STRATECO RESOURCES INC.

1225 GAY-LUSSAC, BOUCHERVILLE, QUÉBEC, CANADA, J4B 7K1

ANNUAL INFORMATION FORM

March 21, 2012

Strateco Resources Inc.
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1. COVER PAGE

This annual information form is dated March 21, 2012, the date of the report of the Company's auditors on the Company's most recent financial statements, being for the year ended December 31, 2011. All amounts in the following sections are in Canadian dollars.

FORWARD-LOOKING STATEMENTS

The sections of this Anual Information Form on the Company's strategy and action plan and exploration activities contain "forward-looking statements" depending on context, particularly statements that reflect the Company's opinions, estimates and expectations with regard to future events or results. Such forward-looking statements are subject to certain factors and involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate. Factors that could cause future results, activities and events to differ materially from those expressed or implied by such forward-looking statements include, but not limited to, uranium price volatility, risks inherent in the mining industry, uncertainty in the estimation of mineral resources and additional financial requirements, as well as the Company's ability to meet such requirements. These risks and uncertainties are described at subsection **6, GENERAL DESCRIPTION OF THE BUSINESS, (d) Risk factors** in this Annual Information Form.

2. TABLE OF CONTENTS

3. CORPORATE STRUCTURE

a) Name, Address and Incorporation

Strateco Resources Inc. (the "Company" or "Strateco") was incorporated under the *Canada Business Corporations Act* by articles of incorporation dated April 13, 2000. Strateco's head office is at 1225 Gay-Lussac Street, Boucherville, Québec J4B 7K1. The Company also has a community relations office in Chibougamau and an office in Mistissini.

4. GENERAL DEVELOPMENT OF THE BUSINESS

(a) Documents Incorporated by Reference: MD&As and Financial Statements of an Exploration-Stage Company

The Company, a company at the exploration stage, incorporates its management discussion and analysis ("MD&A") and financial statements for the fiscal years ending December 31, 2009, 2010 and 2011, filed on SEDAR at www.sedar.com, into this document by reference.

(b) General Development of the Business for the Past Three Years

The Company is primarily engaged in the exploration of mining properties with a view to commercial production. It does not currently have any mines in production. The Company has a portfolio of four wholly-owned mining properties and joint ventures on three mining properties. All properties are located in Quebec. These properties comprise 941 claims for a total area of 49,606 hectares (496 square kilometres). The Company's activities are focused on the exploration and development of the Matoush project. With the exception of some projects in the Athabaska basin in Saskatchewan, the Matoush project, in the Otish Mountains of northern Quebec, can be considered one of the highest-grade uranium projects in the world.

Since 2006, the Company has focused its efforts on the Matoush uranium exploration project (the "Matoush project"), located 275 kilometres north of Chibougamau, Quebec. The Matoush project consists of the Matoush and Matoush Extension properties (the "Matoush property" and the "Matoush Extension property"), in which the Company owns a 100% interest, and two other properties in which the Company has earned an interest in recent years, the Eclat and the Pacific Bay-Matoush properties (the "Eclat property" and the "Pacific Bay-Matoush property"). In order to develop the Matoush project, the Company has built a 50-person camp, a landing strip for planes carrying material and passengers, and three megadomes and offices. As uranium exploration is the Company's principal activity, it had also drilled over 261,834 metres (565 holes) on the Matoush project as at December 31, 2011. The drill results have demonstrated the uranium potential of the Matoush project over the past three years, and encouraged the Company's team to undertake and develop the Matoush project advanced underground exploration program.

In the past three years, to assess the inferred and measured uranium resource, the Company hired Roscoe Postle Associates formerly Scott Wilson RPA RPA), an independent firm, to prepare a technical report in September 2008 in accordance with the regulation on standards of disclosure for mineral projects ("Regulation 43-101"), and an update in September 2009. A preliminary economic assessment was also carried out in 2008 for the Matoush project, followed by an update in 2010. Numerous environmental studies were also done by independent firms, and submitted during the course of the in-depth evaluation of the Matoush project environmental impact statement to obtain the licence for the advanced underground exploration program for the Matoush project from the Canadian Nuclear Safety Commission ("CNSC"). The Company also concentrated on communications with the local communities, an information and communication agreement with the Cree Nation of Mistissini and the dissemination of information needed for social acceptance of the Matoush project. All these matters have been discussed in detail in the annual MD&As for 2009 and 2010, incorporated herein by reference and filed on SEDAR, as well as in this annual information form ("AIF"), under Section **6, GENERAL DESCRIPTION OF THE BUSINESS**.

5. PROJECTS AND ACQUISITIONS OF INTEREST IN THE PAST THREE YEARS

a) Eclat Property

The Company acquired a 100% interest in the 90 claims of the Eclat property for all mineral substances except diamonds on June 15, 2009, pursuant to the terms of an agreement that was signed on July 6, 2005, between Vija Ventures Corporation ("Vija") and the Company, in consideration of payments totalling $150,000 over four years, including $7,000 on signature of the agreement, plus $7,000 at the first anniversary, $20,000 at the second and third anniversaries, and finally $96,000 at the fourth anniversary; $500,000 in exploration work over four years; and the issuance of 600,000 common shares of the Company over three years. The property is subject to a 2% NSR royalty on any production, for all minerals except diamonds, and a 2% share of the gross proceeds from the future sale or disposition of the carbon emissions rights related to uranium production on the property, payable to Vija.

b) Pacific Bay-Matoush Property

On January 14, 2008, the Company signed the final agreement to earn a 60% undivided interest in the Pacific Bay-Matoush property, in the Matoush District of Quebec's Otish Mountains, from Pacific Bay Minerals Ltd. ("Pacific Bay"). The agreement called for the Company to pay Pacific Bay a total of $500,000, issue 200,000 common shares over four years and spend $3 million on exploration over four years, including a minimum of 10,000 metres of drilling at a rate of 2,500 metres per year. In addition, the Company acquired, on the signature date of the final agreement, 1,000,000 units of Pacific Bay at a price of $0.30 per unit whereby each unit consists of one common share and one warrant to purchase a common share at $0.60 per share for a period of 24 months. The warrants expired without being exercised.

Effective October 29, 2011, the Company had met all its commitments under the option agreement and acquired a 60% undivided interest in the Pacific Bay-Matoush property, and the Company signed and undertook a joint venture agreement with Pacific Bay whereby the Company will remain the manager of the exploration and operation program committee for as long as it holds an interest of at least 50% in the property.

c) Mistissini Property

On February 14, 2008, the Company signed an option and joint venture agreement with Majescor Resources Inc. ("Majescor") to acquire a 60% interest in the uranium rights of the Mistassini property, located 40 kilometres southwest of the Matoush property (the "Mistassini property").

On February 14, 2011, the Company fulfilled its obligations under the option agreement, by completing the required $1,300,000 in exploration work on the property over a three-year period. Consequently, the Company has acquired its 60% interest in the uranium rights on the Mistassini property. The joint venture on the property was signed with Majescor, and the Company will be the operator and the manager of the joint venture committee for as long as it holds a 50% interest in the Mistassini property.

6. GENERAL DESCRIPTION OF THE BUSINESS

The Company is a junior company engaged in uranium exploration. To its knowledge, there is no competition among companies operating in this industry. The Company's main goal is to discover, through exploration, the largest possible quantity of uranium resources so as to eventually become a uranium producer and sell the uranium at market value. There are very few uranium producers in Canada, and global demand exceeds the production capacity of these companies. Most companies cooperate with each other, and trade and share equipment, consulting services and knowledge so as to meet the complex requirements in the areas of health and safety, government authorizations and permits, and exploration and mining methods.

However, in the Canadian mining industry in general, there is some level of competition when a company needs to attract and hire geologists and mine technicians, which are difficult to find in Quebec and Canada. To date, the Company has nevertheless succeeded in recruiting qualified personnel and consultants in Europe and Quebec and retaining their services.

There is also competition in the mining industry in general in terms of the acquisition of mineral claims. There are many factors affecting the value of claims. However, once the Company has acquired an interest in the mineral claims of a property or signed an agreement to that effect, the property claims and adjacent claims are protected in an area of interest defined in the agreement. The Company currently has enough mineral claims to pursue its exploration objectives.

a) Uranium Market

The uranium market has grown considerably since the turn of the millenium, due to the benefits of uranium and the needs of many activity sectors. Growing energy demand, particularly in emerging countries like India and China, the environmental stakes and rthe availability of the resource for large-scale use are some of the factors in the uranium market turnaround. The uranium spot price has risen from about US $10/lb in 2002 to prices of around US $70/lb in 2011, with a peak of US $137/lb in 2007.

The uranium market was, however, shaken by the events of March 11, 2011, at Fukushima in Japan. The uranium spot price dropped considerably, as did all the uranium company indexes.

Nevertheless, many analysts are optimistic about the future of the uranium market. Despite the announcement of the termination of the German, Swiss and Belgian nuclear programs, and the referendum opposition of the Italian population to the restarting of the nuclear program in their country, demand for uranium resources remains strong. Golbal energy demand is growing steadily, and the number of reactors continues to rise.

There are currently more than 440 nuclear reactors around the world in some 30 countries, and more than 60 reactors are under construction in some 15 countries, primarily in Asia. Increased nuclear presence is expected in South Korea and Russia, as well as in new locations that are looking to diversify their energy sources, like the United Arab Emirates and Saudi Arabia. The countries that terminated their nuclear programs in the wake of the events in Japan are a small percentage of global nuclear energy demand; most European countries that have a nuclear program have chosen to keep it.

Since the beginning of 2012, new interest has been seen in the uranium sector. After a difficult year following the events in Japan, the industry appears to be headed for better times. Indeed for the first time in 30 years, the U.S. has approved the construction of two new nuclear reactors in Georgia. In addition, several countries such as France, China, India, the United Kingdom, the United States and Russia reaffirmed their support for nuclear and almost all countries have maintained their nuclear program.

b) Material Contracts

The Company has no employees as it has a Services Agreement with BBH Géo-Management Inc. (“BBH”), which supplies employees and consultants for management, secretarial, geology, operations, legal affairs, investor relations, technical and environmental matters and professional services, as more fully described in subsection 17. Management and other Insiders (a) Related-Party Transactions of this annual information form..

The services contract in effect since 2000 with BBH Géo-Management Inc., a company whose president and director is also president and director of the Company, was renewed on August 1, 2011, this time on a monthly basis; a copy of the agreement can be found in Appendix B, Material Contracts, of this annual information form.

c) Environmental Protection

i) Environmental Expenses

To obtain the environmental permits and authorizations, comply with the environmental requirements of the various levels of government, secure the services of an environmental director for the entire year through a management company and, finally, organize the public hearings required as part of the environmental assessments related to the underground exploration ramp, the Company incurred environmental expenses in the amount of about $976,000 in 2009, about $470,000 in 2010 and about $732,000 in 2011. These amounts represent about 5.6%, 4% and 5.8% , respectively, of the Company’s total exploration expenses for the years ended December 31, 2009, 2010 and 2011, as shown in the following table:

Year	Approximate Environmental Expenses	Percentage of Exploration Expenses	Exploration Expenses
2009	$976,000	5.6%	$15.3 M
2010	$470,000	4%	$11.7 M
2011	$732,000	5.8%	$12.6 M

As long as the Company remains at the uranium exploration stage, compliance with federal, provincial and local environmental laws does not require major capital expenditures for the Company.

d) Risk Factors

i. Operational Risks Associated with Mineral Exploration and Mining Projects

The Company's activities are at the exploration stage. Exploration and mining activities are subject to a high degree of risk. Few exploration properties reach the production stage. Unusual or unexpected geological formations, fires, power failures, labour conflicts, floods, rockbursts, 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. Failure to address these risks may reduce the profitability of the operation or altogether prevent the property from being developed.

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

The development of resource properties is subject to 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 natural resources produced, the Company may decide not to undertake or continue commercial production. Failure to address these risks may reduce the profitability of the operation or altogether prevent the property from being developed.

ii. Exploration (Geological) Risk

The probability of an individual prospect ever having reserves that meet the requirements of *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects ("Regulation 43-101")* is extremely remote. Most exploration projects do not result in the discovery of ore. In all likelihood, most properties do not contain any reserves and funds spent on exploration will be lost.

iii. Commodity Risk

The market for uranium, like any other mineral, can be affected by factors beyond the Company's control. Commodity prices have fluctuated widely, particularly in recent years. The impact of these factors cannot be accurately predicted; however, low uranium commodity prices may reduce the profitability of the operation or altogether prevent a property from being developed.

iv. Environmental and Other Regulations

Current, possible or future environmental legislation, regulations and measures may entail unforeseeable additional costs, 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.

v. 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. The inability to attract sufficient financing or experienced personnel may negatively affect the profitability or the viability of a project. Future financing may take a variety of forms, the nature and conditions of which cannot be reliably predicted. Debt financing may include restrictive covenants. Equity issuances may have a dilutive effect on current shareholders. Management is continually working to secure the necessary financing needed to achieve the objectives of Company.

vi. Joint Venture Agreements

The Company has entered into joint venture agreements in which: 1) other parties may have interests in the same claims but for minerals other than uranium; or 2) in which the Company must obtain consent from the parties to obtain the priority for the Company to explore and produce uranium for the duration of the option or joint venture agreement; or 3) in which the royalties must sometimes be paid not by the Company but by the other party to a third party pursuant to a previous engagement with the other party to the agreement; or 4) another party may manage the option or the joint venture or 5) the Company's interest may be diluted if the Company fails to incur exploration expenditures. If the Company fails to pay the sums due pursuant to the terms of the agreements, the interest in a property could be abandoned or lost and all sums invested by the Company in these claims could be lost or converted into royalties.

vii. Risk until Registration of Property Title

Although management has taken steps to verify title to mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, interests in properties may be subject to unregistered prior agreements and be non-compliant with regulatory requirements until interests in mining claims and titles are registered in Québec, Canada in the name of the Company.

viii. Personnel Risk

The Company has limited experience in developing a resource property, and its ability to do so will depend on the use of experienced people or in the signature of agreements with major resource companies that can produce such expertise.

ix. Uninsured Risk

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.

Please see the MD&A and financial statements for the year ended December 31, 2011, filed on SEDAR, at www.sedar.com, for the risks associated with the Company's financial disclosure.

e) Investor Relations

A detailed description of investor relations for 2009 and 2010 can be found on pages 13 and 14 of the MD&A for 2009, and on page 22 of the MD&A for 2010.

Despite a generally unfavourable market for the uranium industry in 2011, the Company continued to accord particular importance to investor relations, and took certain measures to support the Company's development.

First, the board of directors appointed a new director, Paul-Henri Couture, on January 13, 2011, to fill one of the two vacant seats on the Company's board of directors. Mr. Couture is the president of Sentient Asset Management Canada Ltd, a Sentient Group company. He has more than 30 years of experience in finance, investment and natural resources, which is a major asset for the Company's board of directors.

The Company then issued a news release in mid-March announcing to its shareholders that, in their best interest, it had decided to cease its reporting obligations in the United States to substantially reduce the Company's regulatory compliance costs and efforts associated with the requirements of the U.S. Securities and Exchange Commission. The Company therefore filed a Form 15F on March 15, 2011, to terminate its obligation to file quarterly and annual reports, effective June 15, 2011.

The Company's President and Chief Executive Officer, Guy Hébert, kicked off the year with individual meetings and presentations in Paris, London, Zurich and Geneva. He then travelled to New York and Boston in February 2011 and to Ottawa and Toronto in March 2011 for more presentations. Company representatives also attended the 2011 Prospectors and Developers Association of Canada (PDAC) meeting, from March 6 to 9, 2011 and from March 4 to 7, 2012.

In April 2011, the Company retained the services of Jason Roy as an investor relations advisor. Mr. Roy has over six years of experience in investor relations and has worked with over 300 public companies in a range of industries. His experience and professional approach should strengthen the Company's position and raise its profile in the financial industry.

In May 2011, the president and chief executive officer pursued his intensive investor relation program, travelling to Calgary, Edmonton and Quebec City for individual meetings and presentations.

The Company also held its annual general meeting of shareholders on June 8, 2011 at the Fairmont The Queen Elizabeth Hotel in Montreal, Quebec. Among other things, this resulted in the re-election of seven of eight directors, with Robert Marchand unable to stand for re-election due to professional commitments. The shareholders also renewed the mandate of the external auditor, PricewaterhouseCoopers, LLP/ s.r.c./s.e.n.c.r.l..

In the third quarter, from September 13 to 17, the president and chief executive officer of the Company travelled to London to meet with potential partners and investors and to Toronto for institutional meetings and presentations, which are very popular and help promote the Company and its Matoush project.

Finally, in the last quarter of the year, Company representatives attended Québec Exploration 2011 from November 21 to 24, 2011. The president and chief executive officer of the Company also travelled to Toronto on October 3, 2011 for institutional meetings.

f) Sources of Financing

The sources of the Company's financing for the past three years were as follows:

Date of placement	Proceeds of placement	Private placement (PP) / Secured loan (SL)	Units (U) /Convertible notes (CN)		Shares issued	Flow-through common shares (FCS) /Common shares (CS)	Warrants issued
2009-12-09 (1)	$2,500,000	PP			2,500,000	FCS	
2010-01-27 (2)	$95,000	PP	100,000	U	100,000	CS	50,000
2010-01-27 (2)	$14,905,000	PP	14,905	CN			7,844,737
2010-01-27 (2)			789,474	U	789,474	CS	394,737
2010-09-15 (3)	$2,500,000	SL					300,000
2010-11-26 (4)	$4,000,000	SL					500,000
2010-12-23 (5)	$8,000,370	PP	9,639,000	U	9,639,000	CS	4,819,500
2010-12-23 (5)	$5,000,040	PP			5,263,200	FCS	
2010-12-23 (5)	$1,494,000	PP	1,800,000	U	1,800,000	CS	900,000
2011-06-23 (6)	$2,500,100	PP			3,571,571	FCS	
2011-06-23 (6)	$1,000,000	PP			1,333,333	FCS	
2011-12-29 (7)	$3,000,000	SL					500,000
2012-02-29 (8)	$9,999,988	PP			16,025,620	FCS	
2012-02-29 (9)	$3,000,000	PP	6,180,000		6,180,000	CS	3,090,000

(1) On December 8, 2009, the Company closed a flow-through private placement of $2.5 million. Pursuant to this private placement, the Company issued a total of 2,500,000 flow-through common shares at a price of $1.00 per share, and paid $100,000 in intermediary fees.

(2) On January 27, 2010, the Company closed a non-brokered private placement for a total financing of $15 million. The financing was subscribed by Sentient Executive GP III Limited on behalf of two funds ("Sentient"). Sentient is an equity fund that manages natural resource sector investments.

Pursuant to the private placement, Sentient subscribed for 100,000 units at a price of $0.95 per unit for an amount of $95,000. Each unit consisted of one common share (a "share") of the Company and half a warrant. Each warrant entitles its holder to purchase one share of the Company for $1.00 during a 24-month period from closing and for $1.05 during the subsequent period of 24 to 36 months from closing. On closing, the Company issued a total of 100,000 shares and 50,000 warrants in consideration of the subscription price of the units.

Sentient also subscribed for 14,905 convertible notes maturing on February 27, 2015, for an amount of $14,905,000. Each tranche of $1,000 in notes is accompanied by approximately 527 warrants, for a total of 7,844,737 warrants with the same exercise conditions as the warrants included in the units.

Until the maturity date of the notes, Sentient has the option of converting the notes into 1,053 shares per tranche of $1,000 based on a conversion price of $0.95 per share, for a total of 15,689,474 shares.

The Company paid Sentient transaction fees equal to 5% of the gross proceeds of the private placement. These transaction fees in the amount of $750,000 were paid through the issuance at closing of 789,474 units, being 789,474 shares and 394,737 warrants with the same exercise conditions as the warrants included in the other units.

(3) On September 15, 2010, the Company entered into a $2.5 million bridge loan with SIDEX LP ("SIDEX"), and repaid the loan and accrued interest on October 8, 2010. The loan bore interest at an annual rate of 9%, was secured by the 2009 refundable credit for resources-related expenditures. In connection with the loan, the Company issued 300,000 common share purchase warrants to SIDEX. Each warrant entitles the holder to acquire one common share of the Company for a period of 18 months at a price of $1.00 per share.

(4) On November 26, 2010, the Company entered into a $4 million bridge loan agreement with SIDEX. The loan bore interest at an annual rate of 8%. The Company repaid the entire loan plus interest on December 19, 2011. In connection with the loan, the Company issued 500,000 common share purchase warrants to SIDEX. Each warrant entitles the holder to acquire one common share of the Company for a period of 24 months at a price of $1.05 per share.

(5) On December 23, 2010, the Company announced the closing of a $13,000,410 bought deal private placement financing with a syndicate of underwriters. The private placement consisted of the issuance of 9,639,000 units priced at $0.83 per unit and 5,263,200 common flow-through shares priced at $0.95 each. Each Unit consisted of one common share plus half a transferable common share purchase warrant, with each whole warrant entitling its holder to purchase one common share at a price of $1.05 per share for a period of 24 months from closing. The Company paid an intermediary fee of $650,025 to the underwriters' syndicate.

Pursuant to the $13,000,410 private placement, Sentient exercised a right of participation and on December 31, 2010, agreed to purchase 1,800,000 units for gross proceeds of $1,494,000. No commission was paid in relation to this non-flow-through private placement.

(6) On June 23, 2011, the Company closed a non-brokered private placement for gross proceeds of $3,500,100. The private placement consisted of 3,571,571 federal flow-through shares issued at a price of $0.70 each, and 1,333,333 Quebec flow-through shares priced at $0.75 each. The Company paid a cash finders' fee equal to 6% of the gross proceeds of the transaction on closing.

(7) On December 29, 2011, the Company entered into a $3,000,000 bridge loan agreement with SIDEX. The loan bears interest at an annual rate of 8%. In connection with the loan, the Company issued 500,000 common share purchase warrants to SIDEX. Each warrant entitles the holder to acquire one common share of the Company for a period of 24 months at a price of $0.75 per share. The loan is secured and must be repaid within 30 days of receipt of the 2011 tax credits for resources, or by December 31, 2012.

(8) On February 29, 2012, the Company closed a private placement with eligible investors through Primary Capital Inc., the latter acting as principal with the collaboration of Versant Partners Inc., Dundee Securities Ltd., Stonecap Securities Inc. and Haywood Securities Inc. Pursuant to the private placements, the Company sold of 7,692,320 Quebec flow-through common shares ("flow-through shares") at a price of $0.65 each for gross proceeds of $5,000,008, as well as 8,333,333 federal flow-through shares priced at $0.60 each, for total gross proceeds of $4,999,980. In all, 16,025,620 flow-through shares were issued for a total financing of $9,999,988. The Company paid an agents' commission of 5.5% of the gross proceeds of this placement, in cash.

(9) On February 29, 2012, the Company also closed a private placement, non-brokered, with Sentient, a Company instider (see Note 2). Sentient purchased 6,000,000 units priced at $0.50 each for gross proceeds of $3,000,000. Each unit consisted of one common share and half a warrant. Each warrant entitles its holder to purchase one common share at $0.65 up until March 1, 2014, representing 3,000,000 warrants. Sentient received 180,000 additional units, representing 3% of the gross proceeds of the placement, or an additional 180,000 common shares and 90,000 warrants, as a transaction fee.

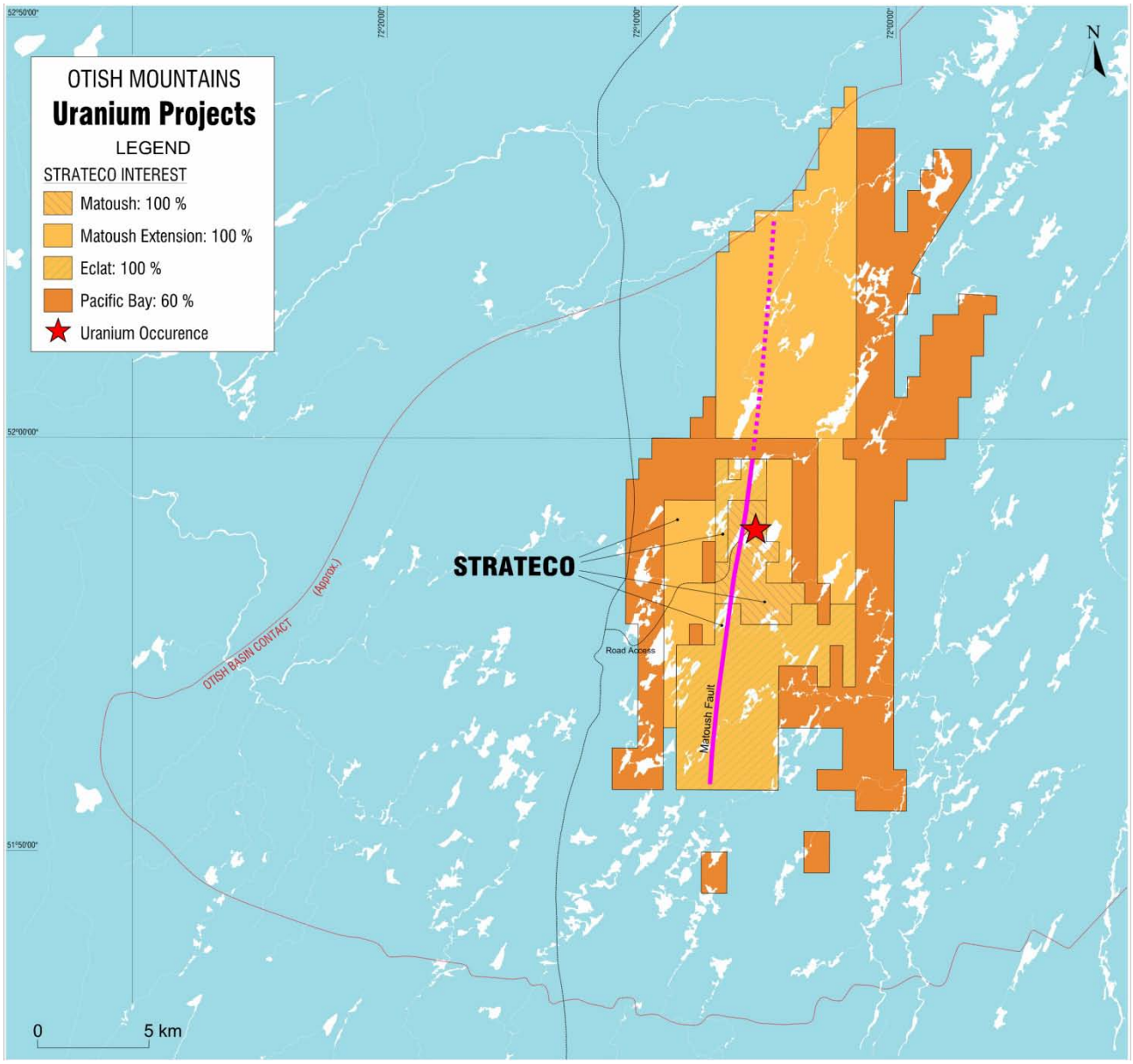
For each of the equity financings more fully described in the above notes, the Company obtained a statutory exemption from prospectus requirements from the regulatory authorities in the applicable jurisdictions in Canada, through the filing of the documents required under *Regulation 45-106 respecting prospectus and registration exemptions*. The Company also obtained Toronto Stock Exchange approval for the listing of the securities.

