



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2010**

## TABLE OF CONTENTS

<b>SCOPE OF MANAGEMENT FINANCIAL ANALYSIS.....</b>	<b>2</b>
<b>FORWARD-LOOKING STATEMENTS.....</b>	<b>2</b>
<b>INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN.....</b>	<b>2</b>
<b>HIGHLIGHTS.....</b>	<b>2</b>
<b>FINANCING.....</b>	<b>4</b>
<b>EXPLORATION.....</b>	<b>4</b>
<b>ASSESSMENT.....</b>	<b>6</b>
<b>ENGINEERING, PERMITS AND LICENCES.....</b>	<b>8</b>
<b>COMMUNITY AND INVESTOR COMMUNICATIONS.....</b>	<b>9</b>
<b>STRATEGY AND ACTION PLAN.....</b>	<b>10</b>
<b>EXPLORATION EXPENSES AND EXPLORATION SUPPLIES .....</b>	<b>12</b>
<b>SELECTED INFORMATION AND OPERATING RESULTS.....</b>	<b>13</b>
<b>CASH ASSETS AND SOURCES OF FINANCING.....</b>	<b>14</b>
<b>QUARTERLY FINANCIAL INFORMATION.....</b>	<b>15</b>
<b>OFF BALANCE-SHEET ARRANGEMENTS.....</b>	<b>15</b>
<b>RELATED-PARTY TRANSACTIONS.....</b>	<b>15</b>
<b>CRITICAL ACCOUNTING ESTIMATES.....</b>	<b>16</b>
<b>CHANGES IN ACCOUNTING POLICY.....</b>	<b>16</b>
<b>IFRS CONVERGENCE.....</b>	<b>17</b>
<b>OUTSTANDING SHARE DATA.....</b>	<b>20</b>
<b>RISK FACTORS.....</b>	<b>20</b>
<b>INFORMATION DISCLOSURE CONTROLS AND PROCEDURES.....</b>	<b>20</b>
<b>EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING.....</b>	<b>21</b>
<b>ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE.....</b>	<b>21</b>

# **STRATECO RESOURCES INC.**

## **Interim Management's Discussion and Analysis**

March 31, 2010

---

### **SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS**

The following analysis should be read in conjunction with the audited financial statements of Strateco Resources Inc. (the "Company") and notes thereto for the years ended December 31, 2009 and 2008, as well as the interim financial statements for the period ended March 31, 2010. The Company's financial statements were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are in Canadian dollars unless otherwise indicated.

### **FORWARD-LOOKING STATEMENTS**

This management discussion and analysis may contain forward-looking statements on the financial information that reflect Management's current expectations with regard to future events. 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 in general the volatility of uranium prices, 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.

### **INCORPORATION, NATURE OF OPERATIONS AND GOING CONCERN**

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

The Company is primarily engaged in the exploration of mining properties with a view to commercial production. It does not currently have any mines in production. The Company has a portfolio of five wholly-owned mining properties and an interest in and options on three mining properties in Quebec that together comprise 1,068 claims for a total area of 56,747 hectares (567 km<sup>2</sup>). Its activities are focused on exploration and the 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.

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

The sections of this management discussion and analysis 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 provide no assurance as to future results or events, and involve a number of risks and uncertainties beyond the Company's control that may cause actual or future results and events to differ materially from those presented in or implied by such forward-looking statements. These risks and uncertainties are described in the annual information form filed on SEDAR and the annual 10-K form filed on EDGAR.

### **HIGHLIGHTS**

The Company had a very promising and productive first quarter this year. Once again, all the efforts of its seasoned team were focused on the progress and development of the Matoush uranium project. These efforts generated results and the Company is now hopeful that it will obtain the licence allowing it to begin excavating the exploration ramp by the fall of 2010.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

The year 2010 began with the closing of a \$15 million financing on January 27, despite the difficulties in the financial markets. The private financing was subscribed by Sentient Executive GP III, Limited ("Sentient"), an independent equity fund that manages over US \$1.3 billion in natural resource sector investments, acting for two funds from Cayman Islands. The Company continues to enjoy an excellent financial position, with working capital of approximately \$18 million on March 31, 2010.

Work on the Matoush uranium project once again generated promising results. On January 13, the first phase of the largest surface drilling program yet began on the Matoush project, consisting of 120,000 metres of drilling over two years (2010-2011). Some 14,200 metres have already been drilled since the beginning of this first phase, with most of the holes drilled on a 200-metre spacing.

