



**UNAUDITED CONDENSED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2014
(In Canadian Dollars)**

The attached condensed interim consolidated financial statements have been prepared by Management of Strateco Resources Inc. and have not been reviewed by the auditor

STRATECO RESOURCES INC.
Interim Consolidated Statements of Financial Position
(Unaudited)

(in Canadian dollars)

	As at June 30, 2014	As at December 31, 2013
	\$	\$
ASSETS		
Current assets		
Cash	995,899	1,843,106
Tax credits receivable	1,286,794	1,080,864
Sales tax receivable	84,494	106,261
Prepaid expenses and other receivables	89,780	105,920
	2,456,967	3,136,151
Assets held for sale (Note 3)	1,097,432	-
	3,554,399	3,136,151
Non-current assets		
Non-current portion of tax credits receivable	1,650,711	1,856,641
Available-for-sale investment	189,471	93,992
Mining properties (Note 4)	350,000	100,000
Deferred exploration and evaluation expenditures (Note 4)	267,031	-
Property and equipment (Note 5)	7,981	1,105,413
Total assets	6,019,593	6,292,197
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	979,589	928,229
Provisions	1,830,000	1,830,000
Current portion of obligations under finance leases	7,169	15,426
Current portion of asset retirement obligations (Note 3)	689,364	-
	3,506,122	2,773,655
Non-current liabilities		
Loans payable	2,986,476	2,981,941
Convertible notes	7,537,027	6,151,853
Asset retirement obligations	1,644,069	2,259,419
Total liabilities	15,673,694	14,166,868
EQUITY (DEFICIT)		
Share capital	84,755,339	83,238,116
Equity component of convertible notes	4,933,323	4,933,323
Warrants	92,706	439,747
Contributed surplus	13,365,304	13,065,410
Accumulated other comprehensive loss	60,268	(35,211)
Deficit	(112,943,808)	(109,516,056)
	(9,736,868)	(7,874,671)
Non-controlling interest	82,767	-
Total equity (deficit)	(9,654,101)	(7,874,671)
Total liability and equity (deficit)	6,019,593	6,292,197

Going concern (Note 1)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

STRATECO RESOURCES INC.
Interim Consolidated Statements of Income
(Unaudited)

(in Canadian dollars)

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
EXPENSES				
Mineral property expenditures (Note 8)	31,872	-	34,938	-
Exploration and evaluation expenditures (Note 8)	491,411	808,746	1,098,255	808,746
General and administrative expenses (Note 9)	389,898	332,375	742,376	735,486
Impairment of mining properties, deferred exploration and evaluation expenditures and property and equipment	-	-	-	87,241,070
Operating loss	(913,181)	(1,141,121)	(1,875,569)	(88,785,302)
Finance income	(1,590)	(1,497)	(5,116)	(5,023)
Finance costs				
Accretion expense on convertible notes	731,350	574,516	1,385,174	1,110,636
Accretion expense on asset retirement obligations	55,140	17,812	74,014	35,293
Accretion expense on loans payable	2,281	60,616	4,535	119,320
Interest and bank charges	75,289	78,405	149,917	147,361
Interest on obligations under finance leases	224	580	539	1,244
Loss before income tax	(1,775,875)	(1,871,553)	(3,484,632)	(90,194,133)
Recovery of income tax expense	-	(28,337)	-	(87,016)
Recovery of deferred income tax	-	-	(47,147)	(11,038,464)
Recovery of income tax expense	-	(28,337)	(47,147)	(11,125,480)
NET LOSS	(1,775,875)	(1,843,216)	(3,437,485)	(79,068,653)
Net loss attributable to:				
Equity holders of the parent company	(1,766,142)	-	(3,427,752)	-
Non-controlling interest	(9,733)	-	(9,733)	-
NET LOSS PER SHARE, BASIC AND DILUTED	(0.009)	(0.011)	(0.018)	(0.471)
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (in thousands)	191,506	167,753	188,115	167,753

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

STRATECO RESOURCES INC.
Interim Consolidated Statements of Comprehensive Income
(Unaudited)

(in Canadian dollars)

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Net loss	(1,775,875)	(1,843,216)	(3,437,485)	(79,068,653)
Other comprehensive income (loss) that may be reclassified subsequently to net income				
Changes in fair value of available-for-sale investment	(47,529)	(10,000)	95,479	(10,000)
COMPREHENSIVE INCOME (LOSS)	(1,823,404)	(1,853,216)	(3,342,006)	(79,078,653)
Comprehensive income (loss) attributable to:				
Equity holders of the parent company	(1,813,671)	-	(3,332,273)	-
Non-controlling interest	(9,733)	-	(9,733)	-