The Company uses the proceeds of the flow-through financings to incur eligible exploration expenses, for materials and infrastructure at the Matoush project, and to pursue the exploration programs and development of its properties, while the proceeds of the non-flow-through financings will be used also for general working capital purposes.

7. GENERAL DESCRIPTION OF THE PRINCIPAL BUSINESS – THE MATOUSH PROJECT

a) Location of the Matoush Project

The map in **Figure 2** below shows the Company's interests in the various properties that make up the Matoush project, including the Matoush property, Matoush Extension property, Eclat property and Pacific Bay-Matoush property.



The Matoush project lies in the Otish Mountains of northern Quebec, approximately 275 kilometres north of Chibougamau, and consists of the wholly-owned Matoush property (see Section **8 (B) (1)**), the Matoush Extension property (see Section **8 (B) (4)**) and the Eclat property (see Section **8 (B) (3)**), where the Company owns a 100% interest in all minerals except diamonds, as well as the Pacific Bay-Matoush property (see Section **8 (B) (5)**), where the Company has a 60% undivided interest. The Matoush project currently comprises 590 claims covering a total area of 31,195 hectares (311 km^2). In all, 261,834 metres (565 holes) have been drilled on the Matoush project since exploration began in 2006.

The project is accessible by air, and in winter by the Eastmain winter road, which runs about 7 kilometres to the west of the project. The winter road was upgraded over a distance of 142 kilometres to allow access to the camp and transportation of the equipment and fuel required.

The workers and consultants on site enjoy a fully-equipped 50-person camp that was completed in 2007 and is constantly being upgraded.

The landing strip built in 2010 allowed the transportation of the men and materials required for project development. The inaugural flight and first landing on the Matoush project runway took place on October 15, 2010. Since then, man and materials have been transported directly from Chibougamau to the Matoush project landing strip.

b) Engineering, Permits and Licence Related to the Matoush Project

The Company also carried out substantial other engineering, environmental studies and other work related to the permit and licence for the construction of the underground exploration ramp for the Matoush uranium exploration project. Full details on these accomplishments for 2009 and 2010 can be found on pages 11 to 13 of the 2009 MD&A and pages 14 to 18 of the 2010 MD&A, which are incorporated herein by reference.

i) Licence

There were many new developments in the licencing process for the Matoush underground exploration project in 2011. The Company's efforts and work finally led to the approval of the underground exploration phase of the Matoush Project by the Federal Minister of the Environment, the Honourable Peter Kent, and the Federal Administrator of the James Bay and Northern Quebec Agreement (the "Federal Administrator"), Mrs. Elaine Feldman in early 2012.

First, in mid-May 2011, the Federal Review Panel South ("FRP-S") submitted its recommendations on the Matoush project environmental impact statement to the Federal administrator and the CNSC. This report was made public on last July 26.

In the conclusion to its report, FRP-S recommended that the Federal Administrator "authorize the project described in the environmental impact statement and follow-up documents, conditional on the proponent's following the recommendations and meeting the conditions set out […]". In its conditions, FRP-S assigned particular importance to the acceptance of the project at the local and regional levels, underscoring that, among other things, "the proponent needs to build a relationship based on trust with the members of the Mistissini community".

In general, the recommendations and conditions in the FRP-S report referred to three issues: (1) submission of an amended monitoring program to improve the initial environmental inventories; (2) a new ecotoxicological risk analysis that takes into account a new option for the effluent discharge site; and (3) an assessment of the information, discussion and communication process with the Cree Nation of Mistissini.

Following the filing of the FRP-S recommendation report, the Company received a request from the Federal Administrator in July for additional information in relation to approval of the environmental impact assessment. The Federal Administrator needed more information on the three above-mentioned issues to make its recommendations to the federal Ministry of the Environment.

The Company submitted the additional information requested on the first two issues to the Federal Administrator on July 22. In terms of relations with the Cree Nation of Mistissini, the Company informed the Federal Administrator of the resumption of talks with Cree authorities and the various initiatives being taken to ensure that the underground exploration phase is carried out in close collaboration with the Crees, in a spirit of partnership.

Then, on July 29, the CNSC rendered its decisions on the environmental impact statement ("EIS") for the Matoush uranium project. These decisions were based on the Environmental Assessment Comprehensive Study Report ("CSR") regarding the underground exploration phase of the Matoush project. The CSR includes the FRP-S environmental assessment report and an addendum from CNSC staff.

CNSC staff acknowledged that the EIS prepared by the Company for the underground exploration phase of its Matoush project "meets the requirements of the James Bay and Northern Quebec Agreement and the Canadian Environmental Assessment Agency, and that Aboriginal consultation activities had been integrated into the Environmental Assessment review process". Among other things, the CNSC concluded that "the project, taking into account the mitigation measures identified in the Environmental Assessment Screening Report, is not likely to cause significant adverse environmental effects" and decided to refer the CSR to the federal Minister of the Environment.

Once the federal Minister of the Environment received the CSR on last August 15, the public had a period of 30 days ending September 15, 2011, to review the report and make comments.

On December 23, 2011, the Company announced that it had signed a communication and information agreement with the Cree Nation of Mistissini. Such an agreement was important for that a relationship of trust to be established between the Company and the Cree Nation of Mistissini and the Matoush underground exploration project to begin.

The minister rendered his decision on February 2, 2012, taking into account the public's comments, the recommendations in the CSR and the latest developments regarding the Cree Nation of Mistissini. He stated that "the project, taken into account the mitigation measures described in the Comprehensive Study Report, is not likely to cause significant adverse environmental effects". He added that "the mitigation measures and follow-up program described in the Comprehensive Study Report are appropriate for the proposed project". The minister's news release can be found on the website of the Canadian Environmental Assessment Agency ("CEAA") (www.ceaa.gc.ca/050/details-eng.cfm?evaluation=46115).

The Federal Administrator also announced on February 2, 2012 its approval of the underground exploration phase of the Matoush uranium exploration project. She specified that the decision in favour of the Matoush exploration project is conditional on the mentioned conditions, and underscored the importance of ensuring the proper implementation of the communication and information agreement signed between the Cree Nation of Mistissini and Strateco. Both the letter and the conditions set by the Federal Administrator can also be found on the CEAA's website (www.ceaa.gc.ca/default.asp?lang=En&n=D80E970C-1).

The CNSC must now hold public hearings on the technical aspects of the underground exploration program, during which the public will once again have the opportunity to express its views. The CNSC will then render its decision regarding the granting of the licence for the advanced exploration phase of the Matoush project.

At the provincial level, the provincial Review Committee ("COMEX") submitted its recommendation report to the Provincial Administrator of the James Bay and Northern Quebec Agreement (the "Provincial Administrator") in August 2011, but it has not yet been made public. The Company has therefore not yet seen the report.

CNSC public notices can be found on its website at http://nuclearsafety.gc.ca/. The various government reports, along with the Company's studies in connection with the Matoush project underground exploration phase, can be found on the Canadian Environmental Assessment Agency's website, at www.ceaa-acee.gc.ca.

ii) Studies / Permits / Authorizations

Throughout 2011, the Company's team continued to work on the various studies and analyses required to start the underground exploration program.

First, on January 17, 2011, the Company received the COMEX's comments on the impact study reports filed with the Minister of Sustainable Development, Environment and Parks ("MDDEP") in July and September 2010 for the operation of borrow pits larger than 3 hectares located near a water body.

Responses to questions and comments on the two impact studies on non-standard operation of the selected borrow pits were filed with the MDDEP in late May 2011. The Company has not received any further requests since filing the document.

Next, extensive discussions took place in the second quarter among the CNSC, the MDDEP and the Company, primarily regarding the collection of additional base data, the improved environmental monitoring program and an updated risk study incorporating more realistic assumption and an alternative location for the final effluent discharge point.

The Company began updating the eco-toxicological risk study after receiving comments from the CNSC, which had informed the Company in January 2011 that the study in question was based on conservative assumption, and the resulting conclusions would therefore require strict environmental monitoring. It therefore strongly suggested that the study be redone using more realistic scenarios. The amended study, which was filed with the CNSC for review in April 2011, is more in line with the reality of the project.

With regard to the final effluent, the *Centre d'expertise hydrique de Québec* performed a hydrological study at the beginning of March 2011. The purpose of the study was to assess the low flow of a stream located near the Matoush camp to identify a possible alternative to Lake 5 (Lac Matoush) as an effluent discharge point. In fact the MDDEP had strongly advised discharging the final effluent into a stream rather than Lake 5 to promote natural treatment of the water. The Company and its advisor SENES Consultants Limited ("SENES") conducted an in-depth study to confirm the results of the previous study by the *Centre d'expertise hydrique de Québec* and filed it in July 2011 with the CNSC, which deemed the new option acceptable.

The database program was also updated on the basis of the new program designed by the Company and Genivar Inc. ("Genivar") to address gaps in the data collected to date and takes into account the new final effluent discharge site. This supplementary base data collection program is closely related to the environmental monitoring program, which was therefore also updated and filed with the CNSC for review in last April. Discussions then took place between the CNSC and the Company to clarify certain aspects, and it was finally decided that the two programs met the requirements.

At the request of the CSNC, all the analytical results and relevant information regarding the site baseline, collectively called the base data, will be put into a single document, to facilitate results comparison once environmental monitoring activities commence.

In December 2011, an independent consultant was hired to set up an environmental monitoring program for the aquatic environment downstream from the project. The consultant was recommended by Dr. Monique Dubé, Canada Research Chair in Aquatic Ecosystem Health Diagnosis at the University of Saskatchewan, who has acted as an expert for the Grand Council of the Crees and the Mistissini Environmental Department.

In addition, the tailings facility site selection study by Golder Associates was filed in December 2011. Field work such as boreholes and monitoring well installation at the preferred site should be done in early 2012.

The Company then prepared a preliminary document on the Integrated Management System. This manual is required by the CNSC, and covers quality control, health and safety, and the environment. The system will be implemented by Cegertec Experts-conseils Inc. The contract was granted at the end of December 2011, and the work should begin in the first quarter of 2012.

Finally, the field work done in the past quarters generated data for interpretation. The current soil background values on the property are now known. The groundwater and hydrogeology characterization study for the site was filed at the end of December 2011. These two reports present the baseline condition of the soil and groundwater on the site.

iii) Site Work at the Matoush Project

The Company opened and maintained the winter road for the fourth consecutive year. Between the time the road was opened on January 22, 2011, and its closure on February 25, 2011, just over a hundred trips were made to bring in the fuel, materials and heavy equipment needed for 2011. These deliveries were made in record time due to ideal cold temperatures with no mild spells. The cold weather set in on January 7 and persisted throughout the period of winter road use.

The equipment brought to the site will eventually be used to complete the landing strip. The equipment required to excavate the exploration ramp portal will also be used once the Company secures the licence for the Matoush project underground exploration program.

A variety of site work was done at the Matoush project site during the second quarter. The groundwater monitoring programs and soil background level assessment program required by the MDDEP were set up in June 2011. Installation of water monitoring wells and soil sampling work also took place on the property. A first round of groundwater sampling was done in June, and a second in October 2011. Finally, Genivar collected surface water samples in June, with a total of eight water bodies sampled.

The Company performed pumping tests in July and August 2011 under the supervision of Genivar to obtain more data on the hydrogeological characteristics of the site.

Then, in September, the Company ran samplers to obtain air quality data before beginning construction work on the underground decline. The air samplers provide data on the total particulate matter in the air, from which metals and radionuclides will be analysed, along with levels of particulate matter smaller than 10 and 2.5 microns. Air quality monitoring continues according to the schedule proposed by the Exova laboratory.

Genivar also collected fall base data, sampling the aquatic and land vegetation, sediments, benthos, fish and surface water. Base data will be collected throughout the year, through groundwater sampling (twice a year), surface water sampling in six lakes during the ice-free months, and ongoing air sampling (continuous).

No construction work was done on the landing strip during the year. However, the rolling surface was maintained so that manpower and materials could be transported to the site.

The Company applied for a permit for the 2012 winter road in August 2011. A positive response to the winter road exemption request was received from the MDDEP on October 20, and the Company therefore had all the documents it requires for winter road work.

In the interim, the MTQ started clearing work for the extension of Route 167 under the Plan Nord. The Company therefore met with the MTQ to assess the possibility of the Company contributing financially to the Route 167 extension work, for which the MTQ is the general contractor. An agreement on the Company's contribution was signed in mid-January 2012, and work on the winter road to the Matoush project will henceforth fall within the scope of the MTQ roadwork.

On the engineering front, once the Company has received the licence, it will be able to begin the activities associated with the underground exploration project. Calls for tender have already been issued for some of the material required for construction of the surface installations. Some of this material will be transported via the winter road, which will be managed by the MTQ this season, as well as by air freight thanks to the Matoush landing strip.

Construction of the surface infrastructure, including the portal and part of the decline, is therefore planned in 2012. For safety considerations, portal installation and the excavation of the first 30 metres of the ramp must be done first, after which construction of the mine water treatment plant and its ponds can begin. This is an essential step for ongoing ramp development, so that the mine runoff can be treated before being released into the environment. Ramp excavation will continue into 2013. The various other surface facilities will be built as required following portal installation. With the exception of the underground ramp, which will take several months to drive, all the infrastructures should be in place in 2013.

c) Health & Safety at the Matoush Project

As part of Matoush project occupational health and safety program, the Company increased the number of control measures to avoid accidents at the project site. Victim evacuation drills were also conducted at the site, and the contractors' work areas are now inspected on a much more frequent basis.

The Company also organizes occupational health and safety meetings for all employees and contractors on the site, and prepares and distributes many health and safety documents. Short descriptions of the health and safety programs that would apply to an underground exploration phase can be found in the "Health and Safety" section of the Company's website at www.stratecoinc.com.

On February 14, 2011, Health Canada issued a notice on the Matoush underground exploration program's potential impact on human health. The Company is generally satisfied with the report's conclusions, which stipulate that "the project activities are not likely to cause harmful effects to human health in terms of the quality of the air around the project, the additional quantity of radon on and around the site, and non-radiological contamination of traditional food."

The Company nevertheless took the initiative of writing an information supplement to rectify and clarify certain comments made, and to draw Health Canada's attention to key elements of the Matoush underground exploration program that had not been taken into consideration. More specifically, these points relate to the air sampling stations on the property, use of the land and natural resources on and around the property by Native communities, current levels of mercury and uranium in the fish, the environmental monitoring proposed by the Company and, finally, the risk analysis for the underground exploration project. The Company filed this information supplement with COFEX, COMEX and the CNSC on March 10, 2011.

d) Site Inspection at the Matoush Project

A site inspection was performed at the Matoush project site in November 2011, by an environmental control auditor form the MDDEP. Everything was inspected in great detail, including the fuel depot, waste management, hazardous waste management, garage and remote landfill site. No environmental offences were noted; in fact, the MDDEP underscored the remarkable work done by camp personnel, as well as the Company's pro-environment stance.

After performing the annual site audit, MDDEP members gathered information on the future underground exploration work. This information will be used to prepare the authorization certificate to be issued in the weeks following the filing of the COMEX recommendation and decision report.

e) Future Jobs / Manpower at the Matoush Project

A meeting was held in June 2010 with the Cree Human Resources Development ("CHRD") to discuss, in particular, their employment integration, new enterprises employment assistance and employment training programs. The CHRD's mandate is to develop Cree and non-Cree skills by providing support and financing for the creation of new jobs or worker training. The Company has set local population hiring and training targets for the Matoush project underground exploration program. These can be found in the Matoush project environmental impact statement, available on the Company's website at www.stratecoinc.com.

Finally, on December 31, 2011, the Company's team numbered 37 people, including 17 at the Matoush camp and 20 at the corporate office.

f) Local Community Relations

Details on the relations with local communities can be found on pages 13 and 14 of the 2009 MD&A and on pages 18-21 of the 2010 MD&A, which are incorporated herein by reference.

In 2011, the Company devoted considerable effort to establishing a process of dialogue and reconciliation with the Cree Nation of Mistissini. Concrete initiatives and measures were introduced to establish a relationship of trust and to ensure that the Matoush project is developed in close collaboration and in a spirit of partnership with the Crees. The communication and information agreement signed in December 2011 by the Company and the Cree Nation of Mistissini is a testament to the progress made during the year.

First, Company signed a formal agreement with the Cree Mineral Exploration Board ("CMEB") on January 13, 2011, for the CMEB to set up a communication program to disseminate transparent, reliable and comprehensible information

on the Matoush project, and enable the Mistissini Cree community to take an enlightened stand. The Company intends to use this partnership to continue building and strengthening its relations with the Mistissini Cree, to respond appropriately to their concerns and eventually secure their support for the project.

The CMEB has mandated a representative of the Cree Nation of Mistissini, with the support of the Mistissini Chief, Richard Shecapio, to implement the communication program and thus inform the Chief, his Band Council and the Cree Nation of Mistissini, as called for in the agreement between the Company and the CMEB. The Company is financing program implementation and provides support for the technical aspects of the project, but is not directly involved in the mandate itself, which began on March 1, 2011.

As part of the mandate of CMEB, an important visit was organized to uranium facilities in Saskatchewan in early April for a delegation of members of the Cree Nation of Mistissini, including tallymen and representatives of the trap lines around the Matoush project. This was the first initiative under the agreement between the Company and the CMEB to inform the Cree Nation of Mistissini on uranium-related issues.

The Company then held its annual meeting with the tallymen and representatives of families with trap lines in the vicinity of the Matoush project on April 12, 2011. In all, 24 people attended the meeting, including 10 tallymen. A number of topics were discussed and explained, including the impact on water. The discussions generated by such meetings are of benefit to both the community and the Company, as they help spread the information required for a better understanding of the Matoush project and the uranium industry in general. They also allow Company representatives to take note of and address the concerns of those present. The Company has organized this meeting each year since 2008 in an effort to create and maintain links with the people it sees as being most directly affected by the Matoush project activities. Openness and transparency have always been a priority at these meetings, and appear to be appreciated by the participants.

The Company's director of community relations made regular visits to Mistissini in 2011 to speak with members of the community. The Company has an office in Mistissini and another in Chibougamau. The many formal and informal meetings held since the Company created this community representative position in January 2010 has led to the exchanges of knowledge and information that are essential if the Matoush project is to evolve in accordance with everyone's expectations and values. The Company is determined to be more accessible to the Mistissini Crees and residents of Chibougamau/Chapais through an on-site representative. It should be noted that a new director of community relations, Stéphane McKenzie, took office on February 1, 2012, to replace the former director, who had moved on to new challenges. Mr. McKenzie is responsible for the Chibougamau and Mistissini offices, and oversees the Company's interests in the Nord-du-Québec region.

The Company also met with the Mistissini Chief on two occasions, June 1 and 15, to re-establish dialogue with the Band Council. While the Chief was not against the project, he did convey the need to better inform the community. These meetings were an opportunity to discuss the possibility of initiating talks on the communication process, setting up a "Mistissini-Strateco" committee for better consultation and collaboration, and appointing a mining project liaison officer on the Band Council.

In order to respond to the expectations expressed by the Chief of the Cree Nation of Mistissini, the Company met with the latter in early August and then again on September 26, 2011, when he was accompanied by several members of the Band Council and the Environmental Department. At the meeting of September 26, the Company representatives presented an update on the Matoush project, and a discussion ensued on various project-related issues. At the end of this meeting, the parties discussed drafting an agreement for a common process for communication and consultation in accordance with the expectations and needs of the Cree Nation of Mistissini and the Company. An initial version of the agreement prepared by the Crees was presented to the Company at the end of October.

The Company also made a presentation on the Matoush project to a representative of the Grand Council of the Crees at a meeting held in Montreal on September 28, 2011. Various project-related issues were discussed, as well as the agreement on the communication process with the Cree Nation of Mistissini.

The Company and the Cree Nation of Mistissini finally reached an agreement at the end of 2011. On December 23, 2011, the Company announced that it had signed a Communication and Information Agreement with the Cree Nation of

Mistissini on the communication procedure that will be the cornerstone of the relations between the Company and Cree Nation of Mistissini during the Matoush underground uranium exploration program.

The agreement reflects the desire of the stakeholders to develop and implement a communications strategy that facilitates dialogue, so that the advanced exploration and development phase of the Matoush project unfolds in close collaboration and a spirit of partnership. The agreement covers a four-year period and is to be reviewed annually.

The agreement provides for various measures to allow relevant and useful information regarding the Matoush project to be communicated, including additional data collected during the advanced exploration phase. These measures include undertakings by the Company and the Cree Nation of Mistissini to create a committee exclusively devoted to dialogue and the exchange of information on the Matoush project. The agreement also covers the creation of the positions of liaison officer and community relations officer, which would be held by Crees. These positions will facilitate the exchange of information with the community of Mistissini and other stakeholders. The agreement also stipulates that the Company, with the collaboration of the Cree Nation of Mistissini, will relocate its local office to the community to make it more accessible.

The agreement also encourages the creation of communication mechanisms to allow for the exchange and dissemination of information, and to promote the understanding of the issues and effects associated with the Matoush project. The Company and the Cree Nation of Mistissini will retain an independent expert to carry out a study on surface and groundwater flow in the Matoush project area, in the direction of Lac Mistissini. The social acceptance of the project is crucial and requires, among other things, that a bond of trust be built between the Company and the Cree Nation of Mistissini.

Finally, while the agreement reflects the Cree Nation of Mistissini's desire for additional information on, among other things, the advanced exploration activities, it should not be construed as its support for the construction and operation phases of the Matoush project.

James Bay residents also continue to show great interest in the Matoush project in general and the related job and business opportunities in particular. The Company's director of community relations therefore ensures that the required information is transmitted and that any information that aids a clear understanding of the Matoush project is disclosed. The local presence of a Company representative clearly helps create and maintain close ties with local residents.

Many meetings were also held with the various elected officials and local authorities in 2011, including the James Bay Regional Conference of Elected Representatives ("CREBJ"), the Uranium Committee (James Bay) and the Chibougamau chamber of commerce. All the meetings with local authorities are aimed at disseminating information, answering questions and keeping the various stakeholders abreast of the Matoush project developments.

The Company also participated in various public events aimed at providing information on its activities to the communities and the general public. In particular, the Company participated in: the *Symposium Mines Baie-James*, from May 30 to June 1, 2011 in Chibougamau and Mistissini; the *Salon Emploi-Formation Nord-du-Québec*, held on May 6, 2011 in Chibougamau; and the educational public show on Mining, Minerals, Metals and Materials, held from May 23 to 25, 2011 in Montreal as part of the Canadian Institute of Mining, Metallurgy and Petroleum conference.

The Company also encourages local initiatives to inform the public and make people aware of the issues surrounding uranium exploration and mining. For instance, in January 2011, a Quebec delegation that included regional elected officials participated in the uranium information visit to Saskatchewan organized by the Quebec government. The Company wishes to highlight these types of activities, as they allow the various local communities to become better informed and gain a better understanding of the uranium industry.

Finally, the updating of the Company's website (www.strateco.com) remains essential to ensure that the public has access to current information. In light of the events at the Fukushima nuclear plant in Japan, the Company is determined to transmit the facts about uranium exploration and mining, in order to address the communities' questions and concerns and reassure the public regarding industry practices. The website contains information on the various issues related to the Matoush project and uranium. The Company is also careful to respond promptly to any questions and comments sent to it through the website. The site is another means for discussion with the communities, as well as with investors and the general public. The information contained in the "News to Investors" and "News to Communities" sections, as

well as the "Press Releases" section, also enable the public to keep up with the latest developments in the Company's activities.

f) Exploration

The technical data in the following text is based in part on a technical report entitled: *Technical Report on the Mineral Resources Update for the Matoush Uranium Project Central Quebec, Canada*, dated September 16, 2008, prepared in accordance with *Regulation 43-101, Standards of Disclosure for Mineral Projects, L.R.Q. c. v-11, r.15, also called National Instrument 43-101, Standards of Disclosure for Mineral Projects*, in other jurisdictions *("Regulation 43-101")* or *("National Instrument 43-101")*. It has also been reviewed by the authors of the report, David A. Ross, M. Sc., P. Geo., and R. Barry Cook, P. Eng., of Roscoe Postle Associates (RPA) formerly Scott Wilson RPA.