On March 3, Terraquest Ltd. ("Terraquest") began flying a high-resolution electromagnetic (XDS-VLF EM) airborne survey. This advanced technology survey, which is aimed at testing the hypothesis of the presence of high-grade mineralized zones along a preferential north-south axis, was completed March 12. It covered the entire Matoush project, including the Matoush, Matoush Extension, Eclat and Pacific Bay-Matoush properties. The final interpretation of this survey will be performed over the coming weeks, and will in all likelihood generate high-quality drill targets.

In the first quarter, the Company also announced the update of the Preliminary Assessment for its Matoush property. The scoping study update was prepared by Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA") with the participation of Melis Engineering Ltd. ("Melis") for ore processing and SD Energy Associates Ltd. ("SD Energy") for marketing and price determination. The update, which once again demonstrates the strong economics of the Matoush project, can be found on the Company's website ([www.stratecoinc.com](http://www.stratecoinc.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

Extensive engineering work was also done in the first quarter to prepare the underground exploration program that will begin in the fall of 2010, provided all the required permits have been obtained. The consultants retained by the Company, including Golder Associates ("Golder") and SENES Consultants Limited ("SENES"), proceeded with their mandates, including the preparation of a property work memo, translation of reports and an application for an authorization certificate to expand the camp and the drinking and waste water treatment system.

In addition, with regard to the application filed on November 6, 2009 for a licence to begin excavating the exploration ramp, the Canadian Nuclear Safety Commission ("CNSC") sent the Company a first set of questions in January 2010 to which various consultants are now responding. Work was also done on number of other files during the first quarter, including the construction of the landing strip, the four-season road and new buildings, and winter road maintenance.

Throughout the first quarter, the Company continued its efforts to maintain good community and investor relations, inform the public on uranium-related issues and respond to the public's questions and concerns. In particular, the Company uploaded the new version of its website which is now more accessible, powerful and user-friendly. The Company also met with various representatives of the Cree community and the towns of Chibougamau and Chapais to support and strengthen communications. The Company organized information sessions to learn about community concerns.

Various authorities, including the *Conférence régionale des élus de la Baie-James* ("CREBJ") and Learning Together, took the initiative of organizing information activities in the municipalities of Mistissini and Chibougamau-Chapais. This included a visit by four aboriginal chiefs from Saskatchewan, who shared their experiences of living in proximity to a uranium mine. All these initiatives are beneficial for the dissemination of information to the communities involved and help support social acceptance of the Matoush uranium project.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

### FINANCING

Discussions initiated in December 2009 led to the closing, on January 27, 2010, of a \$15 million private financing that was subscribed to by Sentient.

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

Sentient also subscribed to 14,905 convertible notes for an amount of \$14,905,000 that mature on February 27, 2015. 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.

Up until the notes' maturity date, Sentient has the option of converting the notes in blocks of \$1,000 for 1,053 shares on the basis of the 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 on closing of 789,474 units, representing 789,474 shares and 394,737 warrants with the same exercise conditions as the warrants included in the units.

The Company intends to use the net proceeds of the private placement to finance exploration work, mainly for the acquisition of materials and infrastructure for its Matoush uranium project.

Should the notes be fully converted, Sentient would own 16,578,948 common shares, or 11.98% of the total number of issued and outstanding shares; in the event that all the warrants are also exercised, Sentient's holdings would increase to 24,868,422 common shares, or 16.48% of the total number of issued and outstanding shares.

### EXPLORATION

The technical data in the following text is based on a 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 *National Instrument 43-101 respecting standards of disclosure for mineral projects ("NI 43-101")*. This data has been reviewed by the authors of the report, David A. Ross, M. Sc. P. Geo. and R. Barry Cook, P. Eng. of Scott Wilson RPA. *The Matoush Mineral Resources Update* dated September 18, 2009 was prepared and reviewed by David A. Ross, M. Sc. P. Geo. of Scott Wilson RPA and is available on the Company's website at [www.stratecoinc.com](http://www.stratecoinc.com). The technical data based on recent information has been reviewed by Jean-Pierre Lachance, Executive Vice President of the Company. All three are qualified persons as defined in *NI 43-101*.

**NOTE 1** of the **Strategy and Action Plan** section in the **2009 annual management discussion and analysis for the year ended December 31, 2009**, is included here by way of reference to help the reader better understand the exploration work done on the Matoush project. This note provides a technical description of the exploration program analytical procedures, sampling method, quality assurance and control including information on the use of the letter "e" in eU<sub>3</sub>O<sub>8</sub>, which represents the estimated or equivalent U<sub>3</sub>O<sub>8</sub> value determined using a calibrated spectral or gamma probe, the methodology for the use of the gamma probe and, finally, a comparison of eU<sub>3</sub>O<sub>8</sub> and U<sub>3</sub>O<sub>8</sub> 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](http://www.stratecoinc.com).

