in the calculation:

| | |
|---|---|
| Risk-free interest rate | 2.5% |
| Expected life | 1 year |
| Expected volatility | 100% |
| Expected dividend yield | 0 % |

At March 31, 2008, no stock-based compensation was registered given that the exercise rights be acquired starting only September 2008.

### 9. COMMITMENTS AND CONTINGENCIES

MINING PROPERTIES

*Pacific Bay – Matoush Property*

On January 15, 2008, the Company signed a final agreement to acquire a 60% interest in the 277 claims of the Pacific Bay-Matoush property belonging to Consolidated Pacific Bay Minerals Ltd. ("Pacific Bay") and located in the Matoush area of Quebec's Otish Mountains. The agreement provides for the Company to pay a total of $500,000 to Pacific Bay and issue 200,000 common shares over a four-year period, and to spend $3M on exploration over four years, including a minimum of 10,000 metres of drilling.

*Mistassini Property*

The Company may acquire a 60% interest in the uranium rights of Majescor Resources Inc. (Majescor) on the Mistassini property in Quebec's Otish Mountains, by carrying out a total of $1.3M in exploration over three years. The Company must reimburse to Majescor about $250,000 for the cost of the drilling program carried out in December 2007 and conduct another $250,000 in exploration on the property in the exercise for a total firm commitment of $500,000 for the first year of the option. The remaining $800,000 in exploration expenses will be evenly split between the second and third year.

### 10. RELATED-PARTY TRANSACTIONS

During the period, consultant and subcontractor fees of $528,000 and management fees of $637,000 shown in the statement of deferred expenditures were paid to BBH Géo-Management Inc., of which Guy Hébert, a director and officer of the Company, is also a director and officer.

General and administrative expenses of $184,000 shown in the earnings statement were paid to the same company.

At March 31, 2008, accounts payable and accrued charges included an amount of $775,000 owed to the same company.

(In Canadian dollars)

### 11. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

| | Three-month period ended March 31, 2008 | 2007 |
|---|---|---|
| Accounts receivable | $ (10,732) | $ (227,958) |
| Subscriptions receivable | 55,200 | - |
| Tax credit receivable | - | (2,345,669) |
| Sales taxes recoverable | (411,915) | (484,565) |
| Deposits on exploration work | 165,031 | (194,400) |
| Prepaid expenses | 14,361 | (1,400) |
| Accounts payable and accrued charges | 3,944,553 | (138,857) |
| | $ 3,756,498 | $ (3,392,849) |

### 12. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the financial statements' presentation adopted in the current period.

**FORM 52-109F2**

**CERTIFICATION OF INTERIM FILINGS**

I, Guy Hébert, President and Chief Executive Officer of Strateco Resources Inc., certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of *Strateco Resources Inc.,* (the issuer) for the interim period ending March 31, 2008

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

   (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;

   (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: May 9, 2008

__________________________

Guy Hébert
President and Chief Executive Officer

**FORM 52-109F2**

**CERTIFICATION OF INTERIM FILINGS**

I, Pauline Comtois, CGA, Chief Financial Officer for Strateco Resources Inc., certify that:

1 I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of *Strateco Resources Inc.*, (the issuer) for the interim period ending March 31, 2008.

2 Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3 Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

4 The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

(a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared;

(b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5 I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: May 9, 2008

Pauline Comtois, CGA
Chief Financial Officer

# General Information

## DIRECTORS

**Guy Hébert**
Boucherville, Québec
President and Chief Executive Officer
BBH Géo-Management Inc.

**Robert Desjardins***
Repentigny, Québec
President
Robert G. Desjardins et Associés inc.

**Jean-Guy Masse***
Montréal, Québec
President
Northern Precious Metals Funds Inc.

**Marcel Bergeron***
Town of Mount Royal, Québec
General Manager
Devimco Inc.

**Jean-Pierre Lachance**
St-Hubert, Québec
Executive Vice President
BBH Géo-Management inc.

**Henri Lanctôt**
Ville Mont-Royal, Québec
Gowling, Lafleur Henderson, LLP

*** Audit Committee Member**

## OFFICERS

**Guy Hébert, B.Sc. Geol., M.B.A.**
President and Chief Executive Officer

**Jean-Pierre Lachance, Geol.**
Executive Vice President

**Pauline Comtois, CGA**
Chief Financial Officer

**Henri Lanctôt**
Secretary

## SHAREHOLDER INFORMATION

**Listing**
Toronto Stock Exchange: Symbol RSC
Frankfurt Stock Exchange: Symbol RF9
US SEC Registration # 0-49942 – Symbol SRSIF

**Transfer Agent and Registrar**
Computershare Trust Company of Canada

**Auditors**
Petrie Raymond, LLP, Chartered Accountants

**Legal Advisors**
Gowling Lafleur Henderson LLP

**Head Office**
1225 Gay-Lussac Street
Boucherville, Québec J4B 7K1, CANADA
Telephone: (450) 641-0775
1-866-774-7722
Fax: (450) 641-1601
Website: www.stratecoinc.com

**Annual Meeting**
June 10, 2008 at 10:30 a.m.
Fairmont The Queen Elizabeth Hotel
Salon Richelieu
900 René-Lévesque Blvd. West
Montreal, Quebec H3B 4A5 CANADA
Telephone: (514) 861-3511

*Pour obtenir une version française de ce rapport, veuillez vous adresser au siège social de la Société à Boucherville (Québec).*