The technical data is also based on the memorandum entitled *Matoush Mineral Resource Update* dated September 18, 2009, which was reviewed by David A. Ross, M. Sc., P. Geo., of RPA.

The Matoush project mineral resource reported in the technical report entitled: « Technical Report on the Mineral Resource Update for the Matoush Project, Central Quebec, Canada » dated February 15, 2012, were estimated by David Ross, P.Geo., Normand L. Lecuyer, B.Sc., P.Eng., M. Barry Cook, M.Sc., P.Eng. all employees of RPA, which is independent of Strateco and Bruce C. Fielder, P. Eng., of Melis Engineering. By virtue of their education and relevant experience, these people are recognized as « Qualified persons » for the purpose of *National Instrument 43-101*. The mineral resources have been classified in accordance with *CIM Definition Standards for Mineral Resources and Mineral Reserves* (November 2010). Messrs. Ross, Lecuyer, Cook of RPA have reviewed and approved the contents of this annual information form as they related to the disclosure of the mineral resource at the Matoush project.

The details and conclusions related to the assessment and estimation of indicated and inferred resources at the Matoush project for the years 2007 and 2008 are discussed in Section **9, A. TECHNICAL REPORTS**, of this AIF.

The technical data based on recent information was reviewed by Jean-Pierre Lachance, the Company's Executive and Exploration Vice President. Mr. Lachance meets the criteria and is recognized as a qualified person as defined in the *Regulation 43-101*. Mr. Lachance supervised the establishment of the information constituting the basic technical disclosure and approved the information. Mr. Lachance also verified the data, including the sampling, analytical or test data underlying the information or opinions contained in the written disclosure below, using a procedure that enabled him to confirm that the data was produced using the appropriate procedures, that it was accurately transcribed from the original source and that it can be used.

g) Mineral Resource Classification, Category and Definition

The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) guideline for resource classification includes the following definitions which are pertinent to the classification of the Matoush Project resource:

A ***Mineral Resource*** is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

An ***Inferred Mineral Resource*** is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An ***Indicated Mineral Resource*** is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic

viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

h) Summary of Uranium Exploration Analytical Procedures

The quality assurance and quality control protocoles are described in detail in **Appendix A** of this annual information form. This **Appendix A** and the summary below provide a technical description of the analytical procedures, sampling methods, and quality assurance and control protocols used in the exploration program, including information on the use of the letter **"e"** in **eU_3O_8**, which represents the **estimated** or **equivalent U_3O_8** value determined using a calibrated spectral or gamma probe, the methodology for the use of the gamma probe and, finally, a comparison of eU_3O_8 and U_3O_8 results. This technical description can also be found in the *Quality Assurance and Quality Control-QA/QC* section of the Company's website, at www.stratecoinc.com.

Summary of Sampling Methods, Quality Assurance and Quality Control:

The sampling program at Matoush Project, including all aspects of Quality Assurance and Quality Control ("QA/QC"), is supervised by the Company's Chief Geologist, Jonathan Lafontaine, P.Geo., who is a Qualified Person under *NI 43-101*.

Drill core is hydraulically split on-site by dedicated personnel and samples are collected over 30 cm to 3 m intervals based on geology. All reported samples are split with hydraulic splitter. Samples are individually bagged and tagged and shipped as per transportation protocols. Blanks, duplicates, and standards are randomly inserted in the sample shipment within the sample number sequence.

Prior to shipping, sealed sample bags are stored in a locked facility. Samples are shipped via air to Témiscamie float plane base, trucked to Chibougamau and from there sent by courier to the Geo-analytical Laboratories at the Saskatchewan Research Council ("SRC") in Saskatoon, in the Province of Saskatchewan in Canada. The laboratory is accredited by the Standards Council of Canada as an ISO/IEC 17025 Laboratory for Mineral Analysis Testing. On arrival at SRC, samples are sorted into lots according to radioactivity level and prepped and analyzed in that order. Samples are dried and jaw crushed to 60% passing -2 mm and 100 g to 200 g sub-sample split out using a riffler. The sub-sample is pulverized to 90% passing 106 microns using a ring and puck grinding mill. The mills are cleaned between samples using steel wool and compressed air.

After sample preparation, SRC analyzes for U_3O_8 content by several means. ICP 4-3R (partial digestion) and fluorimetry are used on samples with U_3O_8 less than 100 PPM. ICP 4-3 (total digestion) is employed on samples with normal to high radioactivity, hence for the majority of the samples submitted. Samples with greater than 1,000 PPM U_3O_8 are also subjected to an Aqua Regia digestion before determination of wt% U_3O_8 also by ICP. The Company independently adds one blank sample and one quarter split duplicate each with every 14 samples. Results are reviewed on an ongoing basis.

In addition to chemical analysis, the Company employs a down-hole gamma probe instrument to estimate uranium grades. Prior to probing, the holes are washed to eliminate minor mineralization smearing or radon effects. Probe results, in cps units, are converted to **eU_3O_8** (equivalent U_3O_8) using well established algorithms specifically calibrated to the Matoush deposit. A calibration hole (MT-07-29), for which there are complete chemical analyses, is probed at least once per month to ensure the probe is calibrated accurately and functioning properly. Results are also compared with chemical analysis when received. Discrepancies in results are immediately investigated and corrected.

Analytical results are received and imported into the Company's database. Laboratory replicates and laboratory standards are checked. Internal duplicates, blanks and standards are checked. Analytical drift from expected results triggers re-analysis.

Results are also compared with estimated Grade and Thickness ("GT") values from in-situ down-hole probing, and with counts per second ("CPS") values logged during initial core logging procedures.

In the texts discussing exploration work on the Company's properties, the letter "*e*" in "***e*U$_3$O$_8$**" represents the ***e*stimated** or ***e*quivalent** value of U_3O_8 as determined by down-hole calibrated geophysical probing.

Further information on the various technical subjects relating to exploration work for uranium, namely the "**eU_3O_8**" and "**CPS**" nomenclatures, exploration program analysis methods, sampling techniques, quality control for the results obtained by the gamma probe and laboratory chemical analyses is available under "**Q/A and Q/C**" in the "**Quality Assurance and Control**" section of the Company's website at www.stratecoinc.com and in **Appendix A** of this annual information form.

8. MINERAL EXPLORATION PROPERTIES

a) Brief Description of the Properties

At December 31, 2011, the Company had a portfolio of four wholly-owned mining properties and three joint ventures on mining properties, all located in Quebec. These properties totalled 941 claims for a total surface area of 49,506 hectares (496 km^2).

The table below shows the number of claims and the surface area for each property held by the Company as of March 15, 2012, the type of minerals targeted by exploration work, the Company's interest in each property and any applicable royalties:

	Number of Claims	Surface Area in Hectares	Company's Interest (I) and Options (O)	Percentage	Exploration[(1)]	Royalties
MATOUSH	25	1,328.46	I	100%	U_3O_8	2% NSR on yellow cake[(2)]
MATOUSH EXTENSION	198	10,503.85	I	100%	U_3O_8	-
ECLAT	90	4,786.90	I[(3)]	100%	U_3O_8	2% NSR [(3)]
PACIFIC BAY-MATOUSH	277	14,576.33	I[(4)]	60%	U_3O_8	2% NSR on yellow cake[(4)]
MISTASSINI	171	9,114.47	I[(5)]	60%	U_3O_8	2% NSR on yellow cake[(5)]
APPLE	147	7,497.18	I	100%	U_3O_8	2% NSR[(6)]
QUENONISCA	33	1,798.77	I[(7)]	50%	Zn, Pb, Cu, Ag	
TOTAL	**941**	**49,605.96**				

[(1)] Exploration for uranium: U_3O_8 and base metals exploration: Zn, Pb, Cu and Ag;

[(2)] This royalty will be payable by the Company to Ditem Explorations Inc. upon production;

[(3)] The Company holds a 100% interest in all minerals other than diamonds in the Eclat property since June 15, 2009. This royalty is payable to Vija Ventures Corporation on production of all minerals other than diamonds, and 2% is payable to Vija Ventures Corporation on all gross proceeds from the sale or disposition of carbon emission rights tied to the production of uranium from the property;

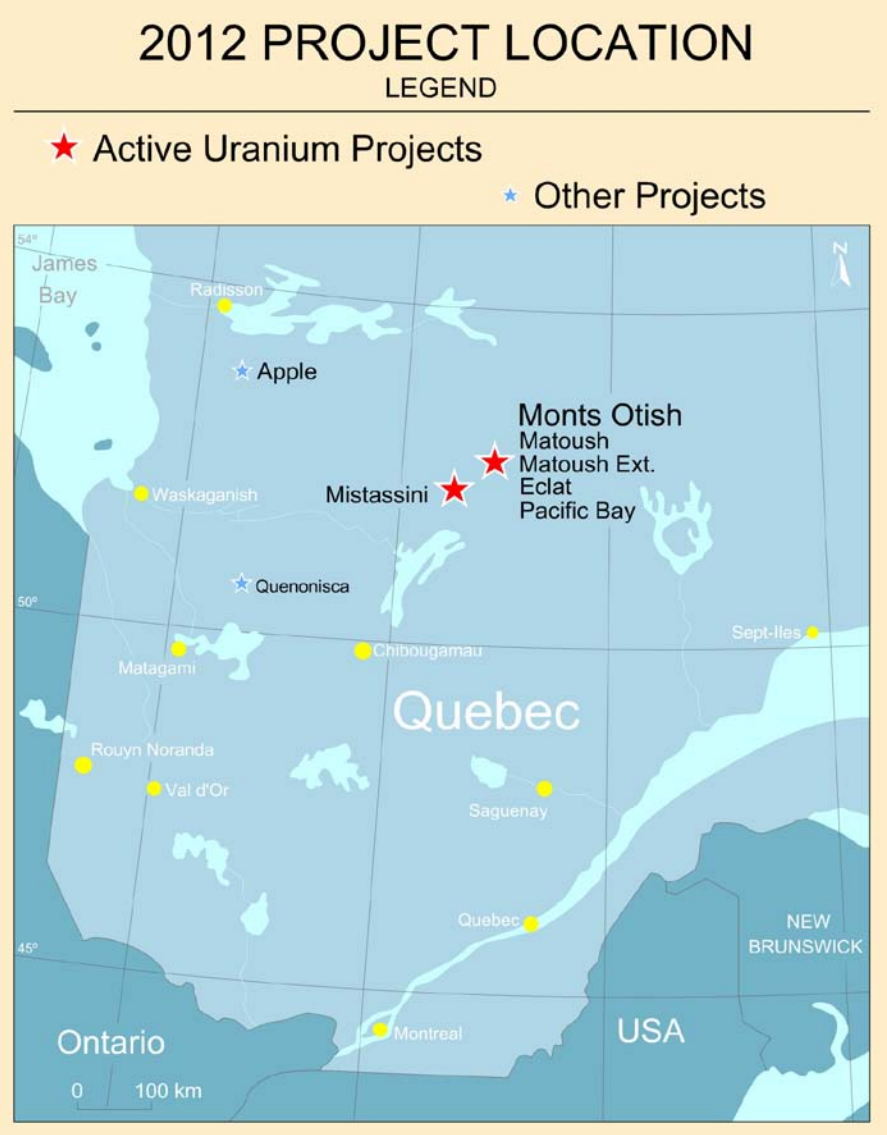
[(4)] The Company acquired a 60% interest in the Pacific Bay-Matoush property over an option period of four years ending on October 29, 2011. Only Pacific Bay Minerals Ltd., or its successors and assigns, is required to pay this Yellow Cake Royalty toa third party, upon production. For additional information on the risks and uncertainties of this agreement, see **Section 6. GENERAL DESCRIPTION OF THE BUSINESS, d) Risk Factors, (vii) Joint Venture Agreements**, and for the interest held, see **Section 9. VARIOUS ASPECTS OF THE PROPERTIES, (B) (4) Pacific Bay-Matoush, (b) Claims**;

(5) On February 14, 2011, the Company acquired a 60% interest in the uranium rights on the Mistassini property. This royalty is payable by the parties to the option and joint venture agreement to Northern Superior Resources Inc. on production. For additional information on the risks and uncertainties of this agreement, see **Section 6, GENERAL DESCRIPTION OF THE BUSINESS, d) Risk Factors, (vii) Joint Venture Agreements**, and for the interest held, see **Section 9, VARIOUS ASPECTS OF THE PROPERTIES, (B) (5) Mistassini Property, (b) Claims**;

(6) This Yellow Cake Royalty is payable to Virginia Mines Inc. on production of all minerals, subject to a buyback right of the Company to purchase one percent (1%) NSR for a cash payment of one million dollars ($1,000,000); and

(7) The Company and SOQUEM each holds a 50% interest in the Quenonisca property ("Quenonisca property"). Upon production, each partner is entitled to its share of production, but if the interest of any one party falls to 10% or less, it must transfer its interest to the other party and will hold thereafter a 1% NSR royalty. For additional information on the risks and uncertainties of this agreement, see **Section 6, GENERAL DESCRIPTION OF THE BUSINESS, d) Risk Factors, (vii) Joint Venture Agreements**, and for the interest held, see **Section 9, VARIOUS ASPECTS OF THE PROPERTIES, (B) (7) Quenonisca Property, (b) Claims.**

The map in **Figure 2** below represents the regional location of all the Company's properties and projects in the Province of Québec, Canada, as of March 2011:



9. VARIOUS ASPECTS OF THE PROPERTIES

The various aspects of the properties on which the Company has carried out exploration and in which it holds an interest will be discussed in the following order:

(1): MATOUSH PROPERTY
- A): TECHNICAL REPORTS
- B): PRELIMINARY ECONOMIC ASSESSMENT AND UPDATE

(2): ECLAT PROPERTY
(3): MATOUSH EXTENSION PROPERTY
(4): PACIFIC BAY-MATOUSH PROPERTY
(5): MISTASSINI PROPERTY
(6): APPLE PROPERTY
(7): QUÉNONISCA PROPERTY

(1): MATOUSH PROPERTY

The Company owns a 100% interest in this uranium property, currently the main focus of the Matoush project, which is located about 275 km north of Chibougamau, in the Otish Mountains of Quebec, Canada (See **Figure 1** for the location of the Matoush property).

a) Location and Access

This property is accessible year round by air, and in winter by the Eastmain winter road, which runs about seven kilometres to the west of the property.

b) Mineral Claims

The property consists of 25 claims covering an area of 1,328.46 hectares.

A letter of intent dated May 12, 2005 provided for the Company to earn a 51% interest from Ditem Explorations Inc. ("Ditem"), which then owned a 100% interest in the Matoush property, in consideration of payments totalling $125,000 over two years, including $5,000 on signature of the agreement; $750,000 in exploration work over three years, including $200,000 the first year; and the issuance of 600,000 common shares of the Company over two years. The Beaver Lake Area project, which lied approximately 20 kilometres to the west, was also covered by this initial agreement.

A new letter of intent was signed with Ditem on February 21, 2006, giving the Company a 100% interest in the Matoush property under the following terms: The Company paid $10,000 at the execution of the letter of intent and within five days following approval of the transaction by regulatory authorities, the Company paid to Ditem $140,000 and issued to Ditem 400,000 common shares. Ditem retains a 2% NSR, as defined by industry standards. The claims in the Beaver Lake area were not renewed by the Company following its acquisition of a 100% interest in the Matoush property.

c) Uranium Potential

The Otish Mountains area is well known for its uranium potential, particularly due to exploration conducted by Uranerz Exploration and Mining (“Uranerz”) and Cogema in the late 1970s and early 1980s.

The results of exploration conducted by Uranerz in the early 1980s before uranium prices tumbled, as well as those obtained by the Company since 2006, indicate that the Matoush property has very good potential.

Uranerz only explored a 900-metre section of the Matoush structure, which had been traced over 3,900 metres on this property. The Matoush structure was discovered in the early 1980s by the German company. In 1984, Uranerz drilled 23 holes, including Hole **AM-15**, which returned a 16-metre intersection at a vertical depth of 200 metres grading 0.95% U_3O_8 or over 20 pounds of U_3O_8 per tonne of ore, a very high grade by today’s standards. Due to low uranium prices from 1985 to 2005, the uranium potential of the Matoush property was not explored any further. The Uranerz exploration results date from the late 1970s and early 1980s and preceded *Regulation 43-101*.

Cautionary Note: *A qualified person has not done sufficient work to classify the historical estimate by Uranerz as current mineral resources or mineral reserves. The Company does not consider resources or reserves of an historical estimate to be mineral resources or mineral reserves, as these categories are defined in articles 1.2 and 1.3 of Regulation 43-101, as amended. The investor or reader should not rely upon this historical estimate.*

This exploration work by Uranerz served, however, as the Company's point of departure for exploration of the Matoush property in 2006.

d) Exploration

AM-15 ZONE

Exploration conducted by the Company in 2006-2007 proved very positive, leading to the identification of the uranium-rich AM-15 zone.

On September 26, 2007, Scott Wilson RPA completed a technical report on the Matoush project, including a resource estimate on the AM-15 core zone. More information on this technical report and its conclusions can be found in **Section 9, VARIOUS ASPECTS OF THE PROPERTIES, A. TECHNICAL REPORTS** of this AIF.

MT-22 ZONE

The **MT-22** mineralized zone discovered by the Company in 2007 on the Matoush property lies under the **AM-15** zone and parallel to its plunge. The MT-22 lens was drilled on a grid of approximately 100 m, and lies at a vertical depth of between -300 m and -650 m and over a length of 450 m, between sections 31+50S and 27+00S. It remains open to the north over its full height (350 m) (see longitudinal section on the Company's website: www.stratecoinc.com). Given the known structural context of Matoush property, several lenses with various grades and thicknesses were expected to be identified from the drilling on a tighter grid and to return significant grades at the intersection with the Matoush fault.

Between November 2007 and March 2008, more than 25 holes had been drilled on this new MT-22 zone. Good results on the MT-22 zone were obtained in the two last holes drilled in 2007, MT-07-129 and MT-07-130, located 80 metres apart at the same depth, -350 metres.

The holes drilled in the first quarter of 2008 on the MT-22 zone proved positive, with impressive intersections that confirm the importance of this new zone.

The Company intersected a new high grade section at the north end of the MT-22 lens in February 2008, and in March 2008, realised that the MT-22 mineralized zone on the Matoush property, discovered at depth under the AM-15 zone, was proving to be major. The Company therefore planned for 50,000 metres of drilling on this property in 2008.

In the second quarter of 2008, drilling on the MT-22 mineralized zone continued on a 50-metre grid in preparation for the next resource estimate. The results for this zone were conclusive. The best results were obtained in holes MT-08-022, 028, 036 and 043.

In the third quarter of 2008, five holes totalling 3,096 metres were drilled to outline the MT-22 zone on the Matoush property. Two holes (MT-08-061 and 064) were drilled in the MT-22 zone to collect geological information from the mineral resource envelope. The three other holes (MT-08-077, 079 and 080) were drilled within the envelope in the northern extension of the MT-22 zone between the -400 m and -450 m levels.

All the results of MT-22 zone can be viewed on the longitudinal section on the Company's website, at www.stratecoinc.com.

The following table shows the best results obtained from the MT-22 zone on the Matoush property:

Holes	Results
MT-07-129	0.18% U_3O_8 over 8.8 metres including 0.38% U_3O_8 over 3.9 metres
MT-08-003	1.90% U_3O_8 over 7.5 metres including 5.60% U_3O_8 over 2.4 metres
MT-08-013	0.27% U_3O_8 over 9.4 metres
MT-08-027	0.53% U_3O_8 over 17.3 metres including 1.59% U_3O_8 over 5.1 metres
MT-08-028	0.51% U_3O_8 over 40.4 metres including 2.26% U_3O_8 over 7.4 metres
MT-08-036	0.42% U_3O_8 over 6.9 metres including 1.04% U_3O_8 over 2.4 metres
MT-08-043	2.19% U_3O_8 over 9.7 metres including **6.04% U_3O_8 over 2.8 metres**
MT-08-077	0.92% U_3O_8 over 7.5 metres including 1.52% U_3O_8 over 4.50 metres

MT-34 ZONE

During the winter of 2006-2007, the southern extension of the AM-15 zone on the Matouosh property was drilled along the ACF 3 horizon hosting the AM-15 estimated resources.

Detailed geological interpretation of the AM-15 zone revealed that the zone dipped about 20º to the south, and that the mineralization appeared to continue in the underlying CBF unit. Drilling to be carried out on the lake ice began at the end of January 2008. The holes drilled show clearly that the AM-15 zone continues at depth toward the south. The goal was then to explore the underlying ACF layer, the same unit that hosted the MT-22 zone to the north.

In 2008, the Company explored and outlined the southern extension of the AM-15 zone at depth. This new zone had returned important core lengths with lower U_3O_8 grades than the AM-15 and MT-22 zones. However, it should be noted that exploration of this area had just begun, and based on the MT-22 zone model, there were likely high-grade zones in the ACF at depths of between -300 and -650 metres.

This drilling on the southern extension of the AM-15 zone led to the discovery of a new mineralized zone, the MT-34 lens, on the Company's Matoush property at the end of April 2008. The understanding of the geology and mineralization obtained from two years of work led to the discovery of this new, high-grade uranium zone. In fact, work by the Company has shown that the high-grade areas of the AM-15 and MT-22 uranium zones are associated with horizontal displacement of the Matoush fault.

The new zone, named MT-34, was intersected by Hole MT-08-034 at a vertical depth of 370 metres, south of the AM-15 and MT-22 zones. The Hole MT-08-034 was the most interesting hole drilled by the Company at that time on the Matoush property (the location of Hole MT-08-034 can be seen at www.stratecoinc.com).

Following Hole MT-08-034, 11 other holes were drilled in the MT-34 area to test the extensions of this new mineralized zone. The results were conclusive, showing a high-grade core within the MT-34 zone. Finally, six holes were drilled in the MT-34 zone extensions, particularly the southern extension.

The following table shows the best results obtained from the MT-34 zone in 2008 on the Matoush property:

Holes (depth)	Results
MT-08-034 (-370 m)	**0.67% U_3O_8 over 57.3 metres including 1.36% U_3O_8 over 27.5 metres**
	including 6.03% U_3O_8 over 4.80 metres
MT-08-047	1.72% U_3O_8 over 12.0 metres
MT-08-050	0.49% U_3O_8 over 21.3 metres including 1.99% U_3O_8 over 2.0 metres
MT-08-053	2.98% U_3O_8 over 11.5 metres including 2.26% U_3O_8 over 7.4 metres
MT-08-062 (-450 m)	0.60% U_3O_8 over 3.5 metres including 0.73% U_3O_8 over 2.8 metres
MT-08-068 (-450 m)	0.03% U_3O_8 over 5 metres including 0.05% U_3O_8 over 2.50 metres
MT-08-058 (-530 m)	0.02% U_3O_8 over 21.0 metres including 0.08% U_3O_8 over 2.4 metres
MT-08-069 (-580 m)	0.17% U_3O_8 over 2.7 metres
MT-08-083 (south extension)	0.11% U_3O_8 over 7.4 metres including 0.35% U_3O_8 over 1.3 metre

The pierce points and drill results are shown on the longitudinal section on the Company's website at: www.stratecoinc.com.

Scott Wilson RPA did a resource estimate in September 2008; details of the estimate can be found in **Section 9, VARIOUS ASPECTS OF THE PROPERTIES, A. TECHNICAL REPORTS** of this AIF.

2009 Drilling

The drill results for the first quarter of 2009 were promising, particularly south of the MT-34 zone. Hole MT-09-006, drilled 1 km away from the heart of the MT-34 zone on Section 46 + 00S, intersected an 8.9-metre zone strongly altered in fuschite with the presence of pitchblende and uranophanes.

In the second quarter, another eight holes were drilled in the MT-06 area on a 100-metre grid to test the continuity of the Hole MT-09-006 intersection. The best hole was MT-09-009, drilled to a vertical depth of -600 metres along the presumed plunge of MT-09-006, 100 metres away.

Early in June 2009, one of the two drills working on the Matoush property was assigned to the MT-34 zone area. Due to the very high grades obtained in Hole MT-08-034 (1.36% U_3O_8 over 27.5 m including 6.03% U_3O_8 over 4.8 m) relative to the other grades and thicknesses for the zone, the influence of Hole MT-08-034 in the September 2008 resource estimate done by Scott Wilson RPA was voluntarily limited.

Furthermore, because a 50 m x 70 m drill grid was used in the area of MT-08-034 in 2008, this resource could not be categorized as an indicated resource.

Four holes were drilled in the upper part of the MT-34 zone in June 2009. Three of the four holes intersected high grades over considerable intervals.

In the third quarter of 2009, drilling continued steadily on the Matoush property, with two drills in operation. One drill was dedicated to definition drilling on the MT-34 zone to improve data quality in preparation for a new resource estimate. The second drill was essentially used for exploration drilling on the southern extension of the MT-34 zone (widely-spaced holes).

The closely-spaced holes drilled on the MT-34 zone returned excellent results overall, confirming and increasing confidence in the geological continuity and high grades, as can be seen by the increase in the indicated resource and grades in the new September 2009 resource estimate.