At March 31, 2010, a total of 14,189 metres had been drilled on the Matoush project (covering the Matoush, Matoush Extension, Eclat and Pacific Bay-Matoush properties), as follows: 11,621 metres in 19 holes on the Eclat property, and 2,568 metres in four holes on the Matoush project. No holes were drilled on the Matoush-Extension and Pacific Bay-Matoush properties. In total, 174,405 metres (401 holes) have been drilled on the Matoush project since exploration began in 2006.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

The Company did not conduct exploration on the Apple, Mistassini, Quénonisca or Mont-Laurier Uranium properties in the first quarter of 2010. It continued to focus its efforts on exploring its Matoush project.

At the beginning of 2010, the Company began an ambitious 60,000-metre drilling program on the Matoush project as a whole, aimed at identifying new mineralized zones. Work started with one drill in operation, to which a second was added on January 27 and a third on February 13.

Phase 1 of the program, which started on January 14 and will continue until the summer, consists of drilling on a systematic 200-metre spacing. Drilling will focus on the upper part of the AC-F4, which hosts the MT-22 and MT-34 zones.

The Company's objective during this first phase is to extend as far as possible south of the Eclat property, to the adjacent Cameco property.

On March 3, Terraquest began flying a high-resolution electromagnetic (XDS-VLF EM) airborne survey. This advanced technology survey, which is aimed at testing the hypothesis of the presence of high-grade mineralized zones along a preferential north-south axis, was completed on March 12. It covered the entire Matoush project, including the Matoush, Matoush Extension, Eclat and Pacific Bay-Matoush properties, for a total of 1,754 linear kilometres. Mobilization and demobilization costs were shared with a neighbouring mining company.

The preliminary raw survey data showed various anomalies that could be interpreted as faults that are sub-parallel to and/or convergent with the Matoush fault. The final interpretation, which will be done by MPH Consulting following filtering by Terraquest, in combination with data from the previous high-resolution magnetometer survey, will allow the positive anomalies to be clearly distinguished from the negative anomalies.

The objective of this survey is to outline the linear geophysical anomalies representing the Matoush-type faults that could also prove to host large mineralized zones. The final interpretation should generate high-quality drill targets.

### MATOUSH PROPERTY

The holes in the southern extension of the known mineralized zones were drilled to test the potential of the strongly anomalous areas identified at the end of the 2009 program, specifically the MT-09-036 (0.48%  $U_3O_8$  over 4.2 m) and MT-09-035 (0.19%  $U_3O_8$  over 1.4 m) areas located 1.4 km south of the MT-34 zone.

The three holes drilled in this area (MT-10-001 to 003) did not return any notable intersections despite the alteration present in the holes.

The fourth hole, MT-10-004, drilled about 1.0 km farther south (area of Hole MT-09-041: 0.06%  $U_3O_8$  over 0.8 m), returned better results, with an intersection of 0.17%  $eU_3O_8$  over 0.8 m.

### ECLAT PROPERTY

Holes drilled on a systematic 200-metre spacing on the Eclat property covered a distance of about 4.0 km starting from Section 68+00S.

The Matoush fault was intersected in each of the holes, thereby confirming its continued presence. With the exception of Hole EC-10-002 located on Section 70+75S, about 3.4 km south of the MT-34 zone, which intersected 0.67%  $U_3O_8$  over 1.2 m, there were no significant mineralized intersections.

The holes drilled on a 200-m spacing identified one area of interest more than one kilometre long, between sections 75+00S and 87+00S. This area is primarily interesting due to the intensity of the alteration, as well as the presence of dikes running parallel to the Matoush fault. The data from seven holes (EC-10-004 to EC-10-010) indicates that the structural setting is characterized by a series of two to four sub-parallel deformation corridors (DC) marked by the presence of mafic dikes.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

To summarize to the north of the 75+00S line, a single DC can be seen, corresponding to the Matoush fault, while in the area between sections 77+00S and 84+00S drilling indicates the presence of three to four DCs, the Matoush fault being the most westerly. The interest of this area is characterized by the presence of fuschite/tourmaline alteration halos with a true thickness of 200 to 250 metres, which is very significant.

This alteration footprint is not seen anywhere else on the project. The alteration present in this area, which is typical of that of the AM-15, MT-22 and MT-34 zones, attests to the potential for the discovery of new mineralized zones.