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

STRATECO RESOURCES INC.
Interim Consolidated Statements of Cash Flows
(Unaudited)

(in Canadian dollars)

	Six-month periods ended June 30,	
	2014	2013
	\$	\$
Cash flow provided by (used in)		
OPERATING ACTIVITIES		
Net loss	(3,437,485)	(79,068,653)
Non-cash items:		
Accretion expenses	1,463,723	1,265,249
Depreciation of property and equipment	-	5,664
Impairment of mining properties, deferred exploration and evaluation expenditures and property and equipment	-	87,241,070
Shares issued in payment of interest	149,589	-
Recovery of deferred income tax	(47,147)	(11,038,464)
	(1,871,320)	(1,595,134)
Changes in non-cash working capital items		
Tax credits receivable	-	(311,107)
Sales tax receivable	21,767	278,518
Prepaid expenses and other receivables	16,140	436,270
Accounts payable and accrued charges	80,320	739,542
	118,227	1,143,223
Cash flow from operating activities	(1,753,093)	(451,911)
INVESTING ACTIVITIES		
Acquisition of mining properties	(250,000)	(6,619)
Increase in deferred exploration and evaluation expenditures	(255,108)	(1,992,632)
Additions to property and equipment	-	(115,500)
Cash flow from investing activities	(505,108)	(2,114,751)
FINANCING ACTIVITIES		
Issuance of share capital	1,400,000	-
Non-controlling interest, net of issue costs	100,000	-
Loans payable, net of financing costs	(80,749)	2,461,436
Payments on obligations under finance leases	(8,257)	(7,551)
Cash flow from financing activities	1,410,994	2,453,885
NET CHANGE IN CASH	(847,207)	(112,777)
Cash, beginning of period	1,843,106	429,254
CASH, END OF PERIOD	995,899	316,477
Cash transactions		
Interest received	5,116	5,023
Interest paid	1,136	59,081

Supplemental cash flow information (Note 10)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

STRATECO RESOURCES INC.

Interim Consolidated Statements of Changes in Equity (Deficit)

For the Six-month Periods Ended June 30, 2014 and 2013

(Unaudited)

(in Canadian dollars)

	Attributable to equity holders of the parent company								Non-controlling interest	Total equity (deficit)
	Number of common shares outstanding	Share capital	Equity component of convertible notes	Warrants	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at January 1, 2013	167,753,181	82,551,146	4,933,323	2,575,671	11,229,519	(30,000)	(30,183,370)	71,076,289	-	71,076,289
Net loss	-	-	-	-	-	-	(79,068,653)	(79,068,653)	-	(79,068,653)
Other comprehensive income (loss)	-	-	-	-	-	(10,000)	-	(10,000)	-	(10,000)
Comprehensive income (loss)	-	-	-	-	-	(10,000)	(79,068,653)	(79,078,653)	-	(79,078,653)
Expiry of warrants, net of income taxes of \$292,154	-	-	-	(2,077,350)	1,785,196	-	-	(292,154)	-	(292,154)
Balance at June 30, 2013	167,753,181	82,551,146	4,933,323	498,321	13,014,715	(40,000)	(109,252,023)	(8,294,518)	-	(8,294,518)
Balance at January 1, 2014	184,528,497	83,238,116	4,933,323	439,747	13,065,410	(35,211)	(109,516,056)	(7,874,671)	-	(7,874,671)
Net loss	-	-	-	-	-	-	(3,427,752)	(3,427,752)	(9,733)	(3,437,485)
Other comprehensive income (loss)	-	-	-	-	-	95,479	-	95,479	-	95,479
Comprehensive income (loss)	-	-	-	-	-	95,479	(3,427,752)	(3,332,273)	(9,733)	(3,342,006)
Private placement (Note 6)	28,000,000	1,400,000	-	-	-	-	-	1,400,000	-	1,400,000
Issue costs (Note 6)	-	(32,366)	-	-	-	-	-	(32,366)	-	(32,366)
Investment in the subsidiary by a non-controlling shareholder, net of issue costs (Note 6)	-	-	-	-	-	-	-	-	92,500	92,500
Shares issued in consideration of loan interest payable (Note 6)	2,651,625	149,589	-	-	-	-	-	149,589	-	149,589
Expiry of warrants, net of income taxes of \$47,147	-	-	-	(347,041)	299,894	-	-	(47,147)	-	(47,147)
Balance at June 30, 2014	215,180,122	84,755,339	4,933,323	92,706	13,365,304	60,268	(112,943,808)	(9,736,868)	82,767	(9,654,101)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