In addition to the definition drilling, the results for the 12 exploration holes drilled to the south of the AM-15 zone in the ACF-3 and south of the MT-34 zone in the upper ACF-4 confirmed the new-zone discovery potential. Of the three holes drilled approximately 400 metres south of the AM-15 zone in the ACF-3 (MT-09-030, 031, 032), Hole MT-09-030 proved the most encouraging. The nine holes drilled in the ACF-4 over a distance of 1,800 metres along strike, relatively loosely spaced at about 200 metres all intersected the Matoush fault and an alteration halo typical of the halos around the mineralized zones. The three last holes (MT-09-035 to 038), drilled in virgin ground, proved the most interesting.

The following table shows the best results obtained from the MT-34 zone in 2009 on the Matoush property:

Holes (depth in metres)	**Results**
MT-09-06	0.27% U_3O_8 over 9.5 metres including 0.97% U_3O_8 over 1.2 metre
MT-09-009 (-600 m)	0.11% U_3O_8 over 2.4 metres
MT-09-012	0.49% U_3O_8 over 21.3 metres including 1.99% U_3O_8 over 2 metres
MT-09-016	0.56% U_3O_8 over 25.8 metres including 0.94% U_3O_8 over 12.5 metres
MT-09-030	0.26% U_3O_8 over 3.9 metres
MT-09-035	0.17% U_3O_8 over 2.0 metres
MT-09-036	0.48% U_3O_8 over 4.2 metres

On September 18, 2009, Scott Wilson RPA issued an updated *Regulation 43-101*-compliant resource estimate for the Matoush project based on drill results available as of September 1, 2009 and using similar methods as applied in the previous estimate (Scott Wilson RPA, Sept. 2008). Details of the estimate can be found in **Section 9, VARIOUS ASPECTS OF THE PROPERTIES, A. TECHNICAL REPORTS** of this AIF.

It should be noted that no indicated resources have yet been estimated for the MT-22 zone due to the current drill hole spacing, which is about 50 metres by 50 metres. This zone will be drilled at a tighter spacing during the underground exploration program. No mineral reserves have yet been established for the Matoush project.

2010 Drilling

In 2010, 18 holes were drilled on the Matoush property for a total of 10,268 metres.

In the first quarter of 2010, holes were drilled in the southern extension of the known mineralized zones (lenses) (AM-15, MT-22, MT-34) to test the potential of the anomalous areas identified at the end of the 2009 program, specifically two areas, one located 1.5 kilometres and the other 2.5 kilometres south of the MT-34 lens.

Thea best intersection from four holes drilled was from the area 2.5 kilometres south of the MT-34 lens (MT-10-004).

In the second quarter, the Company focused its efforts on the Eclat property to continue outlining the Matoush fault. Consequently, no drilling was done on the Matoush property, apart from the last 24 metres of a hole drilled at the beginning of April.

Five holes were drilled on the Matoush property in the third quarter of 2010. The first three holes were drilled to test for structures similar to the Matoush fault about one kilometre farther east, and confirmed the presence of faults, but failed to intersect any significant dikes or mineralization. They nevertheless provided important information on the structural setting of the property as a whole.

The two other holes were drilled to test the potential of anomalies identified by drilling in the first quarter of 2010 in the two areas of interest 1.5 and 2.5 kilometres south of the MT-34 lens. Both holes intersected the Matoush fault and strong fuschite alteration. In terms of mineralization, see the table below for the results from Hole MT-10-009, located 1.5 kilometres south of the MT-34 lens.

In the last quarter of 2010, the Company focused its exploration activities on the area considered highest priority, 1.5 kilometres south of the MT-34 lens. Seven holes were drilled over a distance of 300 metres along the Matoush fault, to vertical depths of between 390 and 500 metres, to test the potential at this level.

The results were compelling, particularly the first hole (MT-10-011), which confirmed the presence of a new lens (MT-36) with an intersection in the footwall ouf the Matoush fault, nine metres away from the fault. Hole MT-10-013, drilled 100 metres south of MT-10-011 at the same depth (400 metres), also returned good results. Three other holes (MT-09-035, MT-10-009 and MT-09-036) intersected this new sub-horizontal lens concentrated in the upper part of the ACF-4. The values were similar to those intersected within and around lenses AM-15, MT-22 and MT-34.

Analytical assays for the MT-36 lens can be found under the *MATOUSH PROJECT – Longitudinal* tab on the Company's website (www.stratecoinc.com).

The following table shows the best results obtained from the MT-34 zone in 2010 on the Matoush property:

Holes (depth in metres)	**Results**
MT-10-009	0.21% U_3O_8 over 0.7 metre
MT-10-011 (-400m)	0.49% U_3O_8 over 0.9 metres
	12.8% U_3O_8 over 0.3 metres
MT-10-013	0.13% U_3O_8 over 8.6 metres including 0.40% U_3O_8 over 2 metres

2011 Drilling

In the first quarter of 2011, eight holes were drilled on the Matoush property for a total of 5,227 metres.

The holes drilled in the first quarter of the year were focused on the centre of the resources delineated for the AM-15, MT-22 and MT-34 lenses. The goal was to assess the potential of the area between the MT-22 and the MT-34 lenses at vertical depths of between -400 and -700 metres. This area of interest, which extends about 300 metres along strike, has only been tested by a few holes over the years. There could be another lens with a plunge similar to that of the MT-34 lens or continuity of the mineralization between the MT-22 and the MT-34 lenses.

Seven holes were drilled during the first quarter to a vertical depth of between -450 and -550 metres. The results were very encouraging, confirming the presence of high uranium grades in an area that remains, for all intents and purposes, unexplored.

Hole MT-11-004, with a pierce point at the heart of this zone at -520 metres, proved truly impressive, with an intersection of 0.41% U_3O_8 over 5.6 metres, including 0.80% U_3O_8 over 2.5 metres. Four other holes returned sufficiently promising result to indicate the possibility of a new lens.

In the second quarter of 2011, 19 holes were drilled on the Matoush property for a total of 10,745 metres, including two holes abandoned due to poor ground conditions.

The priority for the quarter was to continue drilling in the mineralized area between the MT-34 and MT-22 lenses. Four new holes were drilled to outline this mineralization. Preliminary results included a mineralized zone intersected in Hole MT-11-009. The mineralized area outlined in the first two quarters between the MT-34 and MT-22 lenses was included in the resource estimate update carried out at the end of 2011 to increase the uranium resource on the Matoush property.

Five holes were also drilled on the ACF-3 layer to test some unexplored zones to the north and south of the AM-15 Extension lens.

The positive results of these two drill holes confirm the growing potential of the AM-15 Extension lens, which is now nearly 400 metres long.

Three holes were also drilled between the MT-34 lens and the MT-06 zone, which confirmed the extension of the mineralization north of Hole MT-09-006. Results included an interesting mineralized zone confirmed by the results obtained from Hole MT-11-025, located approximately 145 metres from MT-09-006.

The remaining holes were drilled in the area of the Coonishish dike, discovered in 2008 at the northern end of the MT-22 lens. The first hole (MT-11-04), drilled on the Matoush fault, intercepted a mineralized zone at the contact with the Coonishish dike. The other holes drilled in this area did not intersect significant grades despite many similarities with the Matoush fault in terms of mineralization, alteration and structure.

Sixteen holes were drilled on the Matoush property in the third quarter, for a total of 8,131 metres. Most of the drilling was focused on the south extension of the MT-34 lens, along a distance of about 1.5 km.

Very encouraging results were obtained in holes MT-11-032 and 033, located 200 metres and 400 metres south of the MT-34 lens, respectively.

Two other holes, MT-11-035 and Hole MT-11-036, drilled in the promising area around Hole MT-09-006, about 1 km south of the MT-34 lens, intersected interesting results. These holes showed alteration with a high degree of fuschite, tourmaline and oxides, which could be indicators of mineralization.

The area around the MT-36 lens, located about 1.5 km south of the MT-34 lens, was also drilled at the top of the ACF4 unit to extend the uranium mineralization towards the south in holes MT-038 and MT-011-039.

The 2011 third quarter drill results for the southern extension of the MT-34 lens resulted in the delineation of three lenses with a subhorizontal plunge over a distance of about 1.5 km, lying at the top of the ACF4 unit. These are in addition to the AM-15 Extension lens outlined in the ACF3 unit in the second quarter over a distance of more than 300 metres, as well as another lens identified between the MT-22 and MT-34 lenses. These positive results point to a substantial increase in the resource.

The following table shows the best results obtained in 2011 on the Matoush property:

Holes (depth in metres) (zone)	Results
MT-11-004 (-520m)	0.41% U_3O_8 over 5.6 metres including 0.80% U_3O_8 over 2.5 metres
MT-11-009	0.03% U_3O_8 over 9.2 metres
MT-11-025	0.06% U_3O_8 over 3.5 metres
MT-11-014	0.57% U_3O_8 over 5.5 metres including 1.39% U_3O_8 over 2 metres
MT-11-19 (ACF3)	0.05% U_3O_8 over 8.5 metres including 0.14% U_3O_8 over 2 metres
MT-11-032	**0.36% U_3O_8 over 27.5 metres including 1.37% U_3O_8 over 3 metres**
MT-11-033	**1.39% U_3O_8 over 4.8 metres including 3.62% U_3O_8 over 1.60 metres**
MT-11-035	0.05% U_3O_8 over 5.2 metres including 0.42% U_3O_8 over 0.6 metre
MT-11-036	0.03% U_3O_8 over 8.1 metres
MT-11-038	0.07% U_3O_8 over 5.0 metres including 0.12% U_3O_8 over 1.5 metres
MT-11-039	0.10% U_3O_8 over 4.4 metres

In July 2011, a radon survey was conducted by RadonEx above the AM-08, AM-15 and MT-22 lenses to test the method being used. This survey produced very positive results, showing that the method is effective and very quick. This inexpensive technique will thus help reduce exploration costs. The radon anomalies detected are less than 100 metres from the Matoush fault, and were clearly associated with the AM-08 and AM-15 lenses. Weaker, more diffuse anomalies were detected in the portion of the survey corresponding to the MT-22 lens (-400 m), indicating that signal intensity diminishes with depth. This radon survey therefore showed that it could detect uranium mineralization associated with Matoush-type structures at various depths.

As the 2011 drilling program ended in mid-September, relatively little field work was done in the last quarter. Exploration personnel focused their activities on the preparation of statutory reports, and more specifically on the compilation and interpretation of the drill results on the Matoush property in preparation for the new resource estimate.

RPA was hired in the last quarter to update the resource estimate for the Matoush uranium project in accordance with *National Instrument 43-101* using the drill results available at December 31, 2011, and similar methods to those used for the previous resource estimate (Scott Wilson RPA, September 2009). The final results of the resource estimate were received on January 2, 2012.

The Company's chief geologist actively participated in the resource update to lend additional understanding to the various geological parameters involved in the resource calculation, such as density, lithologies and alteration. A mineralization contouring exercise was also undertaken in partnership with RPA. Finally, the Company and RPA checked the database very closely and practiced very tight quality control. Details and results of the estimate can be found in **Section 9, VARIOUS ASPECTS OF THE PROPERTIES, A. TECHNICAL REPORTS** of this AIF.

The excellent results of holes MT-11-032 and MT-11-033 increased the uranium resource significantly by extending the MT-34 lens southward.

In 2011, 42 holes totalling 24,103 metres were drilled on the Matoush property.

A. TECHNICAL REPORTS

a) Mineral Resource and Mineral Reserve Estimates

The Company incorporates the definitions of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) guidelines for "Mineral Resource", "Inferred Mineral Resource" and "Indicated Mineral Resource" into this Section **A, TECHNICAL REPORTS**, by reference. These definitions were used to classify the resources in the technical reports more fully described below. The definitions can be found in **Section 7, GENERAL DESCRIPTION OF THE PRINCIPAL BUSINESS – MATOUSH PROJECT, g) Exploration** of this AIF**.**

Resource Estimate, 2007-2009

The resource estimated prepared by RPA in the technical report dated September 27, 2007, filed on SEDAR (www.sedar.co) and entitled *Technical Report on the Matoush Uranium Project Central Québec, Canada, NI 43-101* estimated the resources on the Matoush project in the AM-15 zones. This technical report was prepared by R. Barry Cook, P.Eng., and David A. Ross, P.Geo., of RPA, both qualified persons under Regulation 43-101.

AM-15 Core Zone	Tonnes (000)	Cut U_3O_8 (%)	Cut U_3O_8 (000 lbs)
INDICATED			
Main Lens	164	0.87	3,162
South Lens	37	0.40	323
Upper Lens	0		0
North Lens	0		0
TOTAL INDICATED	**201**	**0.79**	**3,484**
INFERRED			
Main Lens	36	0.54	421
South Lens	6	0.19	25
Upper Lens	11	0.08	20
North Lens	12	0.55	152
TOTAL INFERRED	**65**	**0.43**	**619**

Notes:

1. CIM Definitions were followed for mineral resources.
2. Cut-off grade: 0.05% U_3O_8.
3. Grade-shell wireframes at 0.05% U_3O_8 were used to constrain the grade interpolation.
4. U_3O_8 values were interpolated by ordinary kriging.
5. Wireframes were constructed with a minimum horizontal thickness of two metres.
6. High U_3O_8 grades were cut to 7%
7. Downhole radiometric logging was used for assays in one drill hole.
8. Blocks are 10 m by 10 m by 3 m.
9. Several blocks less than 0.05% U_3O_8 were included for continuity or to expand the lenses to the two metre minimum horizontal thickness.
10. Gemcom Software International Inc. Resource Evaluation Edition Version GEMS 6.11 was used.

This estimate qualified the mineral resource for the AM-15 core zone as follows: an indicated resource of 201,000 tonnes grading 0.79% U_3O_8 containing 3.48 million pounds of U_3O_8 and an inferred resource of 65,000 tonnes grading 0.43% U_3O_8 containing 0.62 million pounds.

The *Technical Report on the Mineral Resources Update for the Matoush Uranium Project Central Quebec, Canada, NI 43-101* resource estimate completed by RPA on September 16, 2008, and filed on SEDAR (www.sedar.com) assessed the resources for the AM-15, MT-22 and MT-34 zones of the Matoush project. This technical report was prepared by R. Barry Cook, P.Eng., and David A. Ross, P.Geo., of RPA, who are qualified persons under *Regulation 43-101*.

RPA updated the *Regulation 43-101* resource estimate for the Matoush uranium project using drill hole data available as of July 25, 2008. At a cut-off grade of 0.05% U_3O_8, the indicated mineral resource was estimated at 250,000 tonnes grading 0.68% U_3O_8 containing 3.73 million pounds U_3O_8. Inferred mineral resources were estimated to total 1.3 million tonnes grading 0.44% U_3O_8 containing 13.07 million pounds of U_3O_8. The mineral resources are contained within three zones: AM-15, MT-22 and MT-34.

RPA concluded that there is also potential for unconformity-type uranium deposits on the Matoush property.

A mineral reserve estimate has not yet been done for the Matoush project. See longitudinal section at www.stratecoinc.com.

Table 1 - Mineral Resource Estimate for the Matoush Project, July 25, 2008

	Tonnes (x 1,000)	Grade (% U_3O_8)	Pounds U_3O_8 (x 1,000)
Indicated			
AM-15	162	0.52	1,840
MT-34	88	0.97	1,890
Total Indicated	**250**	**0.68**	**3,730**
Inferred			
AM-15	16	0.14	50
MT-22	801	0.38	6,680
MT-34	527	0.55	6,350
Total Inferred	**1,344**	**0.44**	**13,070**

Notes:

1. CIM Definitions were followed for Mineral Resources.
2. The cut-off grade of 0.05% U_3O_8 was estimated using a price of US$55/lb and assumed operating costs.
3. Wireframes at 0.05% U_3O_8 and a minimum true thickness of 1.5 metres were used to constrain the grade interpolation.
4. High U_3O_8 grades were cut to 9% prior to compositing to two metre lengths
5. Several blocks less than 0.05% U_3O_8 were included for continuity or to expand the lenses to the minimum thickness.
6. Totals may not sum correctly due to rounding.

The Matoush drill holes included 257 diamond core holes totalling more than 98,000 metres. A set of cross sections and plan views were interpreted to construct three-dimensional wireframe models at a cut-off grade of 0.05% U_3O_8, and a minimum true thickness of 1.5 metres. High U_3O_8 values were cut to 9% U_3O_8 prior to compositing to two metres. Variogram parameters were interpreted from two metres composited U_3O_8 values. Block model U_3O_8 grades within the wireframe models were estimated by ordinary kriging. More than 98% of the U_3O_8 values in the drill hole database used in the grade estimate were derived from chemical analysis. The remaining values, from 27 of the most recent drill holes, were derived from gamma-probe data.

Classification into the Indicated and Inferred categories was guided by the drill hole density, interpreted variogram ranges and the apparent continuity of the mineralized zones.

The Inferred category had a general drilling grid of approximately 50 metres by 50 metres up to 70 metres.

On September 18, 2009, RPA updated the NI 43-101-compliant resource estimate for the Matoush project based on drill results available as of September 1, 2009 and using similar methods as applied in the previous estimate (RPA, Sept. 2008). At a cut-off grade of 0.10% U_3O_8, using a price of US $75/lb for U_3O_8, the indicated mineral resources were estimated at 436,000 tonnes grading 0.78% U_3O_8 containing 7.46 million pounds U_3O_8, and the inferred mineral resources were estimated at 1.16 million tonnes grading 0.50% U_3O_8 containing 12.78 million pounds U_3O_8. These resources lie in the AM-15, MT-34 and MT-22 zones, and extend over a strike-length of 1.4 km. The Matoush structure has been traced 11 km to the south and 2.5 km to the north.

The increase in the indicated resources from 3.73 million pounds grading 0.67% U_3O_8 (Scott Wilson RPA, Sept. 2008) to 7.46 million pounds at 0.78% U_3O_8 is significant. The indicated resources for the MT-34 zone, which lies in the upper part of the ACF-4 stratigraphic unit, is now estimated at 174,000 tonnes grading 0.89% U_3O_8 containing 3.42 million pounds U_3O_8. It should be noted that no indicated resources have yet been estimated for the MT-22 zone due to the current drill hole spacing, which is about 50 metres by 50 metres. This zone will be drilled at a tighter spacing during the underground exploration program.

Mineral reserves have not yet been estimated for the Matoush project.

Table 1 - Mineral Resource Estimate for Matoush - September 1, 2009

	Tonnes (x 1,000)	**Grade (% U_3O_8)**	**Pounds U_3O_8 (x 1,000)**
Indicated			
AM-15	262	0.70	4,039
MT-34	174	0.89	3,420
Total Indicated	**436**	**0.78**	**7,458**
Inferred			
AM-15	33	0.34	249
MT-22	822	0.53	9,526
MT-34	302	0.45	3,003
Total Inferred	**1,157**	**0.50**	**12,777**

Notes:

1. CIM Definition Standards have been followed for classification of Mineral Resources.
2. The cut-off grade of 0.1% U_3O_8 was estimated using a U_3O_8 price of US$75/lb and assumed operating costs.
3. High U_3O_8 grades were cut to 9%.
4. The Mineral Resource estimate uses drill hole data available as of September 1, 2009.
5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
6. Totals may not sum correctly due to rounding.

The new mineral estimate confirmed that Matoush is a robust deposit, relatively insensitive to cut-off grades between 0.05% and 0.2% U_3O_8.

Table 2 - Mineral Resource Estimate for Matoush – Different Cut-off Grades

	Cut-off Grade ($\% U_3O_8$)	Tonnes (x 1,000)	Grade ($\% U_3O_8$)	Pounds U_3O_8 (x 1,000)
Indicated				
AM-15	0.3	190	0.89	3,709
	0.2	230	0.77	3,925
	0.1	**262**	**0.70**	**4,039**
	0.05	264	0.69	4,043
MT-34	0.3	139	1.05	3,238
	0.2	168	0.92	3,393
	0.1	**174**	**0.89**	**3,420**
	0.05	174	0.89	3,420
Total Indicated	0.3	329	0.96	6,947
	0.2	398	0.83	7,318
	0.1	**436**	**0.78**	**7,458**
	0.05	438	0.77	7,463
Inferred				
AM-15	0.3	20	0.48	209
	0.2	22	0.46	221
	0.1	**33**	**0.34**	**249**
	0.05	65	0.24	339
MT-22	0.3	509	0.72	8,082
	0.2	686	0.60	9,067
	0.1	**822**	**0.53**	**9,526**
	0.05	964	0.47	9,918
MT-34	0.3	136	0.80	2,395
	0.2	167	0.70	2,570
	0.1	**302**	**0.45**	**3,003**
	0.05	429	0.34	3,211
Total Inferred	0.3	665	0.73	10,686
	0.2	875	0.61	11,858
	0.1	**1,157**	**0.50**	**12,777**
	0.05	1,458	0.42	13,468

Resource Estimate, 2011-2012

On January 4, 2012, the Company announced the results of the latest resource update for the Matoush project, indicating that the inferred resource had increased by 50% since the last resource estimate in September 2009. The inferred resource now stands at **2.04 million tonnes** grading **0.43% U_3O_8 containing 19.22 million pounds of U_3O_8**.

The indicated resource is estimated at **453,000 tonnes** at a grade of **0.78% U_3O_8 for 7.78 million pounds of U_3O_8**, which is similar to the 2009 estimate, as from November 2009 to October 2011, the Company did not carry out any definition drilling work that would have increased the indicated resource. For 2012, the Company is planning a 15,000-metre drilling program, including some 11,000 metres of definition drilling aimed at outlining the indicated resource within the boundaries of the new inferred resource zones.

RPA updated the resource estimate for the Matoush uranium project in accordance with *National Instrument 43-101* using the drill results available at December 31, 2011, and similar methods to those used for the previous resource estimate (RPA, September 2009).

The indicated resource is contained in zones AM-15 and MT-34. The inferred resource is contained primarily in the MT-22, MT-34 and AM-15 Extension zones, as well as in the new MT-02, MT-06 and MT-36 zones. The Matoush structure has been identified over a strike length extending 11 km southward and 2.5 km northward. *See under "Matoush Projet – Longitudinal – 2012 Resource"* at *www.stratecoinc.com.*

The increase in the inferred resource is explained first and foremost by exploration drilling carried out by the Company on a 200-metre lateral spacing. This drilling led to the extension of the MT-34 zone and the identification of the new MT-02, MT-06 and MT-36 zones. The Company also drilled on a grid of approximately 75 metres to determine the inferred resource. It should be noted that the indicated resource in the AM-15 and MT-34 zones was estimated using a 10 to 25-metre drill grid.

No mineral reserves have yet been identified at the Matoush project. One of the goals of the underground advanced exploration program, which is expected to begin in 2012, is to convert the mineral resources to mineral reserves.

Table 1: Matoush Project Resource Estimate (RPA, January 2012)

	Tonnes (x 1 000)	**Grade (% U_3O_8)**	**Pounds U_3O_8 (x 1 000)**
Indicated			
AM-15	269	0.70	4 170
MT-34	184	0.89	3 610
Total Indicated	**453**	**0.78**	**7 780**
Inferred			
AM-15	91	0.21	430
MT-02	64	0.36	500
MT-06	192	0.18	770
MT-22	885	0.52	10,160
MT-34	607	0.47	6,300
MT-36	201	0.24	1,070
Total Inferred	**2,041**	**0.43**	**19,220**

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 0.1% U_3O_8.
3. High U_3O_8 grades were cut to 9%.
4. Mineral Resource are estimated using an average long-term uranium price of US$80 per pound U_3O_8, and a US$/C$ exchange rate of 1.0.
5. A minimum mining width of 1.5 metres was used.
6. Numbers may not add due to rounding.

Qualified Person – Resource: The mineral resources for the Matoush project were estimated by David Ross, P.Geo., Normand L. Lecuyer, B. Sc., P. Eng., Barry Cook, M. Sc., P. Eng. employees of RPA and independent of the Company and Bruce C. Fielder, P. Eng., of Melis Engineering. By virtue of their education and relevant experience, these people are "Qualified Persons" for the purpose of *National Instrument 43-101*. The mineral resources have been classified in accordance with *CIM Definition Standards for Mineral Resources and Mineral Reserves* (November 2010).

B. SCOPING STUDY

Concurrently with the technical report dated September 16, 2008, discussed in the preceding section, the Company had also mandated RPA to prepare a Scoping Study, with the participation of Melis Engineering Ltd. for capital and processing costs, Golder Associates for radiation, environment and reclamation costs and SD Energy Associates Ltd. (SD Energy) for marketing and price determination, so that it could proceed with undergrround exploration.

The Scoping Study report entitled: *Technical Report on the preliminary assessment of the Matoush Project, Central Québec, Canada*, NI 43-101 Report dated December 17, 2008, provided preliminary economics assessment of the Matoush project.

The following technical data has been read and revised by Jean-Pierre Lachance, P.Geo., Executive and Exploration Vice President of the Company and Normand L. Lecuyer, P.Eng, Principal Mining Engineer and David A. Ross, P.Geo., Senior geologist at RPA, who are qualified persons as defined under *Regulation 43-101*.

The Scoping Study was based on the *Regulation 43-101*-compliant estimate of indicated and inferred resources as determined by RPA in its *Technical Report on the Mineral Resource Update for the Matoush Uranium Project*, dated September 16, 2008, based on drilling results as of July 25, 2008 and therefore not including the results of subsequent drilling, which were part of an updated 43-101 technical report (see the preceding table entitled Mineral Resource Estimate for Matoush, July 25, 2008 showing the results of the inferred and indicated resource estimate in the preceding section **A. TECHNICAL REPORT**).

