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EXPLORATION UPDATE FOR THE MATOUSH PROPERTY IN THE OTISH MOUNTAINS

Strateco Resources Inc. (*"Strateco"*) is pleased to provide an exploration update for its wholly-owned Matoush uranium property in the Otish Mountains.

The 10,000-metre, approximately 30-hole drilling program that began on the Matoush property on June 16th is now ongoing, without interruption. This 10,000-metre phase consists primarily of drilling on the extensions to the mineralized structures intersected in the spring of 2006 in holes MT-06-01 to MT-06-5 in the vicinity of Hole AM-15 drilled by Uranerz Exploration and Mining (*"Uranerz"*) in 1984 (16-metre intersection grading 0.95% U₃O₈ representing 19 lbs per ton). The holes returned excellent results, including Hole MT-06-5 with a grade of 1.54 % U₃O₈ (31 lbs per ton) over an impressive 9.5-metre length.

From July 5 to August 26, eight holes were drilled for a total of 2,881 metres (MT06-9 to MT-06-16).

Chemical analysis for the three first holes of phase 1, holes MT-06-6, 7 and 8, drilled between June 16 and July 1 (1,098 metres) (ref. Press release of July 13, 2006), have not yet been received from the Saskatchewan Research Council (*"SRC"*) laboratory despite diligent follow-up. Initial results are expected at the beginning of September.

Holes MT-06-9 to MT-06-16 all intercepted the Matoush fault. To date, the mineralized structure has been confirmed over a length of more than 160 metres and a vertical height of approximately 60 metres in the ACF host facies.

The following table summarizes the location and intersections of holes MT-06-6 to MT-06-16, with holes MT-06-6 to MT-06-8 provided as a reference.

Hole #	Collar	Azimuth (°)	Dip (°)	Mineralization			
				From (m)	To (m)	Core length (m)	Maximum counts/sec.
MT-06-6	10+20E/31+52S	272	-55	323.7	323.8	0.1	750
MT-06-7	10+20E/31+53S	271	-49	302.9	307.4	4.5	11,000
MT-06-8	10+30E/31+80S	269	-51	334.9	341.4	6.5	6,400
MT-06-9	10+25E/31+55S	270	-47.5	309.4	315.0	5.6	22,000
MT-06-10	10+48E/31+32S	275	-46	309.4	320.4	11.0	32,000
MT-06-11	10+49E/32+32S	283	-45.5	301.6	312.4	10.8	12,300
MT-06-12	10+50E/30+71.5S	268	-45	307.5	312.9	5.4	11,200
MT-06-13	10+29E/31+80S	267	-47	310.3	315.5	5.2	8,200
MT-06-14	10+29.5E/31+80S	258	-47.9	322.0	323.1	1.1	550
MT-06-15	10+48E/31+55S	278	-50.4	330.0	331.6	1.6	700
MT-06-16	10+50E/30+70S	268	-47.1	312.0	312.8	0.8	670

The true width of mineralized intervals have not yet been determined.

Northern Extension of Hole AM-15

Holes MT-06-10, 11, 12, 15 and 16 were drilled in the northern extension of Hole AM-15, drilled by Uranerz, with Hole MT-06-16, furthest to the north, lying 82 metres north of Hole AM-15. With the exception of Hole MT-06-15, each of these holes had a pierce point at approximately the same vertical depth as the AM-15 intersection (about 225 metres).

MT-06-10

The most significant hole is MT-06-10, whose pierce point lies 25 metres north of AM-15. The mineralized zone was intersected over a length of 11.0 metres, with radiometry on the core reaching 32,000 counts per second ("cps"). The mineralization seen in this hole is very similar to MT-06-4 and MT-06-5, including the presence of uranophane.

MT-06-11

Drilled 20 metres north of MT-06-10, Hole MT-06-11 also intersected the mineralized zone over a substantial length of 10.8 metres, from 301.6 to 312.4 metres, with 12,300 cps. There is no significant presence of uranophane in this hole.

MT-06-12

Hole MT-06-12 was planned 25 metres north of Hole MT-06-11. The mineralized zone was intersected over a length of 5.4 metre length, from 307.5 to 312.9 metres, with a maximum of 11,200 cps. The hole deviated from its initial line, and the entry point was therefore 12 metres to the north of MT-06-11.

MT-06-15

Hole MT-06-15 was targeted at a pierce point 33 metres to the north of Hole MT-06-4 at the same elevation. The angle of drilling (-50°) could not be maintained, and the target was reached lower than expected, almost at the contact of facies ACF and CBF at a depth of 331 metres. The mineralized zone, only 50 centimetres wide including the fault, corresponds to a brechia of angular material, with typical alteration. Radiometry showed a maximum of 700 cps.

MT-06-16

Hole MT-06-16, whose pierce point was on Line 30+65S, was the last to be drilled in the northern extension of AM-15 during the period ending August 26, 2006. With a pierce point located 37 metres north of MT-06-12, it intersected the Matoush fault at a depth of 311.0 metres. Disseminated uranium mineralization was encountered over 0.8 metres from 312.0 to 312.8 metres, and 670 cps was recorded.