STRATECO RESOURCES INC.
Condensed Notes to the Interim Consolidated Financial Statements
For the Six-month Periods Ended June 30, 2014 and 2013
(Unaudited)

(in Canadian dollars)

1. INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN

Strateco Resources Inc. (“the Company”) is incorporated under the *Canada Business Corporations Act* and is engaged in the acquisition, the exploration and evaluation and the development of mining properties. As of June 30, 2014, the Company’s objectives are the development of new uranium properties in Saskatchewan, the care and maintenance of certain facilities of the Matoush camp in Quebec, which is presently closed temporarily, and covering the costs essential to the viability of the Matoush project. The address of its registered office and principal place of business is 1225 Gay-Lussac Street, Boucherville, Quebec, J4B 7K1, Canada. The Company’s common shares are listed on the Toronto Stock Exchange TSX.

The Company has not yet determined whether the mining properties have economically recoverable ore reserves. Recovery of amounts indicated under mining properties are subject to the Company’s ability to obtain the financing required to complete exploration, evaluation and development, and eventually, construction and eventually, the profitable future production on its assets.

The accompanying unaudited condensed interim consolidated financial statements have been prepared using generally accepted accounting principles (“GAAP”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Company’s ability to continue as a going concern and accordingly, the appropriateness of the use of GAAP applicable to a going concern, as described in the following paragraph. These unaudited condensed interim consolidated financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and consolidated financial position classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

The Company recorded a net loss of \$3,437,485 for the six-month period ended June 30, 2014, and had an accumulated deficit of \$112,943,808 as at June 30, 2014. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its obligations and pay general and administration costs. As at June 30, 2014, the Company had negative working capital of \$1,049,155, excluding assets held for sale but including \$995,899 in cash. Management considers that these funds are insufficient for the Company to continue operating. Any future funding shortfall may be met in a number of ways, including the issuance of new equity instruments, cost reductions and other measures. While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding or initiatives will be available to the Company or that they will be available on terms acceptable to the Company. If Management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these unaudited condensed interim consolidated financial statements.

The Company’s financial year ends on December 31. These unaudited condensed interim consolidated financial statements were approved for issuance by the Board of Directors on August 6, 2014.

STRATECO RESOURCES INC.
Condensed Notes to the Interim Consolidated Financial Statements
For the Six-month Periods Ended June 30, 2014 and 2013
(Unaudited)

(in Canadian dollars)

2. BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES IN EFFECT

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2013, which were prepared in accordance with IFRS as issued by the IASB.

The accounting policies followed in these unaudited condensed interim consolidated financial statements are consistent with those of the previous financial year, except as described below.

CHANGES IN ACCOUNTING POLICIES

The Company adopted (IFRIC) 21, Levies as at January 1, 2014. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The adoption of IFRIC 21 did not require any adjustments as at January 1, 2014.

In January 2014, the Company incorporated SeqUr Exploration Inc. (“SeqUr”), at the time a wholly-owned subsidiary specialized in the acquisition, exploration and evaluation of mineral properties, under the *Canada Business Corporations Act*. Following the creation of its subsidiary, the Company adopted the following accounting methods:

Consolidation

The Company’s interim consolidated financial statements include the financial statements of Strateco Resources Inc. and those of its subsidiary, SeqUr, 75% owned by the Company. Intercompany unrealized gains and losses, transactions and balances are eliminated on consolidation.

The subsidiary is an entity controlled by the Company. The Company controls an entity when the group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by exercising its power over the entity. The accounts of its subsidiary are fully consolidated from the day on which the Company obtained control, and cease to be on the day on which the Company ceases to have control. The subsidiary’s accounting policies are consistent with the policies adopted by the Company.

Non-controlling Interest

A non-controlling interest is an interest in the share capital of a subsidiary owned by an external entity. The share of the net assets of the subsidiary attributable to the non-controlling interest is presented as a component of equity. Its share of the net loss and comprehensive loss is recognized directly in equity even if the balance of non-controlling interest income is negative. The Company treats transactions with non-controlling interest holders on the same basis as transactions with holders of equity securities. Changes in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

STRATECO RESOURCES INC.
Condensed Notes to the Interim Consolidated Financial Statements
For the Six-month Periods Ended June 30, 2014 and 2013
(Unaudited)

(in Canadian dollars)

2. BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES IN EFFECT (CONT'D)

Assets held for sale

Non-current assets, or disposal groups comprises of assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured at the lower of their carrying amount and fair value less costs to sell, with the exception of financial assets and deferred income tax assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in net income (loss). Subsequent gains are not recognized in excess of any cumulative past impairment losses. The Company presents assets held for sale separately from the Company's other assets and separately from liabilities directly associated with the assets held for sale. Liabilities associated with assets held for sale are presented separately from the Company's other liabilities.