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Scoping Study is preliminary in nature. It includes indicated and inferred mineral resources that are considered too speculative geologically to have the economic consideration applied to them that would enable them to be characterized as mineral reserves and there are no certainties that the Scoping Study will be realized.

The following is a summary of the Scoping Study results. The complete report can be found on the Company's website (www.stratecoinc.com) and on SEDAR (www.sedar.com).

I ORE PRODUCTION AND RECOVERED METAL

The mining plan was developed on mineral resources configuration. Recovered metal is based on metallurgical tests done at SGS Lakefield Research Ltd. (Lakefield) in Lakefield, Ontario, Canada; an average of 97.6% recovery is used.

Year	**Mill Feed (x 1,000) Tonnes**	**Grade % U_3O_8**	**Recovered Metal 97.6% (x 1,000 pounds) U_3O_8**
1	175.0	0.633	2,382
2	236.3	0.454	2,306
3	262.5	0.362	2,046
4	262.5	0.553	3,124
5	262.5	0.439	2,479
6	262.5	0.372	2,100
7	188.4	0.267	1,082
TOTAL	1,649.7	0.437	15,519

II REVENUE

- The price scenario was established by SD Energy with a long term price from US$60.00 to US$90.00 per pound U_3O_8 over the life of the project with an evaluation price of US$75.00 per pound U_3O_8.
- The exchange rate US$/CAN$ is 0.85.
- Transport to smelter in North America is $0.10 per pound.
- Royalty 2%.

	(x 1,000) CAN$
Gross Revenue	1,369,515
Transport to smelter	1,552
Royalty	27,359
NSR Gross Revenue after the Royalty	**1,340,604**

III OPERATING COSTS

Mining	$82.80/T milled	Maintenance	$24.84/T milled
Process	$107.77/T milled	Site services	$28.96/T milled
Power (generators)	$35.75/T milled	G&A	$22.41/T milled
Average Operating Cost:			
$302.53/T milled	CAN$32.15/pound	US$27.33/pound	

IV OPERATING PROFIT

Year	**(x 1,000) CAN$**	**Year**	**(x 1,000) CAN$**
1	133,894	5	142,051
2	128,177	6	109,992
3	105,145	7	23,809
4	198,453		
Total Operating Profit: CAN$841,522,000			

V CAPITAL COSTS

	(x 1,000) CAN$	**(x 1,000) CAN$**
Direct Capital Costs		193,443
Mine	28,159	
Process	149,886	
Infrastructure	15,398	
Indirect Capital Costs		49,928
Contingency		53,305
Capital Spare		575
Before Start Up		297,251
Sustaining Capital (6 years)		15,564
Closure		30,000
Mine Life Capital Costs		342,815

VI FINANCIAL

Internal Rate of Return before Tax: 37.1%

NET PRESENT VALUE (NPV) before Tax	
Discount Rate%	**(x 1,000) CAN$**
5	341,610
8	271,200
10	231,850
15	154,110

After reading this Scoping Study, Company management concluded that even with significant inflation in operating costs in the mining industry, the Matoush project indicates strong economics. However, even with the dramatic correction in the commodity prices in 2008, it was possible for the financial parameters to improve as costs decreased. The Company is continuing to assess various engineering alternatives so as to enhance the project economics. Company management is of the opinion that the results of this Scoping Study justify an exploration and underground exploration program in the context of a feasibility study.

UPDATE OF PRELIMINARY ASSESSMENT, FEBRUARY 2010

As of February 2010, based on the RPA memorandum entitled *Update Mineral Resources Estimate for Matoush* in September 2009 discussed above, RPA updated the Preliminary Assessment with the participation of Melis Engineering Ltd. for capital and processing costs. The updated report dated April 9, 2010, is entitled *Updated Preliminary Assessment of the Matoush Project, Central Québec, Canada* and is available on SEDAR.

The Preliminary Assessment is based in part on inferred resources, and is preliminary in nature. Inferred resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as mineral reserves. There is no certainty that the reserves development, production and economic forecasts on which this preliminary assessment is based will be realized.

I PRODUCTION AND RECOVERED METAL

The mining plan was based on mineral resources with factors applied for dilution and extraction. Recovered metal is based on metallurgical tests done at SGS Lakefield Research Ltd. in Lakefield, ON; an average of 97.6% recovery is used. Potential grade implied mining dilution at 15% at zero value. Mill design was modified to increase annual mill capacity from 2.0 M to 2.7 M pounds U_3O_8.

Year	**Mill Feed (x 1,000) Tonnes**	**Grade % U_3O_8**	**Recovered Metal 97.6% (x 1,000 pounds) U_3O_8**
1	169.8	0.639	2,391.3
2	240.6	0.400	2,124.2
3	262.7	0.461	2,668.9
4	262.2	0.522	3,018.9
5	249.5	0.561	3,085.0
6	224.1	0.496	2,451.2
7	239.6	0.468	2,472.3
TOTAL	1,648.6	0.501	17,774.8

II REVENUE

- The price scenario was established by SD Energy in September 2008, in the initial scoping study, with a long term price from US$60.00 to US$90.00 per pound U_3O_8 over the life of the project with an evaluation price of US$75.00 per pound U_3O_8.
- The exchange rate US$/CAN$ is 0.85.
- Transport to smelter in North America is $0.10 per pound.
- Royalty 2%.

	(x 1,000) CAN$
Gross Revenue	1,568,363
Transport to smelter	1,777
Royalty	31,332
NSR Gross Revenue after the Royalty	1,535,253

III OPERATING COSTS

Mining	$91.64/T milled	Maintenance	$24.86/T milled
Process	$92.74/T milled	Site services	$32.68/T milled
Power (generators)	$35.77/T milled	G&A	$22.43/T milled
Average Operating Cost:			
$300.12/T milled	CAN$27.84/pound	US$23.66/pound	

IV OPERATING PROFIT

Year	**CAN$**	**Year**	**CAN$**
1	131,819,000	5	189,170,000
2	107,096,000	6	136,345,000
3	153,437,000	7	139,824,000
4	182,793,000		
Total Operating Profit: CAN$1,040,484,000			

V CAPITAL COSTS

	(x 1,000) CAN$	**(x 1,000) CAN$**
Direct Capital Costs		191,009
Mine	32,466	
Process	143,146	
Infrastructure	15,398	
Indirect Capital Costs		48,568
Contingency		52,273
Capital Spare		980
Before Start Up		292,830
Sustaining Capital (6 years)		19,126
Closure		30,000
Mine Life Capital Costs		341,955

VI FINANCIAL

Internal Rate of Return before Tax: 41.5%

NET PRESENT VALUE	
Discount Rate %	(NPV) before Tax (x 1,000) CAN$
5	475,550
8	377,640
10	323,530
15	218,070

VII SENSITIVITY TO PRICE

PRICE	**US$/lb**	**NPV (x 1,000) CAN$**
	75.00	$ 323,530
0.67	50.00	$ 31,700
0.80	60.00	$ 148,260
1.00	75.00	$ 323,530
1.07	80.00	$ 381,890
1.14	85.50	$ 446,220

Acccording to Company management, even with significant inflation in operating costs in the industry, the Matoush project shows stronger economics than the initial scoping study. Despite a possible price decrease, the economics could improve even more if operating costs can be reduced. According to the update of the trend in uranium price fluctuations prepared by SD Energy Associates Limited as part of this preliminary assessment, the uranium index price fell to $40 per pound in 2008 and remained in that range until early 2010, occasionally rising to $50 per pound. Future index prices fell from $90 per pound to $70 per pound in 2008, and were at about $60 per pound at the beginning of 2010. The Company continues to assess various engineering alternatives in order to enhance the project's economics, and plans to expand mineral resources on the Matoush property through aggressive drilling.

As shown in Table VII above, the profitability of the Matoush project is sensitive to the price of the base products. The outlook for uranium prices remains positive, and while many uranium exploration and development projects are currently underway worldwide, there are also many nuclear plants under construction or planned, particularly in China, India and Russia, while forecasts indicate a rise in energy demand, and the energy sector is trying to break away from its dependence on coal-based energy-generation.

The recent events in Japan had an impact on uranium prices. Analysts reacted to these events, but have not significantly changed their forecasts for the uranium industry overall, or for nuclear energy.

(2) ECLAT PROPERTY

a) Location and Access

The Eclat property is located in the Otish Mountains of northern Québec, immediately south of the Matoush property. The property is accessible by helicopter as well as by the winter road that links the Eastmain mine to Témiscamie. Please see **Figure 2** for the general location of Eclat property.

b) Mineral Claims

The property consists of 90 mineral claims covering 4,786.90 hectares. The Company acquired a 100% interest in the Eclat property from Vija Ventures Corporation ("Vija") for all mineral substances except diamonds. Please see **Figure 1** for the general location of the Eclat property mineral claims.

A letter of intent dated July 12, 2005, granted the Company an option to acquire a 100% interest on all minerals on the Eclat property, except diamonds, over a period of 4 years, in consideration of payments totalling $150,000 over four years, including $7,000 on signature of the agreement and $7,000 on the first anniversary, $20,000 on the second and third anniversaries and $96,000 on the fourth anniversary, $500,000 in exploration over four years and 600,000 common shares of the Company over three years.

The Company met all its obligations as of June 15, 2009. The property is subject upon production to a 2% NSR payable to Vija on all minerals other than diamonds and 2% payable to Vija on all gross proceeds from the eventual sale or disposition of carbon emission rights tied to the production of uranium on the property.

c) Uranium Potential

The property is strategically located in a relatively unexplored area with known uranium potential. It is bordered to the north by the Matoush property, wholly-owned by the Company, and to the south by ground staked by Cameco Corporation ("Cameco").

The property lies in the southern extension of the Matoush structure, which was traced by Uranerz over 3,900 metres using ground VLF surveys conducted in the early 1980s. The holes drilled by Uranerz and the Company clearly demonstrate the uranium potential.

The results for holes **EC-09-06** and **EC-09-05**, drilled 200 metres apart with pierce points at the same elevation, clearly indicate the mineral potential of the Matoush fault, which has been traced by drilling over a distance of more than 15

km. This confirms that the deposition mechanisms for the uranium mineralization are not limited to the area of the AM-15 zone.

The similarities between the two mineralized zones in terms of degree of alteration, local presence of pitchblende mineralization in shear zones and proximity to mafic intrusives in the Matoush fault, and the marked similarities of the texture and nature of these mafic intrusives to those found around the mineralized zones, are impressive.

The almost carbon-copy nature of these hydrothermic systems and the reducing agents supports the presence of mineral potential along the entire length of the Matoush fault, and confirms the potential for discovery of new mineralized zones at the Matoush project.

The Matoush structure also appears to continue for at least two kilometres on the Eclat property.

d) Exploration

Hole EC-06-01, drilled 5.8 kilometres south of Uranerz Hole AM-15, primarily to maintain certain mining claims in the area, confirmed the southern extension of the Matoush fault.

The results were compelling. The structure was intersected at 111 metres down the hole, at a vertical depth of 76 metres. While un-mineralized, the typical tourmaline alteration of the structure was intersected over a 10-metre section, with the fault appearing to be strongly choritized. This hole therefore confirmed the presence of the Matoush structure over a distance of more than seven kilometres.

The radiometry and magnetometry survey carried out by Aeroquest Limited in the fall of 2006 on the Matoush property also covered the entire Eclat property.

On the southern portion of the Matoush project, on Eclat property, 10 holes were completed (EC-07-01 to 07-10) for a total of 2,260 metres. These exploration holes drilled with the assistance of the helicopter allowed the Matoush fault to be accurately located on the Eclat property, with radiometry on the core showing a low cps.

More drilling was done in this area during winter 2008 at the border with the Cameco Corporation property, 11.5 km south of the AM-15 zone. The first hole (EC-08-01) had to be abandoned at 759 metres because of large influxes of water and sand. However no influxes of water or sand had been encountered in AM-15 and MT-22 zones. It should be noted that the stratigraphy seen in the sediments was the same as that seen in the AM-15 area 8.5 km to the north. A clay brecchia appearing 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.

The next hole, EC-08-02, was drilled on the same line at a depth of 321 metres, with the pierce point 425 metres above the pierce point of EC-08-01, and would appear to indicate that locally, the Matoush fault has an inverse dip, being to the west. However, it should be noted that no anomalies were found in this hole. Finally, Hole EC-08-03 was drilled a few hundred metres north of the border with Cameco's property, and targeted the basement rock. The hole reached bedrock without finding any anomalous traces in the sediments. The basement rock intersected was mafic in nature, and very likely represents the folded extension of the "Camie River" greenstone belt.

Aside from Hole EC-09-04, which had to be abandoned due to excessive deviation, four holes were drilled on the Eclat property in the first quarter of 2009. Hole EC-09-05 proved very revealing, both because it intersected two mineralized zones with particularly strong tourmaline and fuschite alteration, and because of the analytical results for the two zones, which lie 20 metres apart. The zones returned values of 0.16% U_3O_8 over 2.4 metres and 0.11% U_3O_8 over 1.5 metres. Hole EC-09-06 intersected a zone of 0.15% U_3O_8 over 1.5 metres.

Three holes were drilled on the Eclat Nord property in the third quarter of 2009, but with mitigated results. Holes ECN-09-01, 02, 03, drilled on a 150-metre grid about 1.5 km north of the AM-15 zone, intersected the Matoush fault but no mineralization despite the presence of strong alteration.

In the fourth quarter, two holes, EC-09-07 and EC-09-08, were drilled on the Eclat Sud property. Measuring 600 metres and 570 metres long respectively for a total of 1,170 metres, the two holes intercepted the Matoush fault, as well as interesting uranium values. Hole EC-09-07, drilled on section 64+50 S, intersected 7.5 metres grading a weighted average of 0.05% U_3O_8. Hole EC-09-08, drilled on section 66 + 50 S, intersected two zones. Both holes had a pierce point at about 460 metres below surface.

For the first two quarters of 2010, the exploration strategy for the Eclat property was to systematic drill along the Matoush fault at a 200-metre spacing to identify favourable areas for uranium deposition.

Twenty holes were drilled in the first quarter of 2010 over a distance of approximately 3.6 kilometres south from Section 67+00S, which lies 3.5 kilometres south of the MT-34 lens. The fault was intersected in every hole, with variable fuschite alteration ranging from medium to strong. The area of most interest lies along an 800-metre interval between sections 67+00S and 75+00S. Hole EC-10-002 is of particular note, and Hole EC-10-016 also merits mention.

Another area of interest, between sections 75+00S and 87+00S, is characterized by intense fuschite/tourmaline alteration, as well as the presence of other dikes running parallel to the Matoush fault. The alteration halo has a true thickness of up to 250 metres, which indicates potential for the discovery of mineralization.

Drilling in the second quarter of 2010 was aimed at continuing to define the Matoush fault on a 200-metre grid and to follow-up on the anomalies located between lines 110+00S and 118+00S. A total of 21 holes were drilled.

These holes were particularly aimed at following up on holes that, in 2009, had intersected uranium mineralization worthy of note about six kilometres south of the MT-34 lens. This area is particularly interesting because of the presence of anomalies along nearly one kilometre of the Matoush fault, and the fact that it is located above a basement rock transition zone, which indicates strong potential. Two holes confirmed the potential of this area.

In the third quarter of 2010, the Company continued to test the uranium potential along the Matoush fault. Four holes were drilled. Two holes drilled on a spacing of about 100 metres were aimed at following up on anomalies in the same area as in the second quarter. Hole EC-10-044 returned the best results. With its pierce point at a vertical depth of 690 metres, this hole proved to be the deepest drilled to date in this area of interest, about 150 metres from the basement rock. In 2010, 46 holes were drilled for a total of 27,588 metres.

The Company did not conduct exploration on the Eclat property in the fourth quarter of 2010.

The following table shows the best results obtained in 2009 and 2010 on the Eclat property:

Holes (depth in metres)	**Results**
EC-09-05	0.16% U_3O_8 over 2.4 metres and 0.11% U_3O_8 over 1.5 metres
EC-09-06	0.15% U_3O_8 over 1.5 metres
EC-09-07	0.05% U_3O_8 over 7.5 metres
EC-09-08-011 (-400 m)	0.09% U_3O_8 over 2.5 metres
	0.04% U_3O_8 over 15.5 metres
EC-10-002	0.67% U_3O_8 over 1.2 metres
EC-10-016	0.21% U_3O_8 over 0.7 metre
EC-10-044	0.04% U_3O_8 over 7.0 metres including 0.08% U_3O_8 over 2.5 metres

Based on the promising results obtained from the radon survey above the AM-08, AM-15 and MT-22 lenses, in the third quarter of 2011, the Company decided to carry out another radon survey covering the Matoush Extension and Eclat properties to test for the presence of radon anomalies possibly associated with the Matoush fault in various as-yet unexplored areas, as well as for certain Matoush-type geophysical lineaments.

The preliminary results obtained for the survey as a whole are encouraging. The results for Block 1, located about 4.5 kilometres north of the MT-22 lens, showed an elongated, 500-metre long radon anomaly oriented north-south

above the projected northern extension of the Matoush fault. These results are all the more promising as this area has not yet been tested by drilling.

The results for Block 3, located 4.5 kilometres northeast of the AM-15 lens, were also very positive. An elongated 400-metre long radon anomaly striking north-south was detected on the eastern edge of a north-south Matoush-type geophysical lineament not yet tested by drilling. This lineament, identified by MPH Consulting Ltd. in 2010, could be the source of the mineralized boulders (including one with 61,000 cps) of the Laurent-Martin showing, which lie less than 500 metres to the southwest. It should be remembered that two holes drilled 250 metres northeast of the showing in 2007 failed to locate the source. The juxtaposition of this lineament with the radon anomaly make this a high-priority drill target for 2012.

The radon survey was conducted on the Matoush Extension and Eclat properties early in the last quarter of the year. The RadonEx team took a total of 402 radon readings in six different areas. This then enabled the Company to produce a map showing the final radon results.

The best results of the survey on the Matoush Extension and Eclat properties indicate target areas for exploration during the next drilling program. The final compilation of this survey confirms the presence of a number of promising radon anomalies for the next phases of exploration. Two anomalies deserve special attention and should eventually be tested by drilling: one in the north extension of the Matoush fault (Block 1) and another northeast of the Laurent-Martin showing (Block 3). The other anomalies will be tested by drilling in a second phase if the first two anomalies return positive results.

No drilling was done on the Eclat property in 2011.

(3) MATOUSH EXTENSION PROPERTY

a) Location and Access

The Matoush Extension property is located north, west and east of the Matoush property in the Otish Mountains, in Northern Québec. The property is accessible by helicopter as well as by the winter road that links the Eastmain mine to Témiscamie. Please see **Figure 2** for the regional location of the property.

b) Mineral Claims

Wholly-owned by the Company, the Matoush Extension property consists of 198 claims covering 10,503.85 hectares. These mining claims were acquired by the Company in the fall of 2005 and the winter and summer of 2006 to protect the area in the vicinity of the Matoush and Eclat properties. Please see the map of the Matoush project in **Figure 1** for the location of the Matoush Extension property mining claims.

The northern border of the property is very close to the northern edge of the Otish Basin. The property is broken up by a row of mining claims belonging to Pacific Bay Minerals Ltd. (“Pacific Bay”).

With the addition of the Matoush Extension property, the Matoush project as a whole covers 23 kilometres along its north-south axis, intersected by a 900-metre section belonging to Pacific Bay (see under section **9, VARIOUS ASPECTS OF THE PROPERTIES, B (4) Pacific-Bay-Matoush Property**, below).

c) Exploration and Prospecting

No significant exploration work was conducted on the Matoush Extension property in 2008 except for the radiometry and magnetometry survey, which covered most of the property. On the northern portion of the Matoush project, on Matoush Extension property, exploration work in 2007 consisted in prospection and limited drilling. Prospecting was successful with the identification of an outcropping radioactive zone with 600 to 10,000 cps. Four holes were drilled in the area for a total of 1,290 metres. Mixed results were obtained, the Matoush fault being laterally displaced.

Three holes were drilled on the same section on the Matoush Extension property in 2008 for a total of 1,473 metres. The section lies a few hundred metres north of the east-west string of Pacific Bay claims, on what should be the extension of the Matoush fault. However, none of the holes intersected the fault.

The first hole, MT-08-002, reached bedrock without hitting the Matoush fault. Discordance was seen at a depth of 685 metres down hole. The basement rock consists of alternating granitic material and large laminae of mafic units. Many marginal uranium anomalies were intersected in the basement, the most important being 0.02% U_3O_8 over 4.0 metres. The subsequent holes, MT-08-006 and MN-08-01, were drilled on the same section and failed to detect the extension of the Matoush fault. No radiometry anomalies were detected.

Exploration work in 2009 on the Matoush Extension property was limited to prospecting in the summer, and the Company did no exploration work on this property in 2010.

Based on the promising results obtained from the radon survey above the AM-08, AM-15 and MT-22 lenses, in the third quarter of 2011, the Company decided to carry out another radon survey covering the Matoush Extension and Eclat properties to test for the presence of radon anomalies possibly associated with the Matoush fault in various as-yet unexplored areas, as well as for certain Matoush-type geophysical lineaments.

The results of this radon survey are discussed in detail at the subsection (2) Eclat Property d) Exploration and are incorporated by reference herein as applicable to the Matoush Extension property.

No drilling was done on the Matoush Extension property in 2011.

(4) PACIFIC BAY-MATOUSH PROPERTY

a) Location and Access

The Pacific Bay-Matoush property is located in the Otish Mountains in northern Quebec, about 40 km southwest of the Matoush property. The property comprises an area of 145 square kilometres (56 square miles) in the Otish Mountains area, where the Company has been drilling the Matoush high-grade uranium ore body. **See Figure 1** for the location of this property on the map of the Matoush project.

b) Mineral Claims

On January 14, 2008, the Company and Consolidated Pacific Bay Minerals Ltd. (now called Pacific Bay Minerals Ltd.) (“Pacific Bay”) executed a definitive agreement with an effective date of October 29, 2007, providing for the Company to earn a 60% undivided interest in 277 Pacific Bay mineral claims representing 14,576.33 hectares located in the Matoush District of Québec's Otish Mountains.

The agreement calls for the Company: (i) to pay to Pacific Bay a total of $500,000; (ii) to issue 200,000 common shares of the Company over four years and (iii) to incur $3 million in exploration expenditures over four years, including a minimum of 10,000 metres of drilling. As part of the transaction, the Company acquired one million units of Pacific Bay at a price of $0.30 per unit. Each unit consisted of one common share of Pacific Bay and one warrant to purchase one common share of Pacific Bay at $0.60 per share for a period of 24 months. The shares and warrants were subject to a 12-month resale restriction period that expired on January 14, 2009.

In the fourth year of the option, the Company fulfilled its obligations under the option agreement effective October 29, 2011, and the Company therefore acquired a 60% undivided interest in the Pacific Bay-Matoush property. The Company signed a joint venture agreement with Pacific Bay whereby the Company will act as the manager of the exploration and production committee for as long as it holds an interest of at least 50% in the property.

Under the joint venture, if a party’s interest is diluted to less than 10%, that party’s interest will be converted to a 2% Net Smelter Return (NSR) and yellow cake royalty on the Pacific Bay-Matoush property. A 2% NSR is also payable solely and exclusively by Pacific Bay to an individual on 142 of the 277 property claims.

c) Exploration

The Company has been the manager of exploration activities on the Pacific Bay - Matoush property since October 29, 2007. The Company works closely with Pacific Bay field personnel to maximize the value of the exploration programs.

Four holes were drilled with the help of a Versadrill helicopter-borne drill (Major Drilling) between October 31 and November 25, 2007 for a total of 1,061 metres. These holes are all located in the southern block of the Rabbit Ears claims about 10 km north-east of the Matoush property camp. These holes were drilled in an area of the property with favourable geophysical anomalies such as magnetic lineaments and airborne radiometric anomalies, as well as VLF/EM conductors. Uranium-bearing boulders have also been discovered in the area during prospecting in the summer of 2007.

Drilling on the Rabbit Ears South block intersected the two same types of sedimentary facies seen in the Matoush sector. These correspond to the active channel facies ("ACF") an arkosic to subarkosic conglomeritic coarse sandstone, and the channel-bar facies ("CBF"), a finely-laminated subarkosic fine-to-medium sandstone, of the Indicator Formation. Vertical hole PB-07-01 confirmed a sub-horizontal bedding in this area of the basin. The best hole was PB-07-05 which intersected 10 cm of altered sandstone averaging 0.03% U_3O_8.

In August 2008, the Company started diamond drilling of uranium targets on the Pacific Bay-Matoush property. The 1,500-metre program followed intensive ground prospecting and geological work, focused on the South Rabbit Ears claims, where outcrops, in situ radiometric anomalies and radioactive boulder trains strongly suggest the potential of Matoush-type uranium mineralization.

Seven holes totalling 1,510 metres were drilled on the Pacific-Bay-Matoush property in 2008. The holes were drilled between August 8 and September 7 using a helicopter-transportable drill (Versa drill). The holes were drilled in the "Rabbit Ears South" sector, about 5 km east of the AM-15 zone. The targets were established for the purpose of identifying a Matoush-type uranium mineralized zone, based on the results of prospecting done in 2007 and 2008, geophysical surveys and the geomorphology study done by Poly-Géo Inc. in 2008.

Two sectors were tested (see Company's website at www.stratecoinc.com for details). Five holes were drilled on Sector 1 to trace a potentially-mineralized north-south fault similar to Matoush. The holes covered an east-west lateral distance of 630 m to a vertical depth of about 300 m. Sector 2, where two holes were drilled for a total of 596 metres, lies about 700 metres directly south of Sector 1. The goal was to test for the presence of a geophysical lineament interpreted as having a similar slip to that of the Matoush fault.