### ASSESSMENT

#### SCOPING STUDY

On February 24, the Company announced the update of the Preliminary Assessment of the Matoush property. The scoping study prepared by Scott Wilson RPA, with the participation of Melis for ore processing and SD Energy for marketing and price determination, once again shows the strong economics of the Matoush project.

The scoping study is based on the NI 43-101-compliant indicated and inferred resources estimated by Scott Wilson RPA in September 2009.

#### Mineral Resource Estimate for Matoush – September 1<sup>st</sup> 2009

	<b>Tonnes</b> <b>(x 1,000)</b>	<b>Grade</b> <b>(% U<sub>3</sub>O<sub>8</sub>)</b>	<b>Pounds U<sub>3</sub>O<sub>8</sub></b> <b>(x 1,000)</b>
<b>Indicated</b>			
AM-15	262	0.70	4,039
MT-34	174	0.89	3,420
<b>Total Indicated</b>	<b>436</b>	<b>0.78</b>	<b>7,458</b>
<b>Inferred</b>			
AM-15	33	0.34	249
MT-22	822	0.53	9,526
MT-34	302	0.45	3,003
<b>Total Inferred</b>	<b>1,157</b>	<b>0.50</b>	<b>12,777</b>

#### Notes:

1. The Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards have been followed for classification of Mineral Resources.
2. The cut-off grade of 0.1% U<sub>3</sub>O<sub>8</sub> was estimated using a U<sub>3</sub>O<sub>8</sub> price of US \$75/lb and assumed operating costs.
3. High U<sub>3</sub>O<sub>8</sub> 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 have not demonstrated economic viability.
6. Totals may not sum correctly due to rounding.

The following is a summary of the Preliminary Assessment results. The Preliminary Assessment update can be found on Strateco's website ([www.stratecoinc.com](http://www.stratecoinc.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

The Preliminary Assessment is based in part on inferred resources, and is by definition preliminary in nature. Inferred mineral resources are considered too speculative geologically to have considerations applied to them and to be categorized as Mineral Reserves. There is no certainty that the Preliminary Assessment will be realized.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

### I PRODUCTION AND RECOVERED METAL

The mining plan was based on the configuration of the mineral resources. 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 million to 2.7 million pounds U<sub>3</sub>O<sub>8</sub>.

Year	Tonnes milled (x 1,000)	Grade % U <sub>3</sub> O <sub>8</sub>	Recovered metal 97.6% (x 1,000 pounds) U <sub>3</sub> O <sub>8</sub>
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
<b>TOTAL</b>	<b>1,648.6</b>	<b>0.501</b>	<b>17,774.8</b>

### II REVENUE

- The price scenario was established by SD Energy in September 2008 in the initial scoping study, with a long-term price of from US \$60.00 to US \$90.00 per pound U<sub>3</sub>O<sub>8</sub> over the life of the project and an evaluation price of US \$75.00 per pound U<sub>3</sub>O<sub>8</sub>.
- The US \$/CA \$ exchange rate used is \$0.85.
- Transport to a smelter in North America cost used is \$0.10 per pound.
- Royalty 2%.

	(x 1,000) CA \$
Gross revenue	1,568,363
Transport to smelter	1,777
Royalty	31,332
<b>Gross revenue after royalty (NSR)</b>	<b>1,535,253</b>

### III OPERATING COSTS

Mining	\$91.64/T milled	Maintenance	\$24.86/T milled
Process	\$92.74/T milled	Site service	\$32.68/T milled
Power (generators)	\$35.77/T milled	Administration	\$22.43/T milled
<b>Average operating cost: \$300.12/T milled</b>			
<b>CA \$27.84/pound</b>		<b>US \$23.66/pound</b>	

# STRATECO RESOURCES INC.

Interim Management's Discussion and Analysis

March 31, 2010

## IV OPERATING PROFIT

Year	CA \$	Year	CA \$
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		
<b>Total operating profit: CA \$1,040,484,000</b>			

## V CAPITAL COSTS

	(x 1,000) CA \$	(x 1,000) CA \$
<b>Direct capital costs</b>		191,009
Mine	32,466	
Plant	143,136	
Infrastructure	15,398	
<b>Indirect capital costs</b>		48,568
<b>Contingency</b>		52,273
<b>Spare parts inventory</b>		980
<b>Cost before start-up</b>		<u>292,830</u>
<b>Sustaining capital (6 years)</b>		19,126
<b>Closure</b>		30,000
<b>Mine life capital costs</b>		<u>341,955</u>

## VI FINANCIAL

Internal rate of return before tax: 41.5%

NET PRESENT VALUE (NPV) before tax	
Discount rate %	(x 1,000) CA \$
5	475,550
8	377,640
10	323,530
15	218,070

## VII SENSITIVITY TO PRICE

PRICE	US \$/lb	NPV CA \$
	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

Despite significant inflation in operating costs in the mining industry, the Matoush project indicates stronger economics than the initial scoping study. The project economics could improve even further if operating costs decline. The Company is continuing to assess various engineering alternatives to enhance the project economics, such as the use of windmills to supply power for the project. Closure costs were kept to \$30 million. Work will be done to reduce this major cost.