3. TEMPORARY CLOSURE OF THE MATOUSH CAMP

Assets Held for Sale

On June 12, 2014, the Company announced that it had to temporarily close its Matoush camp, located in the Otish Mountains in northern Quebec. This decision was part of a cost cutting program adopted by the Company following the Quebec government's refusal to issue the final permit needed to start the advanced exploration phase of the Matoush project.

The Company has therefore prepared a plan to sell the buildings, infrastructure and equipment related to the Matoush camp. Given its plan to sell these Matoush camp assets, the Company has classified the estimated recoverable value of its assets as assets held for sale, under current assets. An asset's recoverable value is its fair value, net of disposal costs. No loss on remeasurement was recorded as a result of the revaluations done on June 12 and June 30, 2014.

Subsequent to June 30, 2014, the Company sold a portion of the assets held for sale for \$549,250.

Asset Retirement Obligations

At June 30, 2014, given the announcement of the temporary closure of the Matoush camp and the preparation of a plan to sell its buildings, infrastructure and equipment, the Company reclassified the estimated value of the asset retirement obligations related to its assets as a current liability, as the Company plans to do the work and incur the expenses required to settle its obligations related to these assets in the next 12 months. The Company has kept the obligation relating to the rehabilitation and restoration work required for assets not included in the disposal plan under non-current liabilities, and still expects the work to be done in 2017.

STRATECO RESOURCES INC.
Condensed Notes to the Interim Consolidated Financial Statements
For the Six-month Periods Ended June 30, 2014 and 2013
(Unaudited)

(in Canadian dollars)

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION AND EVALUATION (“E&E”) EXPENDITURES

Saskatchewan Mineral properties	Interest	December 31, 2013	Additions	June 30, 2014
		\$	\$	\$
Jasper Lake project	Option on 49%	100,000	250,000	350,000

Deferred E&E expenditures	December 31, 2013	Additions	June 30, 2014
	\$	\$	\$
Jasper Lake project	-	267,031	267,031

5. PROPERTY AND EQUIPMENT

	Buildings and infrastructure	Vehicles and rolling stock	Equipment	Total (i)
	\$	\$	\$	\$
Six-month period ended June 30, 2014				
Net book value, beginning of period	976,914	32,702	95,797	1,105,413
Transfer to assets held for sale (Note 3)	(976,914)	(32,702)	(87,816)	(1,097,432)
Net book value, end of period	-	-	7,981	7,981
As at June 30, 2014				
Cost	5,980,443	-	153,371	6,133,814
Accumulated depreciation	(2,891,615)	-	(129,951)	(3,021,566)
Accumulated impairment charges	(3,088,828)	-	(15,439)	(3,104,267)
Net book value	-	-	7,981	7,981

(i) All property and equipment are located in Quebec, Canada.

6. EQUITY

SHARE CAPITAL

On March 20, 2014, the Company issued 1,288,937 common shares at a price of \$0.057 per share for a total of \$73,973 in payment of quarterly interest on the \$3,000,000 loan granted on December 20, 2013, by Sentient Executive GP IV, Limited (“Sentient IV”), part of the Sentient Group, a related party. On June 20, 2014, the Company issued 1,362,688 common shares at \$0.056 per share for a total of \$75,616 in payment of quarterly interest on the same \$3,000,000 loan.

On June 12, 2014, the Company closed a non-brokered private placement with Sentient IV, a related party, of 28,000,000 common shares priced at \$0.05 per share, for gross proceeds of \$1,400,000. The Company incurred fees and issue costs of \$32,366 in connection with this financing, which were charged to share capital.

STRATECO RESOURCES INC.
Condensed Notes to the Interim Consolidated Financial Statements
For the Six-month Periods Ended June 30, 2014 and 2013
(Unaudited)

(in Canadian dollars)

6. EQUITY (CONT'D)

That same day, SeqUr, a subsidiary of the Company, closed a non-brokered private placement with Sentient IV of 5,000,000 common shares priced at \$0.02 per share, for total gross proceeds of \$100,000. SeqUr incurred fees of \$7,500 in connection with this financing, which were charged to the non-controlling interest. The Company now owns 75% of the subsidiary.