No significant mineralization was intersected during this drilling program. However, ACF and CBF layers with the same alternation as those at Matoush property were encountered. From a structural perspective, no major faults comparable to the Matoush fault were intersected by drilling. Nevertheless, several highly-fractured to sub-brecciated zones were seen in five holes, and potential remains for the discovery of a uranium-bearing structure. The fractured zones seen in the holes do not appear to be large enough to explain the geophysical lineaments in the sectors drilled.

In the first quarter of 2009, five holes were drilled to test for a major structure like the Matoush fault in the "Rabbit Ears South" area on the Pacific-Bay-Matoush property. Hole PB-09-02 proved to be of particular interest, intersecting a major clay-rich breccia structure several metres thick. Despite the absence of mineralization and of the mafic dikes characteristic of the Matoush fault, the presence of this strongly brecciated structure indicates potential for the discovery of a structure similar to the Matoush fault. This area lies 10 km east of the Matoush fault.

Following the completion of drilling on the Mistassini property in late June 2009, the Company took advantage of the availability of the helicopter-borne drill to drill a 200-metre hole on a section of the Pacific Bay-Matoush property, which consists of four mining claims in the possible extension of the Matoush fault, 3 km south of the Eclat property. The presence of the Matoush fault was confirmed by drilling in April 2008 less than 200 metres from the southern border of the Eclat property with a property belonging to Cameco Corporation.

In the third quarter of 2009, seven holes were drilled on the Pacific-Bay-Matoush property, but the results were inconclusive. Four holes were drilled to trace the Matoush fault, which becomes diffuse north of the Eclat Nord property. No remarkable structures were identified. Three holes were drilled to test a linear geophysical anomaly on the "Rabbit Ears" area, about 3 km east of the AM-15 zone, but failed to locate any structures of note. Work ended on the property in September 2009.

In the second quarter of 2010, prospecting work was done on the Pacific-Bay-Matoush property, on the north-south belt to the west of the Eclat South area. This led to the discovery of a 3.0 metre anomalous sub-outcropping boulder measuring up to 1,800 counts per second approximately four kilometres west of the Matoush fault.

This new, previously unexplored area was suddenly of particular interest because the geophysical survey data processing discussed earlier revealed the presence of a north-south lineament about four kilometres long containing two clearly identified targets for fourth quarter drilling in 2010.

The three holes drilled early in the fourth quarter to test this structure were highly successful. A Matoush-type fault called the Alfred fault, with identical alterations to those of the Matoush fault, was intersected over 365 metres. The geophysical anomaly indicates that the Alfred fault extends to the north and south. This is one of the most important discoveries on the Matoush project outside the Matoush fault corridor. These holes, which returned weak uranium grades, show that other Matoush-type structures (faults) exist throughout the Matoush project. This area was a high priority for the first quarter of 2011 for the discovery of significant mineralization. In 2010, three holes were drilled for a total of 2,010 metres.

In the first quarter of 2011, five holes totalling 2,931 metres were drilled on the Pacific Bay-Matoush property, including three to test the northern extension of the Alfred fault over a 270-metre strike length. Another hole was drilled midway between the two holes drilled 365 metres apart in the fall of 2010, and the last hole tested the vertical extension of the fault at a depth of -500 metres.

The five holes confirmed the continuity of the Alfred fault toward the north and at depth, with the presence of alteration typical of the Matoush fault. However, no significant mineralization was encountered.

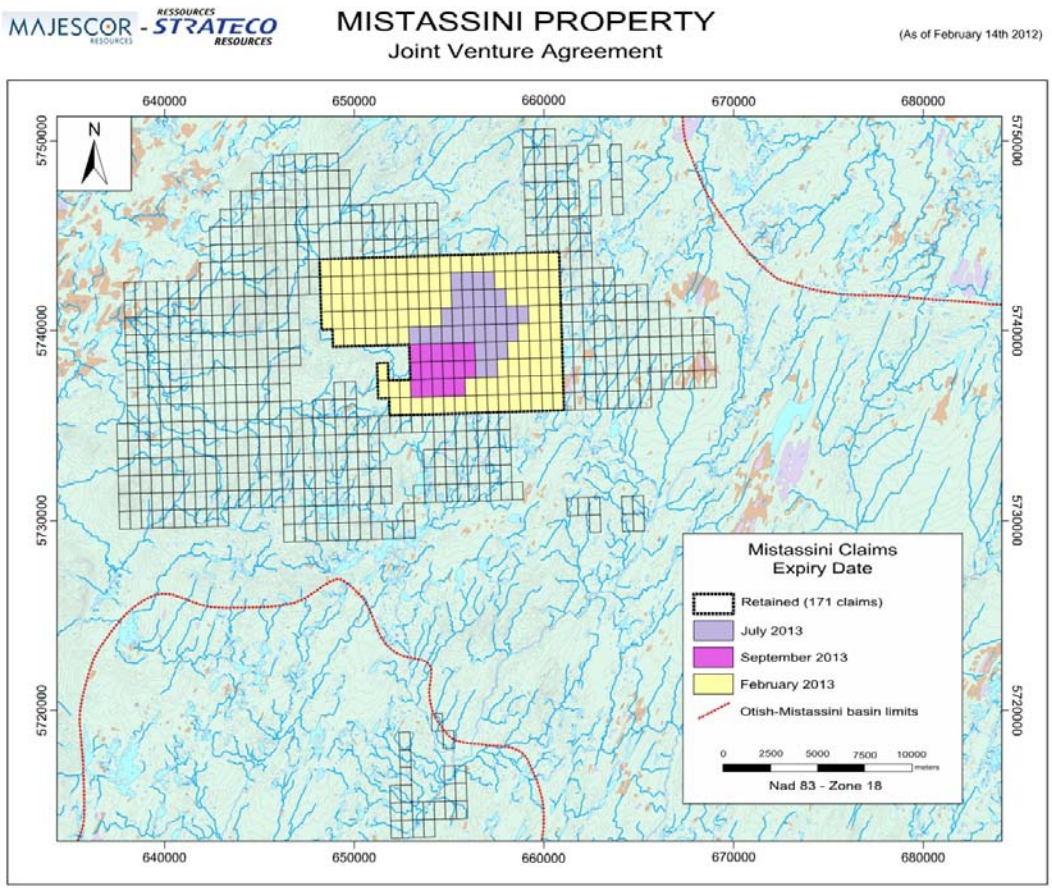
Five more holes were drilled on the Alfred fault in the second quarter of 2011 for a total of 2,580 metres. These holes outlined the extension of the Alfred fault to the south, thus tracing its continuity over almost two kilometres. The similarities with the Matoush fault remain interesting, as do the conditions for mineralization of the Alfred fault, despite the absence of significant uranium anomalies. The holes drilled to date have confirmed that certain mineralizing properties associated with the lenses on the Matoush fault are also found elsewhere on the property.

Ten holes totalling 5,511 metres were drilled on the Pacific Bay-Matoush property in 2011.

(5) MISTASSINI PROPERTY

a) Location and Access

The Mistassini property consists of 171 claims shown on the NTS32P map for a total area of 9,114.47 hectares (91.15 km^2). It is located in the Otish Mountains approximately 40 km southwest of the Matoush property wholly-owned by the Company. Please see Regional Location Map **Figure 2** for the location of the property and **Figure 3** below for the location of the claims:



b) Mineral Claims

Pursuant to the letter of intent dated November 20, 2007 and following receipt of analyses for three holes drilled by Majescor Resources Inc. ("Majescor") in December 2007 on the Lac Mantouchiche uranium prospect, the Company decided on February 14, 2008, to exercise its option right to acquire an option to earn an 60% interest in Majescor's uranium rights and uranium only on the Mistassini property.

In accordance with the option agreement, the Company acquired a 60% interest in the uranium rights on the property by carrying out a total of $1.3 million in exploration expenditures over three years. At the end of the drilling program completed on February 9, 2011, the Company had earned its 60% interest, effective February 14, 2011.

Please see Section **5, PROJECTS AND ACQUISITIONS OF INTEREST IN THE PAST THREE YEARS, (c) Mistassini Property**, regarding the Company's exercise of its option and its acquisition of a 60% interest in the uranium rights of the Mistassini property effective February 14, 2011.

The joint venture agreement took effect on the date that the option was exercised, namely February 14, 2011. The Company is deemed to hold a 60% interest in the uranium rights, and the right to act as the chair of the management committee for as long as it holds a 50% interest in the joint venture.

Northern Superior Resources Inc., which owns 100% of the diamond rights and 50.5% of the rights on other mineral substances except for diamonds and uranium, has renounced its right to carry out diamond exploration and mining on the property for the duration of the joint venture. Northern Superior Resources Inc. is entitled to a 2.0% yellow cake royalty from the Mistassini property.

c) Exploration

The discovery hole drilled in 2002 by Majescor (MIST 02-08) on the Mistassini property had intersected 0.20% U_3O_8 over 4.50 metres.

In December 2007, three holes were drilled by Majescor to verify the extension down dip of Lac Mantouchiche uranium prospect. The best intersection was obtained near surface in Hole MIST-07-03.

In late February 2008, the Company began a comprehensive exploration program, which included drilling aimed at confirming the strike and dip extensions of the Lac Mantouchiche uranium prospect, as well as detailed ground mapping and prospecting.

The potential of the property as a whole was assessed primarily on the basis of geophysical data. In this regard, magnetic susceptibility data combined with systematic core radiometric data have shown a clear inverse correlation between uranium grade and magnetism. These observations strongly suggest that low magnetic zones could be used to target regional exploration on the property. The use of other geophysical surveys, such as detailed gravity and VLF-EM, over the uranium discovery will also be evaluated.

As a precursor to the drilling program planned for 2009, the Company started a 1,869 line-kilometre helicopter-borne geophysical survey over the Mistassini property in December 2008 and completed it on January 23, 2009.

The high resolution magnetic and electromagnetic survey was interpreted by Jeremy S. Brett of MPH Consulting Ltd., and identified an ESE-WNW trending km-scale structural lineament, coincident with the Lac Mantouchiche uranium showing.

In June 2009, the Company and Majescor began a drilling program on the Mistassini property. The drilling program took place from June 10 until June 28, 2009. Seven holes were drilled for a total of 786 metres. The goal of the program was to begin testing the strike and dip extensions of the Lac Mantouchiche uranium prospect on the basis of the interpretation by Jeremy S. Brett of MPH Consulting Ltd. of the high resolution magnetic and electromagnetic survey done in January 2009.

The drilling tested three areas in the immediate vicinity of the Mantouchiche showing, over a total strike length of 125 metres. Two drill holes were completed per section to test the strike extensions, one 50 metres to the west and the other 75 metres to the east of the Mantouchiche showing. Two holes (MIST-09-03 and 04) were drilled on the same section as the discovery hole MIST-07-03.

Drilling completed to date at the Mistassini property, together with recently outlined geophysical targets, confirm the uranium mineralisation potential of the basement rocks near surface. The Mistassini property lies along the Otish sedimentary basin's projected SW extension axis toward the Papaskwasati basin, in the vicinity of a major basement fold axis. The Mantouchiche sedimentary outlier is entirely contained within the property boundaries, near the main uranium prospect.

As of July 2009 the Company and Majescor obtained the preliminary results of a drill program recently completed on the Mistassini uranium property.

Very encouraging results were obtained, particularly the discovery of a new zone intersected in the immediate vicinity of the Mantouchiche showing. Drill hole MIST-09-03 was drilled at -45˚. The new uranium zone is located in the hangingwall of the Mantouchiche showing, at a vertical depth of 32 metres. The Mantouchiche showing discovery hole, MIST-07-03, was drilled an angle of -70˚ on the same section as hole MIST-09-03.

A second drill hole, MIST-09-04, drilled on the same section at -70˚, confirmed the vertical extension of the new uranium-bearing zone at a vertical depth of 40 metres. The extension of the Mantouchiche showing was also intersected in drill hole MIST-09-03 at a vertical depth of 64 metres.

Drill holes MIST-09-01, 02, 05 and 06, drilled to test the strike extensions of the Mantouchiche showing, intersected anomalous U_3O_8 values. The strike extension of the new zone could not be confirmed by the last hole in the campaign, namely MIST-09-07, drilled on the same section as MIST-09-05 and 06.

Given the positive results of the 2009 drilling campaign and based on structural and geological interpretation, further exploration work might be done. A ground geophysical survey would first be conducted to test for the possible presence of high-grade uranium lenses preferentially aligned along a north-south axis.

A helicopter-borne drill was mobilized in mid-January 2011 for a drilling program of about 1,000 metres. Persistent poor weather conditions resulted in serious mobilization delays and significantly limited helicopter travel. Consequently, due to both the poor weather and budget constraints, the program was reduced to 500 metres, and ended on February 9, 2011.

The first two holes were drilled to test the two resistivity anomalies interpreted from the airborne geophysical survey flown by Fugro Airborne Surveys Corp. in December 2008 and January 2009. No structure was intersected, indicating limited potential. One of the anomalies was explained by a few weak, unmineralized fracture zones, while the second appears to have been caused by moraine material, as no lithological or structural changes were seen.

Two other holes were drilled about 100 metres north of the Mantouchiche showing. While the holes intercepted deformation zones with alteration, they only returned anomalous values with trace uranium.

The hole drilled about 100 metres south of the showing revealed a significant increase in the background values, but no significant mineralization.

In all, five holes were drilled. Two of these tested geophysical anomalies located at the western and eastern edges of the property, and the three others were drilled on the presumed northern and southern extensions of the mineralized corridor hosting the Lac Mantouchiche prospect discovered in 2007 by Majescor and confirmed by the Company in the summer of 2009.

The following table shows the best results obtained in 2011 on the Mistassini property:

Hole # (depth in metres)	**Results**
MIST-02-08	0.20% U_3O_8 over 4.5 metres
MIST-07-03 (45 m)	0.215% U_3O_8 over 18.5 metres
MIST-09-03 (32 m)	0.21% U_3O_8 over 11.6 metres including 2.20% U_3O_8 over 0.8 metres
MIST-09-03 (64 m)	0.21% U_3O_8 over 11.6 metres including 0.81% U_3O_8 over 2.5 metres
MIST-09-04 (40 m)	0.06% U_3O_8 over 13.5 metres including 0.12% U_3O_8 over 5.3 metres

In light of the drill results obtained to date on the property, and despite the significant intersections obtained in 2007 and 2009 near the Mantouchiche showing, interpretation suggests that mineralization could occur in the form of vertical lenses whose location has yet to be determined. In order to determine the strike and dip of the structures as an indication of controls to mineralization, a radon survey was conducted in the second quarter.

The Company initiated the radon survey on the Mistassini property on June 27, 2011, in partnership with Majescor. The survey was aimed at determining the strike and dip of the structures to shed light on the controls of the mineralization in the Lac Mantouchiche discovery area.

The survey was completed on July 10 by the firm hired to perform the survey, RadonEx. Interpretation of the analysis outlined the surface footprint of the mineralization in the drilled part of the property. These positive results should lead to the identification of targets for an upcoming drilling program in joint venture with Majescor, the Company having acquired its 60% interest in the uranium rights on the Mistassini property on February 14, 2011.

In 2011, five holes totalling 467 metres were drilled on the Mistassini property.

(6) APPLE PROPERTY

a) Location and Access

The property is located at 80 km southeast of Radisson, in the James Bay area of Quebec, Canada. The property is accessible by a 40 km winter road from Km 510 on the paved James Bay road. In summer, the property can be accessed by boat from the Trans-Taïga road. Float planes and helicopters are readily available in the city of Radisson. Please see **Figure 2** for the general location of the property.

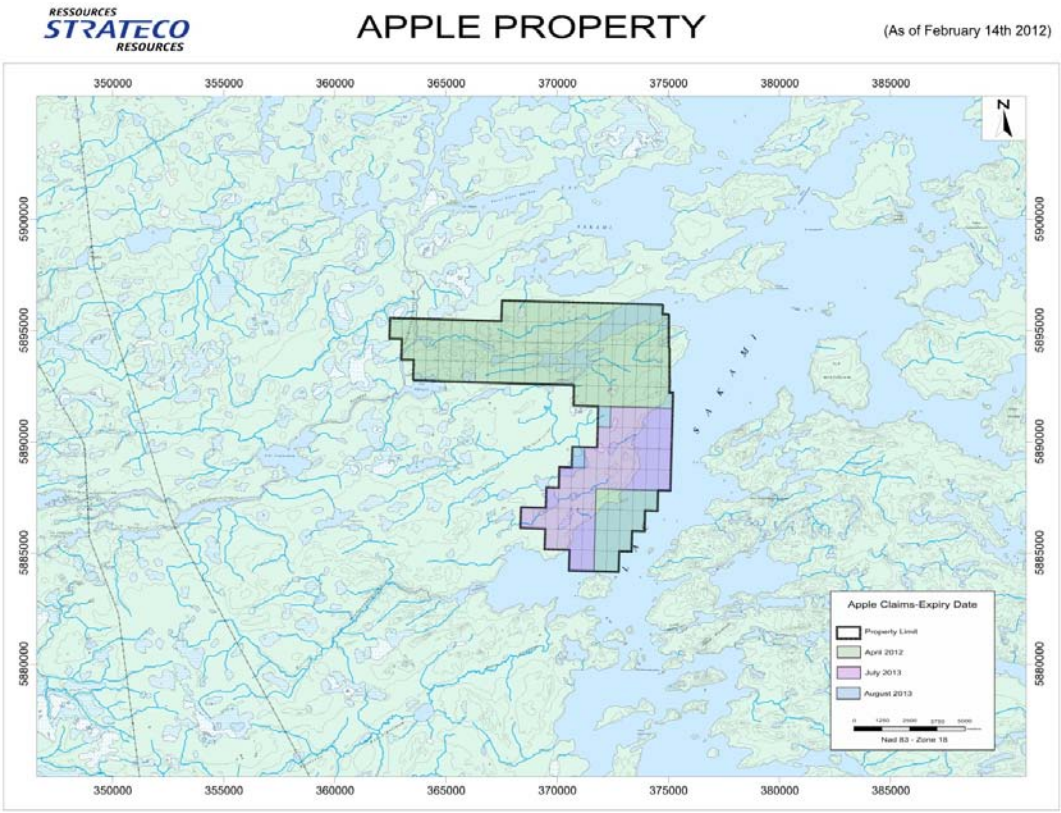
b) Mineral Claims

The Apple property consists of 194 mineral claims covering 9,928.13 hectares recorded in the Company's name.

On August 28, 2007, the Company has acquired 100% the Apple uranium property, wholly owned by Virginia Mines Inc ("Virginia") in consideration of 3,250,000 common shares of the Company.

The agreement also provided for a 2% NSR royalty payable upon production to Virginia, half of which can be bought back by the Company for $1.0 million. The transaction closed on September 6, 2007.

Figure 4 below represents the location of the claims for the Apple property.



c) Uranium Potential

The project covers a portion of the Apple Formation, which came to light in the early 1970s with the discovery of several extensive uranium-pyrite matrix, quartz pebble conglomerate zones.

The Apple uranium deposit was in fact discovered in 1971 during an airborne survey. The International Nickel Company of Canada Limited ("INCO") and James Bay Development Corporation ("SDBJ") subsequently conducted an extensive joint exploration program from 1972 to 1975, with INCO as the operator. A total of 65 holes were drilled for a total of 14,000 metres, and the uranium conglomerates were traced over a distance of eight kilometres along an east-west axis.

d) Exploration

From 1972 to 1975, Canadian Nickel Company ("Canico") drilled 66 holes for a total of 14,445 metres on Apple in order to evaluate the uranium potential. In late 1974, Canico prepared a historical grade and tonnage estimate in all categories (these categories predated NI43-101) of 9,365,000 tons grading 0.054% U_3O_8. Their resource estimate was prepared only for a strike length of approximately 1,000 m and to a depth of approximately 300 m; the mineralized horizon remaining opened at depth.

Cautionary Note: *A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. The Company does not consider resources or reserves of an historical estimate to be mineral resources or mineral reserves, as these categories are defined in articles 1.2 and 1.3 of the National Instrument 43-101, as amended. The investor or reader should not rely upon this historical estimate.*

In 2006, Virginia completed a helicopter-borne, combined magnetic and radiometric orientation survey over most of the current property. The strongest radiometric anomalies were found to have a direct correspondence to the area drilled by Canico from 1972 to 1975.

On August 23, 2007, two Company's representatives visited the property as part of a due diligence process, accompanied by two representatives of Virginia and guided by Jean-François Ouellette of Geonordic Technical Services Inc. and Michel Gauthier, Ph.D., a professor at UQAM and Liège University in Belgium. Mr. Gauthier is very familiar with the geological context of the Apple property and has extensive experience in the uranium of the James Bay region, having been involved there since the 1970s.

During the field visit, two outcrops 2.9 km apart, both belonging to the Apple Formation, were seen. The strength and size of the system were also witnessed.

The second outcrop, which corresponded to the radiometry anomaly that led to the Apple discovery, is exposed over about 75 metres along strike. Readings from a few thousand to 10,000 counts per second were taken during the visit. The Company's goal was to substantially increase the existing estimated resource of about 9.0 million pounds of U_3O_8 given that the prospection unit (Apple Formation) was traced over a distance nearly 14.0 km while the resource calculated by Canico were limited to a 1.0 km strike length.

In the fall of 2007, the Company conducted a helicopter-borne radiometry survey covering the entire property. This survey led to the identification of new radiometry anomalies and confirmed those identified by earlier surveys.

In early January 2008, the Company began building a 14-person camp. A 4,000 drilling program started as soon as construction was completed in mid-February. Various targets were to be tested.

The 2008 budget for the Apple property was $2.3 million. Five twin holes covered a strike length of 1.1 km where the resource had been estimated by Inco, while the other holes tested new radiometry anomalies identified by the helicopter-borne survey conducted by the Company in the fall of 2007.

From February to April 2008, 13 holes totalling 3,357 metres were drilled on the property, including four holes to twin Canico's intersection and five holes to infill along the favorable Apple trend. The holes drilled by the Company were successful in confirming the lateral and vertical continuity of the uranium mineralization within the Apple Formation.

As of March 2008, five holes totalling 1,668 metres had been drilled. The first four holes (AP-08-01 to 04: 1,413 metres) were drilled near old holes drilled by INCO in the 1970s (twin holes) to confirm the geology and verify the mineralized zones intersected by the old holes, drilled over a linear distance of one kilometre. The casings of the twinned holes were located on the property.

In the four twinned holes totalling 1,413 metres (AP-08-01 to 04), the main geological units intersected were the same and in virtually the same position as those shown on INCO's drill sections (GM57894). There was also good correlation between the conglomerate beds identified by INCO and those seen in the 2008 holes. The conglomerate beds were where they were expected to be with similar grades. The grades and thicknesses obtained by INCO and those for the 2008 twin holes were correlated once the assay results had been received.

The results of these first four holes provided the basis for a *Regulation 43-101*-compliant technical report dated June 2, 2008, entitled*: Technical Report on the Apple Project, James Bay Area, Northwestern Québec, Canada prepared for Strateco Resources Inc. NI 43-101 Report* prepared by R. Barry Cook, M.Sc., P.Eng. and Paul Chamois, M.Sc., P.Geo. of RPA.

Scott Wilson RPA was of the opinion that the Company's Apple project merited considerably more uranium exploration and a substantial work program was recommended. RPA recommended work on the Phase I program, beginning as soon as practical in early summer 2008 and continuing through winter 2009. The Phase I program included: i) line cutting and ground geophysical surveys (magnetics, radiometrics, Induced Polarization (IP)) and geological mapping along the main Apple trend, ii) prospecting and sampling along the main Apple trend and investigating airborne radiometric anomalies elsewhere, and iii) diamond drilling primarily along the main Apple trend, for a proposed budget of $4,176,000.

According to Scott Wilson RPA, a Phase II program should be planned for early summer 2009 and consist of first pass definition drilling in the most attractive areas. Advancing to Phase II with a proposed budget of $6,011,000 would be however contingent upon positive results from Phase I.

Five holes totalling 1,263 metres (AP-08-05, 10, 11, 12 and 13) were drilled to test the lateral extensions of the mineralized zones outlined by Canico for the resource estimate done between Sections 4400 West and 1100 West. With the exception of hole AP-08-13 drilled on Section 4400 West, the other holes were drilled east of Section 1100 West over a lateral distance of 790 metres, at an average spacing of 150 metres, with the exception of the most easterly hole, AP-08-10, 370 metres from hole AP-08-11. (Sections 4400 West and 1100 West can be found on the Company's website at www.stratecoinc.com).

Of these four holes, only Hole AP-08-10 did not intersect uranium mineralization. Hole AP-08-05 centered on an important radiometric anomaly, was successful, intersecting three mineralized zones from 3.7 metres to 7.1 metres long and grading an average of 0.03% U_3O_8.

Holes AP-08-11 and 12 each intersected two mineralized zones averaging 3.5 metres. The best intersection was in hole AP-08-12. Hole AP-08-13 drilled on Section 4400 West intersected the mineralization over thicknesses of 2.5 and 3.6 metres.

The four other holes totalling 710 metres (AP-08-06 to 09), drilled to investigate certain radiometric anomalies identified by the 2007 airborne survey in the southern portion of the property, did not intersect any significant mineralization.

Hole #	Results
AP-08-05	0.03% U_3O_8 over 3.7 at 7.1 metres
AP-08-11	Between 0.02 and 0.06% U_3O_8 over 3.5 metres (average length)
AP-08-12	Between 0.02 and 0.06% U_3O_8 over 3.5 metres (average length) including 0.06% U_3O_8 over 4 metres
AP-08-13	0.04% U_3O_8 over a thickness of between 2.5 and 3.6 metres

Exploration work on the Apple property consisted primarily of prospecting, channel sampling and geological reconnaissance carried out on the basis of the results of an airborne radiometry survey conducted in the fall of 2007. Field work took place from June 5 to August 9, 2008.