## ENGINEERING, PERMITS AND LICENCES

In the first quarter, the operations and engineering department pursued its activities to prepare the underground exploration program set to begin once the Company has obtained the required permits.

## **STRATECO RESOURCES INC.**

### **Interim Management's Discussion and Analysis**

**March 31, 2010**

---

The consultants retained by the Company made progress on a number of fronts. Golder undertook the preparation of a technical memorandum on field work performed at the end of the summer of 2009. The memorandum includes data on surface water quality, benthos (group of aquatic organisms living on the lake bed) and a number of corrections to the impact study. The technical memorandum (*Addenda A to the limited environmental impact assessment for the Matoush underground exploration project*) was filed on March 2, 2010. Golder also reviewed the translation of the preliminary impact study that they helped prepare.

GENIVAR completed an application for a certificate of authorization for the expansion of the camp and the waste and drinking water treatment system. The application was filed in January 2010 at the regional office of the Ministry of Sustainable Development, Environment and Parks ("MSDEP") in Rouyn-Noranda. Additional information later requested by the MDDEP was provided, and the file is now complete.

Finally, in terms of the consultants' work, SENES finalized the translation of their sections of studies, on air quality and risk to the ecology and human health, in January and February 2010.

In February 2010, the Company filed the French version of the environmental impact study for the Matoush uranium project underground exploration program with the MDDEP (provincial) and the Canadian Environmental Assessment Agency (CEAA) (federal).

In January 2010, the CNSC issued an initial set of questions and comments on the application filed on November 6, 2009 for a licence to begin excavating the exploration ramp. Various consultants were assigned to prepare a prompt response to the questions.

For the four-season road, the Company sent a letter to deputy ministers of the MDDEP and the Ministry of Natural Resources and Wildlife ("MNRW") to inform them of certain changes made following a meeting with representatives of the Quebec transport ministry ("QTM") and various other participants. In fact, the Company decided to withdraw its authorization request for the construction of a four-season road along the winter road route within the park (km 0 to km 73.5). It was agreed that within the future national park, the MTQ's route would follow the route of the old winter road. However, the Company maintained its request for a certificate of authorization for the construction of the four-season road on the section of road lying between km 73.5 and 130, which is outside the park.

The winter road was also maintained from the time it opened on February 10 until it closed on March 15. All the planned and necessary transports took place despite abnormally mild winter temperatures.

The Company also installed a number of new temporary structures on site to meet the needs of the exploration program. These buildings included three megadomes, two dormitory trailers and one office trailer. A new, higher-capacity generator was also added to meet future requirements in 2010, and an overhead power line was installed to provide power to the temporary structures.

The contract for the construction of the landing strip and the access road was granted to Carsa Enterprises Inc., a contractor affiliated with the Cree Nation of Mistissini. Construction of the landing strip access road began in the first quarter, and everything should be completed in the third quarter of 2010.

In the first quarter, the Company retained the services of ten new employees from a management company. As at March 31, the team consisted of 38 workers, including 19 at the Matoush camp and 19 at head office.

## **COMMUNITY AND INVESTOR COMMUNICATIONS**

In the first quarter, the Company continued to take the steps required to establish and maintain good relations with the First Nations and James Bay residents and to ensure that all the work and activities performed in relation to the Matoush project remained part of an open and transparent process.

# **STRATECO RESOURCES INC.**

## **Interim Management's Discussion and Analysis**

**March 31, 2010**

---

The Company also took number of initiatives to support and strengthen its relations with the municipalities of Mistissini, Chibougamau and Chapais. It opened offices in Mistissini and Chibougamau, created the position of director of community relations and appointed a liaison officer from the Cree community to provide a direct link between the Company and the residents involved and offer residents local access to information on the various issues related to the Matoush project. The Company also organized information sessions to learn about community concerns.