South Extension of Hole AM-15

Three holes, MT-06-9, 13 and 14, were drilled to the south of Hole AM-15 to take advantage of the presence of the drill in this area while spectral logging was done in all the previously-drilled holes. The holes are equidistant and spaced at 30 metres. Hole MT-06-14 was located furthest south, with a pierce point on Line 32+40S.

MT-06-9

Due to unusual deviation, Hole MT-06-9 intersected the target only 10 metres to the south of MT-06-7. In Hole MT-06-9, the mineralized zone was intersected over a 5.6-metre length, at a depth of from 309.4 to 315.0 metres. A cps of 22 000 was recorded.

Recovery in the fault zone was poor (about 1.5 metres of loss) due to testing of a spoon system unsuited to the muddy material in the fault zone. This system is used successfully on other projects in Western Canada, but does not seem well-suited to the Matoush project.

MT-06-13

Hole MT-06-13, whose pierce point was 30 metres to the south of MT-06-9, intersected the mineralized zone over a 5.2 metre length, from 310.3 to 315.5 metres. A maximum of 8,200 cps was obtained.

MT-06-14

Hole MT-06-14, whose pierce point lies 30 metres south of MT-06-13, intersected the mineralized zone over a length of virtually corresponding to the fault zone, from 322.0 to 323.1 metres. A maximum of 550 cps was obtained.

Spectral logging

As mentioned in the July 13 press release, the spectral probe was recalibrated at the SRC calibration site. The probe was then returned to the site, and logging was done in all the holes drilled to date, except Hole MT-06-16.

Correlation testing by Geophysique GPR International, hired to perform the spectral logging and interpret the results, has not yet provided an acceptable estimate of equivalent uranium grade. Correlation testing was done on all the holes for which chemical analyses were available. Strateco does not yet consider the level of confidence sufficient to provide a grade estimate (margin of error of less than 10%). Correlation testing will continue once chemical analyses have been received for the holes already drilled. Spectral logging has been suspended in the interim.

Radiometric survey

In terms of exploration over the entire Matoush uranium property, which now totals 16,620 hectares (41,068 acres) in 313 claims, the airborne survey planned for late July has been completed. The 1,417 line/kilometre radiometry, magnetometry and electromagnetic (IMPULSE®EM) survey on lines spaced at 100 metres was performed between August 16 and 25 by Aeroquest International. The survey was performed in conjunction with Consolidated Pacific Bay Minerals Ltd. ("CBP"). Preliminary data has identified at least three highly anomalous areas, one of which corresponded to the location of the trail of radioactive blocks that led to the discovery of the main Matoush showing corresponding to Hole AM-15.

The anomalous areas identified by this survey are top-priority exploration targets for prospecting in the coming months.

Alphatrack

In July, 120 "Alphatrack" radon detectors were installed at 10 locations along a 2-kilometre section of the Matoush structure to test their ability to detect the structure, which would leak radon, trace its extensions on the property and find new, favourable areas for uranium mineralization. However, these detectors do not differentiate between radon sources (fault, outcrop or mineralized zone).

The method worked well, and produced positive results. Medium-intensity anomalies were identified near trenches dug by Uranerz along the Matoush structure. Other, weaker-intensity anomalies were found in less well-know areas, providing new prospecting targets.

While limited, this test shows that this exploration tool can be used on a larger scale to develop prospecting and drill targets. Follow-up work and an additional survey are planned in the coming weeks.

Drilling at depth

Despite the fact that the mineralized lens in the ACF host facies at a central vertical depth of 225 metres (AM-15 lens) remains open to the north and south, the drill was moved to explore the lower level, at an interpreted vertical depth of 390 metres. Hole MT-06-17 dipping at -56° was collared on August 27. This hole will be the deepest drilled to date on the property. A second drill will be used to outline the size of the perched body of the AM-15 lens at level 225, in order to calculate a resource estimate in accordance with NI 43-101 standards.

"Management is strongly encouraged by the results of the drilling done to date, which has confirmed the lateral continuity of the AM-15 mineralized zone over more than 160 metres," stated Guy Hébert, President. "New targets, particularly those identified by the airborne radiometry survey, warrant accelerated exploration, including the addition of a second drill."

Meanwhile, prospecting continues on the Mont-Laurier project near Mont-Laurier, Québec. A press release providing an update of exploration work completed will be issued in the coming weeks.

Qualified Person

Jean-Pierre Lachance, geologist, is the qualified person as defined by National Instrument 43-101. He has over 30 years of experience in mining exploration.

Forward-Looking Statements

This press release contains forward-looking statements subject to certain risks and uncertainties. There can be no assurance that these statements will prove to be correct, and actual results and future events could differ materially from those implied by such statements. These risks and uncertainties are discussed in the annual report filed with the securities commissions of Alberta, British Columbia and Quebec, and in the 10-KSB annual report filed with the US Securities and Exchange Commission. The Company does not undertake to publicly revise or update any such statements on the basis of new information, future events or any other event.

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