The geological reconnaissance revealed five main outcrops, each with different anomalous bands generally corresponding to the uranium-bearing quartz pebble/pyrite matrix conglomerate. Subsequent, tighter prospecting of each of the outcropping areas allowed the uranium zones to be precisely traced to determine their morphology, which is primarily controlled by ductile/fragile deformation. Systematic GR-135 spectrometer readings were taken to characterize the various anomalous bands and determine their uranium content.

The Apple uranium-bearing conglomerates were also traced over a distance of nearly 8 km along the northern contact with the Yasinski volcano-sedimentary formation. Many readings were obtained for each outcrop, ranging from a few thousand to up to 10,000 counts per second ("cps"). Four of the five outcrops returned values of 5,000 to 13,000 cps. Some anomalous bands also returned values of up to 20,000 cps. The uranium content of the main Apple band therefore ranges from 0.082% to 0.330% eU_3O_8 in the richest zones. The average uranium/thorium ratio is about 0.75.

In addition to having better outlined the Apple formation, the exploration work in this program revealed fold zones in the conglomerate horizons that do not seem to have been identified by earlier work. The presence of these folds could entail the repetition of the uranium bands to the south of and parallel to the main band.

Given the extent of the pyrite-matrix uranium-bearing conglomerates as well as their degree of deformation, a 42 line/km induced polarization survey was performed in mid-August 2008 following the geological prospecting program to locate the anomalous conglomerates at depth and identify new drill targets south of the 8-km-long Apple formation.

Preliminary data was received at the end of September 2008 for holes not included in the *Regulation 43-101* report.

The Company did not do any exploration work on the Apple property in 2009, 2010 or 2011.

(7) QUÉNONISCA PROPERTY

The Quénonisca property consists of 33 claims for a total area of 1,799 hectares. It lies 180 kilometres northwest of Chibougamau, Québec, Canada.

On February 26, 1996, Altavista Mines Inc. ("Altavista") obtained an exclusive, irrevocable option from SOQUEM to acquire a 50% undivided interest in the Quénonisca property as consideration for exploration work to be carried out under SOQUEM's direction for a total of $75,000, plus an undertaking by Altavista to subsequently finance a minimum of $127,500 in exploration work by February 28, 1997. In 1997, stripping and drilling were carried out on the property. In 1998, three sulphide occurrences in stockworks were discovered on the Montagnes-Nord grid by SOQUEM.

Drill Hole	Location (m)		Length (m)	Results
	From:	To:		
1187-97-01	116.6	118.1	1.5	0.12% Zn
	136.1	137.6	1.5	0.16% Zn
1187-97-02	110.5	111.1	0.6	0.15% Zn, 0.16 g/t Ag
	113.5	114.4	0.9	0.28% Zn, 2.4 g/t Ag
	120.4	124.9	4.5	0.20% Zn, 1.2 g/t Ag
1187-97-03	37.5	38.7	1.2	0.25% Zn, 1.9 g/t Ag
	65.1	72.3	7.2	0.18% Zn, 2.6 g/t Ag
	including			
	68.1	69.6	1.5	0.26% Zu, 3.5 g/t Ag, 0.12% Cu
1187-97-04	96.3	98.8	2.5	0.34% Zn, 6.0 g/t Ag, 0.17% Pb
	102.4	103.5	1.1	0.32% Zn, 5.9 g/t Ag, 0.57% Pb
	112.0	113.5	1.5	0.21% Zn, 3.0 g/t Ag, 0.13% Pb
	120.8	123.8	3.0	0.19% Zn, 2.3 g/t Ag, 0.12% Pb
1187-97-05	**79.4**	**83.2**	**3.8**	**1.08% Za, 7.5 g/t Ag, 0.44% Pb**
including	**81.0**	**81.9**	**0.9**	**2.00% Zn, 7.0 g/t Ag, 0.53% Pb**
1187-97-06	No significant value			
1187-97-07	60.9	61.5	0.6	6.58 g/t Au
1187-97-08	22.1	22.8	0.7	0.48 g/tAu

In 1999, SOQUEM carried out a linear 19.6 line-kilometre magnetometer and Max-Min survey on the Montagnes-Nord grid. Multiple conductors were detected by this survey.

The Company acquired a 50% undivided interest in the Quénonisca property (the "Quénonisca property") from Altavista on July 13, 2000. The Company and SOQUEM each have a 50% interest in the property. In the event of production, each partner will be entitled to its share of production, but should a party's interest be 10% or less, that party will have to transfer its interest to the other party and will then be entitled to a 1% NSR.

In the fall of 2000, SOQUEM conducted a 1,050-metre, eight-hole drilling program in order to test the best conductors detected in 1999. Numerous sections of mineralized cherts were intersected. Several lenses of pyrrhotite-rich massive sulphides were identified. The Company contributed 50% of the total $201,173 program cost for 2000.

No significant work was carried out on the Quénonisca property since 2001. The mining claims were renewed in 2008 but no exploration work took place on this property.

The Company did not do any exploration work on the Quénonisca property in 2011.

10. DIVIDENDS AND DISTRIBUTIONS

a) Dividends

The Company has not paid dividends since incorporation, and as of March 21, 2012, did not expect to pay dividends in the foreseeable future. At present, the Company's policy is to retain earnings, if any, to finance exploration on its properties. The payment of dividends in the future will depend upon, among other factors, of the Company's earnings, capital requirements and financial conditions.

b) Dividend Policy

The Company has not declared any cash dividend on its outstanding common shares since incorporation. Any dividend payment will depend on the Company's financial requirements for its exploration programs, its level of growth and other factors deemed pertinent by the Board of Directors under the circumstances. It is unlikely that a dividend will be paid in the foreseeable future.

11. CAPITAL STRUCTURE

a) Information on Outstanding Shares

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

The Company has a stock option plan for its officers, directors, key employees, consultants and suppliers' employees. The board of directors sets the conditions for acquiring the common stock options according to quantity and exercise price, for a maximum term of five years. The strike price of the options granted may not be less than the market price, which corresponds to the weighted average price based on the volume and value of the shares traded on the Toronto Stock Exchange for the five days preceding the option grant. The options granted are valid for a period established by the board of directors, not to exceed five years from the date the options are granted. At December 31, 2010, the number of common shares reserved for common stock option grants was 10,654,586. The maximum number of options that can be granted to any participant may not exceed 5% of the issued and outstanding shares of the capital stock.

At March 21, 2012, the Company had 167,203,730 shares issued and outstanding, 5,084,500 stock options issued and outstanding, exercisable at strike prices ranging from $0.50 to $3.37 each, with expiry dates ranging from April 11, 2012 to June 27, 2016. In fiscal 2011, the Company granted 1,129,500 stock options at a strike price of $0.50 per share (1,302,000 stock options at a strike price of $1.00 per share in 2010) to officers, directors, consultants and employees of the Company's suppliers. These options are exercisable for a five-year period following the grant date.

At March 21, 2012, the Company had 18,099,024 warrants outstanding. The following table provides details on strike price and expiry of the outstanding warrants:

Issue Date	Number of Warants Issued	Expiration	Exercise Price per Share	Exercise Period
2010-01-27	8,289,474	2013-01-27	1.05 $	24-36 months
2010-11-26	500,000	2012-11-26	1.05 $	0-24 months
2010-12-23	5,719,550	2012-12-23	1.05 $	0-24 months
2011-12-23	500,000	2013-12-23	0.75 $	0-24 months
2012-02-29	3,090,000	2014-03-01	0.65 $	0-24 months
Total	**18,099,024**			

The Company has also reserved a total of 15,689,474 common shares on the TSX for the future conversion of 14,905 convertible notes.

b) Information on Outstanding and Reserved Shares

	On March 21, 2012
	Number
Common shares outstanding	167,203,730
Reserved shares for future exercise of outstanding stock options	5,084,500
Reserved shares for future exercise of outstanding warrants	18,099,024
Reserved shares for future conversion of outstanding notes	15,689,474
Common shares outstanding or reserved - diluted	**206,076,728**

12. MARKET FOR SECURITIES

a) Trading Price and Volume

The Company's securities were traded in Canada as Strateco Resources Inc. ("RSC") on the Bourse de Montréal Inc. from November 7, 2000 to September 30, 2001, on the Canadian Venture Exchange (CDNX) from October 1, 2001 to May 15, 2002 and on the TSX Venture Exchange, from May 15, 2002 to June 5, 2007. The Company graduated to the Toronto Stock Exchange on June 6, 2007.

The following table indicates monthly prior sales of the common shares for the last fiscal year up until the most recent date of **March 15, 2012**, on the Toronto Stock Exchange:

2011	**High**	**Low**	**Volume**
January	$1.220	$0.840	9,075,613
February	$1.340	$0.900	9,323,835
March	$1.090	$0.500	14,859,898
April	$0.790	$0.580	5,896,379
May	$0.640	$0.510	4,150,463
June	$0.590	$0.450	2,974,733
July	$0.500	$0.420	3,852,033
August	$0.500	$0.360	5,759,413
September	$0.500	$0.370	3,994,275
October	$0.445	$0.365	3,961,210
November	$0.480	$0.405	2,764,516
December	$0.475	$0.390	3,257,126
2012			
January	$0.570	$0.430	8,504,740
February	$0.630	$0.480	5,671,674
March 1 to March 15, 2012	$0.560	$0.470	1,759,433
Total			**85,805,341**

On March 15, 2012, the closing price of the common shares on the TSX was $0.55 per share. The Company is not listed for trading on any securities exchange in the United States, and there has been no active market in the United States for the common shares except for over the counter quotations by Pink Sheets. Such over the counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions and have not been taken into consideration in the preceding table.

b) Price Fluctuations and Share Price Volatility

Securities markets in Canada have experienced a high level of price and volume volatility in recent years, with many resource companies experiencing wide price fluctuations not necessarily related to operating performance or underlying asset values of such companies. The Company's shares traded between $0.365 and $1.340 in 2011 and between $0.430 and $0.630 from January 1, 2012 to March 15, 2012. There can be no assurance that the Company's share price and volume will not continue to fluctuate materially in the future.

c) Prior Placements

Placements closed during the financial year ended December 31, 2011 and up until March 21, 2012, are described in detail in **Section 6. GENERAL DESCRIPTION OF THE BUSINESS, f) Sources of Financing** of this AIF.

13. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTIONS

The Company has no escrowed securities or securities subject to contractual restriction or transfer. However, the Company has issued securities subject to a restriction on trading for a four-month period following the closing date of the private placements described in Section **6. GENERAL DESCRIPTION OF THE BUSINESS, f) Sources of Financing** of this AIF, as provided for by securities regulations.

14. DIRECTORS AND OFFICERS

a) Name, Occupation and Security Holding

The following table presents the name and province of residence of each director and officer of the Company, his principal occupation during the last five years and the date on which he began to exercise his duties with the Company. All the directors and officers remain in office until the next general annual meeting of shareholders of the Company or until a successor is appointed.

Name and Position in the Company	Principal Occupation during the Last Five Years
GUY HEBERT Québec, Canada Chairman of the Board of Directors, President and Chief Executive Officer and Director since 2000	- President Strateco Resources Inc . (Since 2000) - President BBH Géo-Management Inc. (Since 1992)
JEAN-PIERRE LACHANCE Québec, Canada Executive & Exploration Vice President and Director since 2000	- Executive & Exploration Vice President,Strateco Resources Inc. (Since 2000); - Vice President BBH Géo-Management Inc. (Since 2004)
ROBERT DESJARDINS Québec, Canada Director since 2001	- President of Robert G. Desjardins & Associés Inc. (Since 1989)
JEAN-GUY MASSE Montréal, Québec, Canada Director since 2000	- President of Northern Precious Metal Funds Management Inc. (Since 2003); - President of Masvil Capital Inc. (Since 1992) -
HENRI LANCTÔT Québec, Canada Director since 2007	- Associate of Gowling Lafleur Henderson LLP (2000 to 2010); - Retired (Since 2010).
MARCEL BERGERON Québec, Canada Director since 2007	- President of Devimco Inc. (2006 to 2009) - Nevado Resources Corporation (Since 2009) - Quinto Real Capital Corporation (Since 2010) - Kilkenny Capital Corporation (Since 2010) - Northern Precious Metals Limited Partnership 2011 (Since 2011)
PAUL-HENRI COUTURE Québec, Canada Director since January 2011	- Investment Manager for Caisse of dépôt et de placement (1983 to 2009) - President, The Sentient Group Management Funds (Since 2009)
YVON ROBERT Québec, Canada Vice President, Finance and Chief Financial Officer since July 2011	- Vice President, Finance, Strateco Resources Inc .(Since 2011) - Director, Finance and Administration of Vision 2 International Inc. (2002 to 2008) - Chief Financial Officer of Opti-Coating Laboratories Inc. (2008 to 2009)
PIERRE H. TERREAULT Québec, Canada Vice President, Operations and Engineering since April 2008	- President of Wesdome Mines (2004 to 2007) - Mining Director and Head of Projects, Opinaca Mines (Goldcorp) (2007 to 2008); - Vice President, Operations and Engineering, Strateco Resources Inc. (Since 2008).

The following table shows the number of shares heald directly or indirectly by directors and senior executives of the Company:

Name of Director or Senior Executive	Common shares ("shares")	Common Stock Options ("options") [1]
GUY HEBERT [2] [3]	532,000 shares (D) 5 531,614 shares (I)	650,000 options
JEAN-PIERRE LACHANCE [4]	278,600 shares	550,000 options
ROBERT DESJARDINS [4]	100,000 shares	375,000 options
JEAN-GUY MASSE [4]	93,000 shares	375,000 options
HENRI LANCTÔT [4]	50,375 shares	375,000 options
MARCEL BERGERON [4]	27,000 shares	375,000 options.
PAUL-HENRI COUTURE [4]	0- shares	0- options
YVON ROBERT	0- shares	100,000 options
PIERRE H. TERREAULT	8,000 shares	525,000 options
TOTAL	**6,620,589 shares**	**3,325,000 options**

(i) The number of common shares ("shares") and common stock options ("options") held directly ("D") or indirectly ("I") by the directors and officers as at March 15, 2012. The number of common shares held in direct or indirect property or over which the holder exercises control as shown as of March 15, 2012, is based on information disclosed to the Company by individual directors and officers. Unless otherwise indicated, these shares are held directly.

(ii) Mr. Hébert holds a total of 532,000 common shares and 650,000 stock options directly and 5,531,614 common shares indirectly though a company mentioned in **Section 17, SENIOR MANAGEMENT AND OTHER INSIDERS, a) Related-party Transactions**, of which he is a president and sole director. As such, these shares are under his control.

(iii) Together, the directors and officers hold, directly and indirectly, a total of 6,620,589 common shares of the Company, representing 3.95% of 167,203,730 outstanding common shares of the Company as of March 15, 2012.

(iv) Marcel Bergeron, Jean-Guy Masse and Robert Desjardins are members of the Audit Committee; Henri Lanctôt, Marcel Bergeron and Paul-Henri Couture are members of the Compensation Committee and the Governance and Nominating Committee.

b) Cease Trade Orders, Bankruptcies, Penalties and Sanctions

(i) Messrs. Guy Hébert and Jean-Pierre Lachance were directors and officers of Lyon Lake Mines Ltd. ("Lyon Lake"). The *Autorité des Marchés Financiers* and the British Columbia Securities Commission issued two cease trading orders on the shares of Lyon Lake, the first from July to November 2000 and the second from May 2001 to February 2003. Lyon Lake ceased its activities on May 8, 2001. All the directors resigned, and Guy Hébert was named as Lyon Lake's agent. The shares of Lyon Lake were delisted from the TSX Venture Exchange on February 26, 2003.

(ii) As at the date of this AIF, none of the Company's directors and officers is, or was during the 10 years preceding that date, a director or senior executive of the Company or any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; and

(iii) During the 10 years preceding the date of the AIF, none of the Company's directors and officers became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject

to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

c) Conflicts of Interests

The Company's directors and senior executives may also hold office with other public companies or own material assets in other public mining companies and thus may find themselves in a conflict of interest when the time comes to negotiate or decide on the method or scope of agreements when such other mining companies are involved in the same venture. Directors who are in conflict of interest withdraw from the meeting room where the board of director or committee meetings are held and do not participate in any capacity in the discussions leading up to the decision.

15. PROMOTERS

Mr. Guy Hébert, President and director of the Company, can be considered as the promoter of the Company in light of his role in managing the business of the Company since its incorporation.

Mr. Hébert does not receive any salary or compensation for his services as director and Chief Executive Officer directly from the Company, but receives a salary from BBH Geo-Management Inc. ("BBH") for services rendered to the Company as President under the services agreement between BBH and the Company, and is entitled to receive Company stock options as an incentive.

16. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

a) Legal Proceedings

There are no legal proceedings against the Company.

b) Regulatory Actions

(i) No penalties or sanctions were imposed on the Company by a court under securities legislation or by a securities regulator during the financial year.

(ii) No other penalties or sanctions have been imposed on the Company by a court or regulatory body.

17. MANAGEMENT AND OTHER INSIDERS

a) Related-party Transactions

In the past three years, the Company has conducted the following transactions with another company, BBH Géo-Management Inc. ("BBH"), for which the Company's director and president, Guy Hébert, also serves as sole director and president. The Company and BBH, a related company, have entered into a monthly services agreement, effective August 1, 2011, whereby BBH provides the Company with management services, including exploration work. See under Related-Party Transactions in the annual management discussion and analysis and audited financial statements for 2009, 2010 and 2011 filed on SEDAR at www.sedar.com, and the table below for more details concerning the transactions between BBH and the Company in the last three years.

BBH bills the Company the costs and expenses of various services, include the following:

- Use of BBH's offices and equipment for a monthly charge of $5,200, reviewed annually on July 31;

- 5% management fee on all costs related to exploration and development programs and capital expenditures related to the Matoush property;
- A management fee of 10% on all costs related to exploration and development programs on the other properties: Matoush Extension, Eclat, Pacific Bay-Matoush, Mistassini, Apple and other future properties, and of 5% on all purchases related to exploration projects or option and joint venture agreements on the Matoush Extension, Eclat, Pacific Bay-Matoush, Mistassini, Apple and other future properties;
- Management, administration, accounting and legal services;
- Consulting services, including geology;
- Relations with investors and regulatory authorities;
- Identification of sources of financing.

The Company's Board of Directors approves the fees to be paid to BBH without Guy Hébert being present. Such fees are equivalent to what the Company would otherwise pay to an unrelated third party in the industry.

The Company concluded the following transactions with BBH in the past three years:

Exploration and evaluation expenses capitalized under deferred expenditures in statement of financial position	**December 31, 2011**	**December 31, 2010**	**December 31, 2009**
	$	**$**	**$**
Consultants and subcontractors	3,318,000	3,695,000	2,937,000
Management fees	620,000	848,378	632,000
In the statement of income			
Consultants and professional fees	1,157,000	917,000	679,000
Office expenses	66,000	62,000	62,000
Management fees charged against property and equipment	62,000	328,341	12,000
Share issue expenses charged against share capital	-	38,000	2,000

In addition, a company controlled by the chief financial officer and treasurer in office from June 9, 2009, until May 12, 2010, charged accounting fees of $81,204 for the year ended December 31, 2010.

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

18. TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada, Computershare Investor Services Inc., Securities Transfer Department, whose Montreal office is located at 1500 University, Suite 700, Montreal, Québec H3A 3S8, is the transfer agent for the Company's securities, and the people assigned to the Company's account are: Jeff MacKean, M.I.F. Director of Customer Services for the common shares and Fabienne Pinatel for the Company's warrants pursuant to a warrant indenture agreement dated December 23, 2010.

19. MATERIAL CONTRACTS

The Services Agreement between BBH Géo-Management inc. and Strateco Resources Inc. dated August, 1, 2011, which is still in force, can be found in **Appendix B** to this annual information form.

20. INTERESTS OF EXPERTS

None of the experts who have written or certified a report, an evaluation, a statement or a notice described, included or mentioned in a document filed pursuant to *Regulation 51-102* respecting continuous disclosure obligations during the past fiscal year ended December 31, 2011, or related to that year, holds securities of the Company or has been granted securities of the Company.

21. ADDITIONAL INFORMATION

The Company discloses regularly additional information by filing press releases and other reports on its website (www.stratecoinc.com) and the SEDAR website (www.sedar.com).

Furthermore, additional information, including compensation information for directors and officers, the names of the principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's Management Information Circular dated May 3, 2011, and filed on SEDAR.

Additional financial information is also provided in the financial statements and management discussion and analysis for the Company's most recent financial year.

22. AUDIT COMMITTEE INFORMATION

a) Audit Committee Rules

The following rules, which constitute the Audit Committee Charter adopted on April 12, 2005, are appended to the Management Information Circular dated May 3, 2011, filed on SEDAR, at www.sedar.com.

b) Constitution, Composition and Quorum

The Board appointed an audit committee by way of a resolution. The committee is composed of a minimum of three directors, all of whom should be financially literate in accordance with the applicable securities laws, regulations and policies, including *Regulation 52-110 respecting Audit Committees*. All three members of the Audit Committee are independent directors. Each member of the Audit Committee is, amongst other things, able to read and understand financial statements. The majority of the members are Canadian residents. A majority of the members of the committee constitutes quorum. The Audit Committee has the authority to appoint a chairman and a vice chairman.

c) Powers and Authority

In the performance of its mandate, the committee has the right to examine the books, registers and accounts of the Company and to discuss such matters, as well as any other matters in connection with the Company's financial position, with the Company's officers and external auditors.

The external auditors report directly to the Audit Committee, and the committee has the authority to communicate directly with the external auditor. The external auditors are present at all meetings of the committee where reports or financial statements that it has prepared or where public communications based upon such reports or financial statements are to be examined or approved by the committee. The external auditor can also be invited to other meetings. The chairman of the committee must convene a meeting of the Audit Committee if requested to do so by the external auditor. The Audit Committee meets privately with the external auditor, without management being present, at least once per year for the presentation of the annual financial statements and at any time on request.

The committee has the right to call upon any employee of a services supplier supplying services to the Company to ask them about the Company's financial indormation, and may and shall investigate any complaint or concern raised with regard to accounting, internal accounting controls or the audit.

If the Audit Committee deems it appropriate, it can retain legal counsel or other independent counsel to assist it in fulfilling its duties and responsibilities, and it has the power and authority to approve and ensure payment of their fees and disbursements.

d) Delegation

The Audit Committee cannot delegate to management any of the responsibilities that are part of its mandate. However, the committee may delegate to one or more of its independent members the authority to pre-approve non-audit services, provided that the pre-approval is presented to the Audit Committee at its first scheduled meeting following such pre-approval and that the conditions of *Regulation 52-110 respecting Audit Committees* and the pre-approval policies and procedures are adopted by the Audit Committee.

e) Reports

The Audit Committee must report to the Company directors on its work, activities and decisions at the following directors'meeting, providing information on all topics discussed, decisions taken, means used to investigate and verify the reports, statements and documents submitted and the level of satisfaction of the members of the committee therewith, unresolved issues, disagreements and decisions taken.

f) Compensation

The Board of Directors determines the compensation paid to the members of the Audit Committee for their services.

g) Audit Committee Mandate and Duties

1. The Audit Committee must recommend to the Board of Directors:

   i) the external auditors to be appointed for the purpose of preparing or issuing an audit report or performing other audit, review or certification services for the Company; and

   ii) the external auditors' compensation.

2. The Audit Committee is directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or certification services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

3. The Audit Committee pre-approves all non-audit services to be provided to the Company by the external auditors.

4. The Audit Committee reviews the Company's annual and interim financial statements, management discussion and analysis and related press releases before the Company releases them publicly.

5. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the its financial statements, other than the public disclosure referred to in subsection 4, and must periodically assess the adequacy of those procedures.

6. The Audit Committee must establish procedures for:

   i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

   ii) the confidential, anonymous submission by employees of the Company's service suppliers of concerns regarding questionable accounting or auditing matters.

7. The Audit Committee must review and approve the Company's hiring policies regarding partners, employees and former partners or employees of the Company's present and former external auditors.

h) Composition of the Audit Committee

In the financial year ended December 31, 2011, the Audit Committee was composed of Jean-Guy Masse, Robert Desjardins and Marcel Bergeron, independent directors with the financial literacy required to fulfill their obligations as committee members.

i) Relevant Training and Experience

The following is a summary of the relevant education and experience of each member of the Audit Committee for the performance of his duties as a member of the Audit Committee, to understand the accounting principles used by the Company to prepare its financial statements, to generally assess the use of the accounting principles related to recognition of estimates, amounts receivable, amounts payable and reserves, and to grasp the internal controls and the financial information communication procedures used in mining exploration and development companies such as the Company.

Jean-Guy Masse has been President of Northern Precious Metals Funds Inc. since 2003 and President of Masvil Capital Inc. since 1992. He was Chairman of the Board of Metco Resources Inc. from 1999 to 2003, President of Orléans Resources Inc. from 1992 to 1998, and Vice President of Dundee Capital Inc. and President and Chief Executive Officer of CMP Fund Management Ltd. from 1984 to 1992. Mr. Masse is also a director of mining companies listed on the TSX Venture Exchange. Mr. Masse holds a B.Sc. from École Polytechnique in Montreal and an M.Sc. from Stanford University, California, U.S.A. He has also been a member of the Montreal CFA Society since September 1975.