In the first quarter, the Company continued to promote the development of harmonious relations with the Mistissini Cree community. Two meetings were held in February, one with a Cree family on whose trap lines the Matoush deposit is located, and another with the chief of the Cree Nation of Mistissini, to inform them of the latest development on the Matoush project and reaffirm the Company's desire to maintain good relations with the community.

In addition, various authorities, including the CREBJ and Learning Together, took the initiative of organizing information activities in the municipalities of Mistissini and Chibougamau-Chapais. The Company encourages this type of activity, as it leads to a better understanding of the issues surrounding uranium exploration and mining, among other things. It is then much easier for residents to arrive at a precise understanding of the facts surrounding the uranium industry.

Notable among these initiatives was the visit by four aboriginal chiefs from Saskatchewan to better understand the realities of living near a uranium mine. Organized by Chief John Longchap and Learning Together, these information sessions had a major positive impact on local residents. In fact, the chiefs, who represent the Canadian communities most directly concerned by uranium mining, were unequivocal about the impacts of uranium mines on health and the environment: after 50 years of uranium mining, the health of their communities, the environment, water, game and fish was intact, even with a uranium mine less than 30 km away. Their respective communities also enjoy the direct benefits of uranium mining.

Also, Company uploaded its new website in mid-March. The website was optimized so as to be more accessible, powerful and user-friendly in order to inform the public more effectively. The Company also acquired a new management tool that allows it to update the site regularly. Henceforth, the public will have fast, easy access to up-to-date documentation published by the Company.

On the investor relations front, several members of the Company's team travelled to Toronto in the first quarter for the meeting of the Prospectors and Developers Association of Canada ("PDAC") from March 7 to 10. The President and Chief Executive Officer made a presentation outlining the reasons to invest in the Company. He also travelled to Europe from February 1 to 5 and to Florida from February 28 to March 3 to attend the Global Metals & Mining Conference, and gave media interviews to inform investors and the public on the Matoush project developments.

All these initiatives were beneficial to the dissemination of information to stakeholders and social acceptance of the Matoush project. They also helped support open, ongoing communication with local aboriginal and non-native communities, investors, regulatory authorities and the general public.

### **STRATEGY AND ACTION PLAN**

The Company's highly qualified team plans to sustain and accelerate its efforts to make the Matoush project the first uranium project in Quebec to advance to the underground exploration stage, and the first to be realized by a so-called junior company in Canada in this cycle, meaning in nearly 25 years.

To do this, the Company is pursuing its efforts to obtain the licence required to begin excavation of the exploration ramp by the fall of 2010. All the documents required for the licence have been completed and filed with the regulatory bodies. The next step is to present the environmental impact study on the Matoush project at public hearings to be held in Mistissini and Chibougamau on May 25 and 26, 2010.

The Company is very optimistic about the public hearings, as its team is well prepared and the environmental impact study presents positive results, concluding that the impact on workers, local residents and the environment are negligible.

To accelerate the process of obtaining a licence for construction of the mine, the Company plans to begin environmental studies in 2011 for the construction of the tailings pond.

## **STRATECO RESOURCES INC.**

### **Interim Management's Discussion and Analysis**

**March 31, 2010**

---

In terms of exploration, the Company began its largest drilling program to date on the Matoush project. In addition to drilling on systematic 200-metre spacing, the Company will drill around the high-potential area identified in 2009 (EC-09-05 and 06). The Company is confident that this exploration work will enable it to increase the uranium resource on the Matoush project. This program of 120,000 metres of drilling over two years (2010-2011) should also determine the maximum capacity required for the Matoush ore processing plant.

In reason of the Company's needs for specialized services in fiscal and accounting matters related to its expansion, the Company gave notice of the Change of Auditors on March 23, 2010 to Petrie Raymond, LLP, Chartered Accountants (Petrie Raymond), which have been the Auditors of the Company since 2004. At the Annual and special Assembly of Shareholders on May 27, 2010, the Company propose to shareholders in its Management Information Circular to nominate PricewaterhouseCoopers, LLP, Chartered Accountants, as the new Auditors of the Company. The Auditor's notices and letters can be consulted on SEDAR at [www.sedar.com](http://www.sedar.com).

On the financing front, the Company pursued its aggressive strategy to maintain its strong financial position and ensure good shareholder return. The \$15 million private placement with Sentient is evidence of the Company's long-term view. The President and Chief Executive Officer also continued to meet with investors throughout the period. The Company retained the services of Mr. Paul Einarson, CA, CPA, as Vice President, Finance in a permanent capacity, effective mid-May. His achievements and success are well recognized and will undoubtedly contribute to the good management and financial wellbeing of the Company.