7. FINANCIAL INSTRUMENTS – FAIR VALUE

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities: – financial assets available for sale (mining exploration company – Pacific-Bay);
- Level two includes inputs that are observable other than quoted prices included in level one: – none;
- Level three includes inputs that are not based on observable market data: – available-for-sale financial assets (mining exploration company – Canada Strategic Metals).

Fair value estimates are made as at the date of the consolidated statements of financial position, based on relevant market information and other information about financial instruments.

The Company's financial instruments as at June 30, 2014, consist of cash, available-for-sale financial assets, accounts payable and accrued charges, loans payable, obligations under finance leases and convertible notes. The fair value of these financial instruments is disclosed below, and approximates their carrying value due to their short maturity and current market rates, with the exception of the loans payable and the convertible notes.

	June 30, 2014		December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Cash	995,899	995,899	1,843,106	1,843,106
Available-for-sale financial assets	189,471	189,471	93,992	93,992
Financial liabilities				
Accounts payable and accrued charges	979,589	979,589	928,229	928,229
Obligations under finance leases	7,169	7,169	15,426	15,426
Loans payable	2,986,476	3,000,000	2,981,941	3,000,000
Convertible notes	7,537,027	7,594,336	6,151,853	6,211,090

STRATECO RESOURCES INC.
Condensed Notes to the Interim Consolidated Financial Statements
For the Six-month Periods Ended June 30, 2014 and 2013
(Unaudited)

(in Canadian dollars)

8. MINERAL PROPERTIES AND E&E EXPENDITURES

Mineral property expenditures	Three-month period ended June 30, 2014		Six-month period ended June 30, 2014	
	Interest	Total	Total	Total
		\$		\$
Matoush project				
Matoush	100%	-		55
Matoush Extension	100%	18,970		19,024
Eclat	100%	4,928		4,928
Pacific Bay-Matoush	60%	8,083		11,094
Other project				
Mistassini	60%	(109)		(163)
		31,872		34,938

E&E expenditures	Three-month period ended June 30, 2014			Six-month period ended June 30, 2014		
	Additions	Tax		Additions	Tax	
		Credits, net	Total		Credits, net	Total
	\$	\$	\$	\$	\$	\$
Matoush project						
Matoush	476,067	-	476,067	1,061,286	-	1,061,286
Matoush Extension	1,735	-	1,735	3,015	-	3,015
Eclat	1,359	-	1,359	1,990	-	1,990
Pacific Bay-Matoush	2,899	-	2,899	4,767	-	4,767
Other projects						
Mistassini	793	-	793	1,869	-	1,869
Prospecting - general exploration expenses	8,558	-	8,558	25,328	-	25,328
	491,411	-	491,411	1,098,255	-	1,098,255

E&E expenditures	Three and six-month periods ended June 30, 2013		
	Additions	Tax Credits, net	Total
	\$	\$	\$
Matoush project			
Matoush	1,046,184	(229,264)	816,920
Matoush Extension	2,176	(843)	1,333
Eclat	702	(272)	430
Pacific Bay-Matoush	(12,408)	4,809	(7,599)
Other project			
Mistassini	(3,817)	1,479	(2,338)
	1,032,837	(224,091)	808,746

STRATECO RESOURCES INC.
Condensed Notes to the Interim Consolidated Financial Statements
For the Six-month Periods Ended June 30, 2014 and 2013
(Unaudited)

(in Canadian dollars)

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Salaries and benefits	174,380	138,652	345,620	324,064
Consulting and professional fees	133,386	118,021	224,912	213,054
Communication and promotion expenses	53,326	43,275	108,559	118,477
Office expenses	28,806	32,427	63,285	74,227
Depreciation of property and equipment	-	-	-	5,664
	389,898	332,375	742,376	735,486

10. SUPPLEMENTAL CASH FLOW INFORMATION

	Six-month periods ended June 30,	
	2014	2013
	\$	\$
Non-cash transactions		
Deferred E&E expenditures included in accounts payable and accrued charges	90,575	686,814
Issue costs included in accounts payable and accrued charges	39,866	-
Additions to property and equipment included in accounts payable and accrued charges	-	51,554
Tax credits receivable presented as a reduction in deferred E&E expenditures	-	464,045
Depreciation of property and equipment included in deferred E&E expenditures	-	358,181
Shares issued in payment of interest on the loan payable	149,589	-