Robert Desjardins holds a Bachelor's of Commerce degree from the *École des Hautes Études Commerciales* (HEC Montréal) and is a member of the *Corporation des administrateurs agréés du Québec*. He has been President of Robert G. Desjardins & Associates Inc., a firm specializing in corporate finance and the development of financial products, since 1989.

Marcel Bergeron earned a bachelor's degree in accounting science from *Université du Québec à Montréal* (UQÀM) in 1981, and has been a member of the *Ordre des Comptables en Management Accrédités du Québec* since June 1981 and of the *Ordre des Comptables Agréés du Québec* since December 1983. He was a partner at PETRIE RAYMOND, LLP, Chartered Accountants, the Company's auditors, from July 1990 to June 2006, when he joined Devimco Inc., a real estate management company, where he was general manager until 2009. Mr. Bergeron has been Vice President Finance and Chief Financial Officer of Nevado Resources Corporatin since 2009, and Vice President Finance of Kilkenny Capital Corporation and Quinto Real Capital Corporation since 2010. He has also been Vice President Finance of Northern Precious Metals Partnership 2011 since 2011. Mr Bergeron has also been a director of Matamec Explorations Inc. since 2009, Jourdan Ressources Inc. since 2010 and Tomagold Corporation since 2011.

4. Use of Exemptions

Since the beginning of the last fiscal year ended December 31, 2011, the Company has not claimed any exemptions or provisions under Articles 2.4, 3.2, 3.4, 3.5, 3.6 or 3.8 or paragraph 2 of Article 3.3, or any exemptions granted by the *Autorité des marchés financiers* under Part 8 of *Regulation 52-110*.

5. Pre-Approval Policies and Procedures

The Company hires accountants to render audit services on the approval once the Company's Audit Committee.

With respect to the provision of services other than audit, review or certification services, Audit Committee pre-approval is waived if the aggregate amount of all such services provided is less than five percent of the total amount paid by the Company to its accountant during the fiscal year in which the services are provided. Such services must be promptly brought to the attention of the Company's Audit Committee and approved by the Audit committee prior to the completion of the audit, or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approval has been delegated by the Audit committee.

23. AUDITORS' FEES AND SERVICES

a) Audit Fees

The Company changed external auditors at the date of the annual general and special meeting of shareholders, on May 27, 2010, for the audit of the financial statements of the financial year ended December 31, 2010, and PricewaterhouseCoopers, LLP/s.r.l./s.e.n.c.r.l. ("PwC") were reappointed at the following annual general meeting of shareholders on June 8, 2011, to audit the financial statements for the year ended December 31, 2011. The Board of Directors was given the mandate to fix the external auditors' fees.

In the last two financial years, PwC has provided the Company with professional services in the total amount of $240,500 for the audit of the annual financial statements for the years ended December 31, 2010 and 2011. The Company also paid PwC's professional services in relation to the quarterly reports for the years ended December 31, 2010 and 2011 at a total of $136,000.

Fees for services rendered by PwC during the year ended December 31, 2010, amounted to $61,500 for the quarterly filings in March, June and September 2010, including review of the 10-Q forms, and $147,000 for the 2010 annual report (including letters for the U.S. Securities & Exchange Commission ("SEC") .

On March 15, 2011, the Company filed Form 15F with the U.S. Securities & Exchange Commission to delist its common shares in accordance with Section 12(g) of the Securities and Exchange Act of 1934. The obligation to file interim reports under 10-Q quarterly forms for March and June 2011, as well as the 10-K annual report for the year ended December 31, 2010, and the preparation of the U.S. GAAP and internal controls to meet the requirements of Section 404 of the *Sarbanes Oxley Act*, were immediately suspended as of March 15, 2011, the date of the filing of Form 15F, and final delisting took effect 90 days later, on June 15, 2011.

The Company paid $74,500 in fees to PwC for the March, June and September 2011 quarterly filings. The Company estimates fees paid to PwC for the filing of the 2011 annual report at $70,000. The Company also estimates that it paid $35,000 for audit procedures related to the first annual financial statements under IFRS at December 31, 2011, as shown in the following table:

March 31, 2010, June 30, 2010 and September 30, 2010, including review of 10-Q forms	$61,500
2010 Annual report	$135,500
SEC letters for 2010	$11,500
March 31, 2010, June 30, 2010 and September 30, 2010, including review procedures for the first financial statements under IFRS at March 31, 2011	$74,500
2011 Annual report	$70,000
Audit procedures for the first financial statements under IFRS for 2011	$35,000
TOTAL:	**$388,000**

b) Fees for Audit-Related Services

The Company incurred fees of $3,000 payable to PwC for professional services related to the transition to IFRS for the year ended December 31, 2010, and of $98,250 for the year ended December 31, 2011.

c) Fees for Tax-Related Services

Total fees charged for professional services provided by the external auditor in relation to compliance with tax rules, tax advice and tax planning in the past two financial years are as follows:

Fiscal year ended December 31, 2010: $25,850
Fiscal year ended December 31, 2011: *$12,950
*Estimated fees

On the recommendation and pre-approval of the Audit Committee, the Company retained the services of PwC to prepare and review the Company's 2010 and 2011 income tax returns.

d) Other Fees

For the year ended December 31, 2010, the Company incurred a total of $8,550 in fees payable to PwC for assistance in relation to consultations on internal controls and for Canadian Public Accountability Board fees. The Company did not incur any fees for the year ended December 31, 2011, in relation to this section **d) Other Fees**.

APPENDIX "A": QUALITY ASSURANCE AND QUALITY CONTROL

DETAILED ANALYTICAL PROCEDURES FOR URANIUM EXPLORATION

QUALITY ASSURANCE AND QUALITY CONTROL

The sampling program in effect on the Matoush Project, including all aspects of quality assurance and quality control, is supervised by Jonathan Lafontaine, P. Geo, the Company's Chief Geologist, who acts as a qualified person under *Regulation 43-101* stipulations. Mr. Lafontaine has supervised the establishment of the information forming the basis of technical information and approved the information. Furthermore, because the Company is proactive when it comes to continuous improvement of its QA/QC mechanisms and protocols, additional measures not specifically described in this text may be in use.

ANALYTICAL EVALUATION OF URANIUM

SAMPLING TECHNIQUES

All drill core samples are split using a hydraulic core splitter by trained personnel in a room dedicated to this effect. Drill core is split on-site and is sample intervals can vary from 50 centimetres to 1 metre according to their geological characteristics. In certain peculiar geological conditions, samples can be narrowed to 30 centimetres but this is usually discouraged.

Samples are individually bagged and tagged and shipped using well defined protocols, notably those of Transport Canada. The Company also adds certified reference materials sold by CANMET, blanks, and re-splits samples to create quarter-core duplicate with a frequency approaching ten for every batch of 100 samples. The CRMs, blanks, and duplicates are randomly inserted into the sequence of samples being shipped.

While on-site prior to shipping, sealed samples are stored on-site in a secured location. Samples are shipped by aircraft to Chibougamau, from there are sent by messenger to the *Geoanalytical Laboratories of the Saskatchewan Research Council* («SRC») in Saskatoon. This laboratory is accredited by the Canadian Standards Association as a geoanalytical facility under the ISO/CEI 17023 norm.

a. GEOANALYTICAL METHOD

At their arrival at SRC, samples are grouped into lots as a function of their level of radioactivity, from non-radioactive, DOT 1 to DOT 4 as increasingly radioactive and R, radioactive. Samples are processed in their order of radioactivity to limit contamination. Samples are dried, and crushed until 60% of all particles are less than 2mm. A riffle splitter is used to obtain four sub-samples of 100 to 200 grams. These sub-samples are further pulverized until 90% of particles are reduced to 106 microns using a puck & ring mill. All material is cleaned between samples using steel wool and compressed air.

After sample preparation, the SRC makes several measurements to obtain uranium values. The 4-3R schedule is made by inductively coupled plasma optical emission spectroscopy (ICP-OES) on partial and total digestion aquilots. Optical emission spectroscopy is an analytical method capable of determining virtually all periodical elements at once. It is essentially a destructive method utilizing a relatively small mass of the sample to determine several elements from major oxides to trace elements (from several dozen% to a few ppm).

For samples with uranium values under 100 ppm, an additional fluorimetric partial digestion improves analytical accuracy. For samples with uranium values greater than 1000 ppm, an aqua regia digestion is completed for a U_3O_8 assay with an ICP finish.

b. DATA RECEPTION

Analytical results are received by email through an encrypted file. Data is imported automatically with no human intervention. Laboratory standards and laboratory duplicates are verified, as are our internal CRMs, blanks and duplicates. A suite of digital tools allows us to determine any possible analytical error. Analytical drift from expected results confirmed by our QAQC procedures triggers a batch re-analysis.

IN-SITU URANIUM VALUES USING A PROBE

On top of analytical assays for uranium, the Company uses a down hole logging tool to measure radioactivity in the drill rod string to estimate uranium values. Before the down-hole logging, the completed drill hole is washed with the rod

string in place to eliminate any traces of mineralization that may have accidentally contaminated the rod string and flush out any traces of radon. Results, usually expressed as counts per second.

Counts per second, usually abbreviated to “cps”, are a measure of radioactivity. The more gamma-ray emitting radioactive material is present in a source, the higher the cps value. This relationship is not linear in the sense that if a source measured to be 5000 cps is approximately equivalent to 1% U_3O_8, it cannot be said that a 25000 cps source is equivalent to 5% U_3O_8. But it does indicate that there is more radioactive material in the source emitting 25,000 cps than in the source emitting 5,000 cps.

Consequently, cps is a broad indication or estimate of the potential grade. While this is not always the case for various radioactive sources, drill core lends itself well to this comparison, because of its uniform size and shape.

Cps are converted to e$\mathbf{U_3O_8}$ **(equivalent $\mathbf{U_3O_8}$)** using generally accepted algorithms specifically calibrated for the Matoush project. This approach allows the Company to adjust its drilling activities as needed. The correlation between cps and grade is typically harder to constrain between grab samples and outcrops due to variable size and shape of the source. However, because the logging tool can be swept at a constant speed in a drill rod string after a drill hole is completed, the perfectly consistent geometry does allow a good interpretation of the uranium values.

The « **e** » in « **e$\mathbf{U_3O_8}$** » represents the **estimated** or **equivalent $\mathbf{U_3O_8}$** determined through a spectral or gamma ray detector. The “e” indicates that the value is not analytical through drill core sampling, but rather a conversion of in-situ radioactivity taking into account that radioactivity is entirely attributable to the presence of uranium in the rock. The Company is able to demonstrate with conviction that its mineralized intersections contain quantities of other radioactive elements (e.g.: thorium and potassium), that skewer results. Isotopic analyses completed by the company also indicate beyond reasonable doubt that, akin to most uranium deposits older than 0.35 million years, uranium is in secular equilibrium, i.e. that the rate of production of daughter isotopes is in equilibrium with the rate of disintegration of uranium isotopes.

In-situ down hole logging estimates are common place in the uranium exploration and mining industry.

Although a note could be attached to U_3O_8 values indicated their source, the Company prefers using, where needed, the eU_3O_8 notation for added clarity and as per the guidelines offered by the Canadian Institute of Mining (“CIM”): « Equivalent Assay: Determination of uranium content by radiometric methods ». The validity of Equivalent Assays must be demonstrated with chemical assay determinations. Where employed, equivalent uranium determinations should be reported and appropriately illustrated in the database (e.g. eU_3O_8). From: http://www.cim.org/committees/estimation2003.pdf, page 48 of 55 pages.

DOWN HOLE URANIUM ESTIMATES

On top of analytical assays for uranium, the Company uses a down hole logging tool to measure radioactivity in the drill rod string to estimate uranium values. Before the down-hole logging, the completed drill hole is washed with the rod string in place to eliminate any traces of mineralization that may have accidentally contaminated the rod string and flush out any traces of radon. Results, usually expressed as counts per second.

Counts per second, usually abbreviated to “cps”, are a measure of radioactivity. The more gamma-ray emitting radioactive material is present in a source, the higher the cps value. This relationship is not linear in the sense that if a source measured to be 5000 cps is approximately equivalent to 1% U_3O_8, it cannot be said that a 25000 cps source is equivalent to 5% U_3O_8. But it does indicate that there is more radioactive material in the source emitting 25,000 cps than in the source emitting 5,000 cps.

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radioactivity taking into account that radioactivity is entirely attributable to the presence of uranium in the rock. The Company is able to demonstrate with conviction that its mineralized intersections contain quantities of other radioactive elements (e.g.: thorium and potassium), that skewer results. Isotopic analyses completed by the company also indicate beyond reasonable doubt that, akin to most uranium deposits older than 0.35 million years, uranium is in secular equilibrium, i.e. that the rate of production of daughter isotopes is in equilibrium with the rate of disintegration of uranium isotopes.

In-situ down hole logging estimates are common place in the uranium exploration and mining industry.

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DOWN HOLE PROBING MÉTHODOLOGY

Each drill hole is measured from collar to end of hole, except for a single or double core barrel length and the length of a drill rod with is pulled to prevent the entire drill rod string from getting stuck. The down hole probing is completed by a trained technician employed by the Company after flushing the drill hole for one hour to eliminated any contamination by trace mineralization or radon.

Two types of down hole probes can be used. The first is a *Mount Sopris 2MGA natural gamma instrument* (2MGA) equipped with a sodium iodine detector and the second is a *Mount Sopris 2GHF triple gamma instrument* (2GHF) equipped with two Geïger-Müller detectors for high values and one sodium iodine detector

The Company also monitors several factors that may affect measurements such as cable stretch and slip during down hole probing. These two factors may generate as much as 1% (which means that there may as much as 1 cm offset with every metre probed). Stretch and slip are most likely due to the slight untwisting and twisting of cable as it descends down the drill hole and minor slip of the cable on the pulley that estimates length of cable winding into the drill hole. Stretch and slip factors are usually negligible, however, especially for drill holes shallower than 100m.

METHOD USED TO CONVERT DOWN HOLE PROBING RESULTS INTO EQUIVALENT URANIUM VALUES

Although each detector has a subtly nuanced algorithm, the basic principle remains the same for all tools. Once a simple correction is applied to compensate for the distribution of detectors in the instrument, the thickness of the steel casing and the presence of water in the rod string, data is massaged with a depth-centered 70 centimetre moving average. This correction removes spurious readings and narrow peaks that are unrepresentative of the uranium grade.

Excel macros use a 3rd degree polynomial formula for sodium iodine detectors and a 2nd degree polynomial formula for Geïger-Müller detectors to assign grade to a specific cps value for each measurement. Polynomial values are determined through controlled experimentation using a calibration drill hole with known analytical results. After that, the calibrated polynomial curve is acceptable until a maximum grade is encountered on the calibration curve. Thus, a multitude of cps values have a known associated uranium grade and a calibrated curve can be measured. If a cps value is encountered on the property that exceeds the maximum cps of the calibrated curve, the curve is considered invalid and the Company waits for analytical assays to recalculate the calibrated curve.

DOWN HOLE RADIOMETRIC DATA VERIFICATION

A calibration drill hole, MT-07-29, on which the Company has conducted complete analytical assays is probed at least one per month to ensure that there is no instrument drift and that the instrumentation works correctly.

Furthermore, before and after each drill hole is probed, the geotechnical ensures the proper functioning of the probe with a chip.

In order to ensure that the gamma probe was functioning properly and results were representative, the Company brought a specialist in calibration of spectral (gamma) probes in from Denver, Colorado. Consequently, probe methods and the algorithms used to convert cps values to eU_3O_8 were reviewed and checked by an independent consultant, Dr. Robert D. Wilson, a nuclear analysis and instrumentation specialist. Dr. Wilson concluded that the procedural methods were valid

and the protocols were appropriate for the remote environment in which the instruments were being used (Wilson, 2008).

RECONCILIATION BETWEEN ANALYTICAL AND RADIOMETRIC URANIUM GRADES

The Company considers the analytical values to be the most reliable data. However, logging data is used instead of analytical results if such results are not available due to missing core or analytical delays. The readings are also compared to the chemical analyses once these are received.

Logging data is compared to the geochemical grades once the sampling results are returned by the SRC. A natural variation of 5% to 10% may occur between the data sets, though generally variations tend to be less than 5%. It should also be noted that higher grade estimates tend to be more precise than lower grade estimates.

OTHER PROTOCOLS IN PLACE TO ENSURE QUALITY ASSURANCE AND CONTROL

Other implemented systems are in place to ensure proper quality assurance and control is achieved and enhanced through all aspects of the on-site operations. Chief among these are the density measurements as well as the radiometric measurements made on drill core. All these programs have in common the following points:

- A follow-up on calibration values;
- A manufacturer calibration following industry guidelines;
- An effort to minimize the number of variables associated to a measurement;
- An appropriate training, and
- Innovation and continuous improvement.

APPENDIX "B": MATERIAL CONTRACTS

Services contract between Strateco Resources Inc. and BBH Géo-Management Inc.: This text of this document is provided below in its original French version. An English translation can be prepared on request.

ENTENTE DE SERVICES INTERVENUE
EN LA VILLE DE BOUCHERVILLE LE I^{ER}AOÛT 2011

ENTRE:

RESSOURCES STRATECO INC., une compagnie ayant sa principale place d'affaires au 1225, rue Gay-Lussac, Boucherville, Québec, J4B 7K1

(Ci-après nommée **"STRATECO")**
PARTIE DE PREMIÈRE PART

BBH GÉO-MANAGEMENT INC., une compagnie ayant sa principale place d'affaires au 1225, rue Gay-Lussac, Boucherville, Québec, J4B 7K1

(Ci-après**"GÉO - MANAGEMENT")**
PARTIE DE SECONDE PART

ATTENDU QUE STRATECO doit effectuer des travaux d'exploration minière, de mise en valeur et de développement de ses propriétés minières ;

ATTENDU QUE STRATECO désire renouveler en attente de l'obtention de la licence d'exploration souterraine sur une base mensuelle l'entente de services avec GÉO-MANAGEMENT pour la gestion de ses affaires et sur une base annuelle, l'utilisation de locaux et l'équipement de bureau;

ATTENDU QUE GÉO-MANAGEMENT consent à offrir des services financiers, administratifs, professionnels et techniques à STRATECO selon les conditions et termes ci-après établis.

IL EST, EN CONSÉQUENCE, CONVENU MUTUELLEMENT ENTRE LES PARTIES AUX PRÉSENTES DE CE QUI SUIT, SAVOIR :

1. SERVICES

GÉO-MANAGEMENT offre les services suivants :

- utilisation des locaux, des équipements de bureau et de bureautique de GÉO-MANAGEMENT ;
- exécution des travaux reliés aux programmes d'exploration et de développement minier sur les titres miniers de STRATECO tels que, sans toutefois restreindre la généralité de ce qui précède, la géologie, la géophysique, l'ingénierie, la métallurgie et autres domaines reliées aux opérations de l'entreprise ;
- exécution des travaux administratifs nécessaires à STRATECO tels que, sans toutefois restreindre la généralité de ce qui précède, les services comptables, la paie, le secrétariat, les relations avec les actionnaires et autres services ;

(a) en ce qui concerne la paie des employés engagés par GÉO-MANAGEMENT pour rendre les services et exécuter les travaux pour STRATECO, GÉO-MANAGEMENT sera le seul employeur désigné

pour prélever les déductions à la source sur les salaires des employés de GÉO-MANAGEMENT mis au service de STRATECO selon les lois et règlements fédéraux et provinciaux à l'exclusion explicite de la responsabilité de STRATECO à cet effet.

- recherche de projets et du financement nécessaire à la réalisation des objectifs de STRATECO par l'entremise de consultants au besoin; et
- maintien des titres miniers de STRATECO. Il est toutefois entendu que GÉO-MANAGEMENT ne pourra être tenue responsable de pertes, poursuites ou dommages relatifs à cette gestion des titres miniers.

2.FRAIS, HONORAIRES ET DÉBOURSÉS

STRATECO devra rémunérer GÉO-MANAGEMENT pour tous les services rendus selon ce contrat et ce, de la façon suivante :

2.1 Frais fixes

Utilisation des locaux et des équipements de bureau à compter du 1er août 2011 au 31 juillet 2012 inclusivement avec une charge fixe de 5 200 $ par mois qui pourra être révisée une fois l'an, le cas échéant.

2.2 Honoraires

À compter du 1er août 2011, le taux d'imputation des honoraires et le mode de facturation des honoraires seront les suivants :

- Facturation à STRATECO du taux horaire payé à un employé de GÉO-MANAGEMENT multiplié par 1.85 pour chaque salarié de BBH GÉO-MANAGEMENT et pour chaque jour travaillé.

- Les honoraires seront facturés bimensuellement à compter du 1er août 2011 sur une base mensuelle.

2.3 Allocations pour l'utilisation d'automobiles et de véhicules

Les utilisations d'automobiles ou de véhicules seront facturées de la manière suivante :

- Pour l'utilisation d'une automobile de GÉO-MANAGEMENT dans le cadre de services rendus à STRATECO, GÉO-MANAGEMENT facturera à STRATECO le coût de 0,42 $ par kilomètre parcouru ;

- La location d'un camion appartenant à GÉO-MANAGEMENT sera facturée à STRATECO au coût de 75 $ par jour ou 1 800 $ par mois incluant les assurances ; Les frais de réparations et autres dépenses s'il y lieu reliés à l'utilisation des véhicules sont en sus ;

- STRATECO paiera à GÉO-MANAGEMENT une allocation de 265 $ par mois pour l'utilisation par le président de STRATECO d'une automobile appartenant à GÉO-MANAGEMENT.

2.4 Déboursés

Les frais de location d'un photocopieur seront de 50 $ par mois plus 0,10 $ pour chaque copie en noir et blanc et 0,25 $ pour chaque copie en couleurs.

Les autres déboursés encourus par GÉO-MANAGEMENT dans le cadre des activités de STRATECO seront remboursés sur présentation de pièces justificatives.

2.5 Frais de gestion

Des frais de gestion de 5 % seront facturés à STRATECO par GÉO-MANAGEMENT sur tous les frais liés à des programmes d'exploration, ou de développement et d'achats reliés à la propriété Matoush.

Des frais de gestion de 10 % seront facturés à STRATECO par GÉO-MANAGEMENT pour tous les frais liés à des programmes d'exploration ou de développement sur les autres propriétés : Matoush Extension, Eclat, Pacific-Bay-Matoush, Mistassini, Apple et éventuellement sur les autres propriétés.

Des frais de gestion de 5% seront facturés à STRATECO par GÉO-MANAGEMENT sur les achats liés aux projets d'exploration ou les conventions d'options sur les propriétés Matoush Extension, Eclat, Pacific-Bay-Matoush, Mistassini, Apple et éventuellement sur les autres propriétés.

En cas d'une décision de mise en production, les frais de gestion seront renégociés.

Aucun frais de gestion ne sera appliqué aux honoraires du personnel administratif, professionnel, technique pour services rendus par les employés de GÉO-MANAGEMENT.

2.6 Taxes

Les taxes fédérales (TPS) et provinciales (TVQ) sont en sus.

2.7 Révision des frais fixes et des honoraires

Les frais fixes et les honoraires seront révisés après l'obtention de la licence d'exploration souterraine, si l'entente se poursuit.

3 CONDITIONS DE PAIEMENT

Le paiement des frais, honoraires et déboursés devra être effectué sur réception de la facture.

4. EXCLUSION DE RESPONSABILITÉ

STRATECO s'engage à tenir GÉO-MANAGEMENT indemne de toute responsabilité civile, et contractuelle envers des tiers et pénale dans le cas d'infractions reliées aux lois du Canada et du Québec et à assurer la défense et prendre faits et cause incluant les frais et honoraires judiciaires et extra judiciaires de GÉO-MANAGEMENT contre toute réclamation ou poursuite gouvernementale, administrative, pénale ou civile découlant des services rendus par GÉO-MANAGEMENT, ses administrateurs, officiers, représentants, ayant-droits, employés et consultants dans le cadre de la présente entente. A cet effet, STRATECO s'engage à souscrire et à maintenir une police d'assurance responsabilité en vigueur pendant la durée de l'entente.

5 **CLAUSE DE NON SOLLICITATION**

Pour une période de un (1) an de la date effective de terminaison de cette Entente de services, STRATECO ne pourra directement ou indirectement solliciter pour employer ou engager aucun des employés ou consultants de GÉO-MANAGEMENT avec lesquels STRATECO ou ses représentants a eu des contacts ou qui a été connu dans le cadre de l'Entente de services à moins que STRATECO ait négocié une entente de transfert d'employés ou de consultants avec GÉO-MANAGEMENT avant le 30 septembre 2011.

6 VALIDITÉ ET AVIS DE TERMINAISON

Cette entente sera en vigueur à compter du 1er août 2011 et est renouvelable automatiquement de mois en mois jusqu'à ce que l'une ou l'autre partie donne un avis écrit préalable de 30 jours à l'autre partie de son intention de terminer cette entente de services en que qui concerne l'entente de services avec GÉO-MANAGEMENT et la gestion des affaires de STRATECO et renouvelable automatiquement d'année en année jusqu'à ce que l'une ou l'autre partie donne un avis écrit préalable de six mois en ce qui concerne particulièrement l'utilisation de locaux et l'équipement de bureau.

EN FOI DE QUOI, NOUS AVONS SIGNÉ CE 1er AOÛT 2011 À BOUCHERVILLE

RESSOURCES STRATECO INC.

(signé) Henri Lanctôt

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Henri Lanctôt, Administrateur

BBH GÉO-MANAGEMENT INC.

(signé) Guy Hébert

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Guy Hébert, Président