Finally, the Company plans to expand its community and investor communication initiatives. In April, it announced that it had retained the services of Renmark Financial Communications Inc. to help with its investor relations activities. The Company will continue to prioritize information disclosure and transparency by organizing various meetings and information sessions with communities in the vicinity of the Matoush uranium project.

**STRATECO RESOURCES INC.**

Interim Management's Discussion and Analysis

March 31, 2010

**EXPLORATION EXPENSES AND EXPLORATION SUPPLIES**

Exploration expenses and exploration supplies for the three-month period ended March 31, 2010	Matoush	Matoush Extension	Eclat	Apple	Pacific Bay-Matoush	Mistassini	Total
	\$	\$	\$	\$	\$	\$	\$
Balance beginning of period	32,148,398	453,340	997,781	1,402,072	812,577	490,719	36,304,887
<b>Additions</b>							
Consultants and subcontractors	953,639	7,254	122,241	10,512	11,751	(10,678)	1,094,719
Infrastructure, access roads, fuel depot and others	1,047,328	-	-	-	-	-	1,047,328
Drilling	332,828	-	1,144,052	-	-	-	1,476,880
Transport and fuel	1,956,902	-	-	-	-	-	1,956,902
Geophysics	51,778	-	-	-	48,737	-	100,515
First aid	-	-	-	-	-	-	-
Laboratory and analysis	24,823	-	21,865	-	-	19,352	66,040
Travel and lodging	251,971	-	-	-	-	-	251,971
Nuclear permits	-	-	-	-	-	-	-
Management fees	167,202	-	117,348	194	4,874	359	289,977
Supplies and equipment rental	49,067	-	-	-	-	-	49,067
Rolling equipment maintenance	56,039	-	-	-	-	-	56,039
General expenses	72,283	-	-	450	-	-	72,733
Environment	37,150	-	-	-	-	-	37,150
Stock-based compensation	-	-	-	-	-	-	-
Amortization of property and equipment	161,516	-	-	13,748	-	-	175,264
	5,162,526	7,254	1,405,506	24,904	65,362	9,033	6,674,585
Credit for mining duties and other exploration credits	(1,408,381)	(3,344)	(647,939)	(5,143)	(30,132)	(11,429)	(2,106,368)
Net increase	3,754,144	3,910	757,568	19,760	35,230	(2,396)	4,568,216
Balance end of period	35,902,542	457,250	1,755,349	1,421,832	847,807	488,323	40,873,103

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

Exploration expenses and exploration supplies for the three-month period ended March 31, 2009	Matoush	Matoush Extension	Eclat	Apple	Pacific Bay-Matoush	Mistassini	Total
	\$	\$	\$	\$	\$	\$	\$
Balance beginning of period	22,864,066	456,320	669,376	1,252,357	422,741	293,215	25,958,075
<b>Additions</b>							
Consultants and subcontractors	779,589	951	17,815	42,548	26,873	9,961	877,737
Infrastructure, access roads, fuel depot and others	1,182,762	-	-	-	-	-	1,182,762
Drilling	501,449	-	184,242	1,657	211,445	-	898,793
Transport and fuel	578,757	-	-	-	-	-	578,757
Geophysics	-	-	-	-	-	100	100
First aid	6,884	-	-	-	-	-	6,884
Laboratory and analysis	85,158	-	-	-	-	-	85,158
Travel and lodging	270,635	-	-	-	-	-	270,635
Nuclear permits	-	-	-	-	-	-	-
Management fees	163,736	-	18,424	706	21,356	20,814	225,036
Supplies and equipment rental	11,498	-	-	-	-	-	11,498
Rolling equipment maintenance	52,915	-	-	2,752	-	-	55,667
General expenses	56,222	-	-	2,597	-	6,100	64,919
Environment	62,932	-	-	-	-	-	62,932
Stock-based compensation	-	-	-	-	-	-	-
Amortization of property and equipment	78,935	-	-	14,258	-	-	93,193
	3,831,472	951	220,481	64,518	259,674	36,975	4,414,071
Credit for mining duties and other exploration credits	69,884	(94,130)	-	(2,213)	-	(9,340)	(35,799)
Net increase	3,901,356	(93,179)	220,481	62,305	259,674	27,635	4,378,272
Balance end of period	26,765,422	363,141	889,857	1,314,662	682,415	320,850	30,336,347

### SELECTED INFORMATION AND OPERATING RESULTS

	Three-month periods ended March 31	
	2010	2009
	\$	\$
<b>Income – Interest</b>	10,378	31,356
<b>Expenses</b>		
• General and administrative expenses	(750,818)	(373,747)
• Stock-based compensation	(26,985)	(166,719)
<b>Future income taxes recovery</b>	404,396	51,000
<b>Net loss</b>	(363,029)	(458,110)
<b>Net loss per share, basic and diluted</b>	(0.003)	(0.004)

## STRATECO RESOURCES INC.

### Interim Management's Discussion and Analysis

March 31, 2010

	As at March 31 2010	As at December 31 2010
	\$	\$
<b>Total assets</b>	80,069,484	61,655,744
<b>Long term liabilities</b>		
Obligations under capital leases	192,109	171,522
Future income tax	1,132,000	1,293,000
Asset retirement obligations	325,095	160,000
Convertible notes	4,679,771	-
	6,328,975	1,624,522

The interest income is lower in 2010 than in 2009 due to lower interest rates.

As at March 31, 2010, a stock-based compensation expense of \$26,985 was recognized in the statement of operations (\$166,719 as of March 31, 2009).

General and administrative expenses increased to \$750,818 on March 31, 2010 from \$373,747 on March 31, 2009 due to the following:

- Increase activities on investor relations (\$194,294 on March 31, 2010 versus \$108,689 on March 31, 2009) following promotional trips to visit European investors and a contribution to the Communic-Action Funds spread over 2010;
- Accretion of interest charged on the convertible notes for \$188,157;
- Legal and audit expenses increased to \$91,455 on March 31, 2010 from \$42,087 on March 31, 2009 mainly because of additional accounting professional fees;
- Increased level of activities by the Company creating additional office expenses.

#### CASH ASSETS AND SOURCES OF FINANCING

The Company's working capital stood at \$18,411,168 at March 31, 2010 (\$8,441,128 at December 31, 2009). This working capital includes \$10,261,296 of tax credits receivable (\$9,306,880 at December 31, 2009).

On January 27, 2010, the Company closed a private placement with Sentient of 100,000 units for an amount of \$95,000 and \$14,905,000 of convertible notes accompanied by common share purchase warrants.

During the three-month period ended March 31, 2010, the Company received \$1,152,952 in tax credits for resources.

The Company does not have any debt or investments in asset-backed commercial paper.

The Company's investment activities primarily consist of funds used in exploration work and the addition of mining properties. The Company is entitled to a refundable tax credit for resources for up to 38.75% of eligible expenses, and a credit on mining duties refundable for losses of 12% of eligible expenses incurred.

Of the \$18.4 million in working capital held by the Company at March 31, 2010, approximately \$1.2 million will be used to cover general and administrative expenses and approximately \$17.2 million will be used to pursue the exploration programs planned for the remaining of fiscal year 2010.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

Management is of the opinion that the Company requires more funding before the end of the year 2010 to continue its exploration and development plans, including the excavation of the exploration ramp if the permits are obtained as expected in the fall 2010. In the past, the Company has been able to rely on its ability to raise financing through public and private equity offerings. In addition, once its interests on the Mistassini and Pacific-Bay-Matoush properties are acquired, the Company will be able to explore and develop further these properties through joint-venture participation.

### QUARTERLY FINANCIAL INFORMATION

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

	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30
	2010	2009	2009	2009	2009	2008	2008	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Total income	10,378	2,441	8,203	12,046	31,356	90,537	85,241	96,032
Net profit (loss)	(363,029)	(526,573)	(261,978)	(236,613)	(458,110)	33,539	(360,225)	(787,005)
Net profit (loss), per share, basic and diluted	(0.003)	(0.004)	(0.002)	(0.002)	(0.004)	-	(0.003)	(0.007)

### OFF BALANCE-SHEET ARRANGEMENTS

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

### COMMITMENTS

The Company has signed new capital leases and these obligations total \$455,478 as of March 31, 2010 compared to \$328,336 as at December 31, 2009.

### RELATED-PARTY TRANSACTIONS

The Company concluded the following transactions with BBH:

	Three-month periods ended March 31	
	2010	2009
	\$	
Expenses capitalized in the statement of deferred expenditures		
Consultants and subcontractors	893,000	735,000
Management fees	320,000	225,000
General and administrative expenses in the statement of earnings and deficit		
Professional fees	81,000	106,000
Legal expenses	9,000	35,000
Investor relations	51,000	40,000
Rent	16,000	16,000
Management fees charged against property and equipment	82,000	6,000
Issue cost for the issuance of the convertible notes	24,000	-

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

In addition, the Company concluded the following related party transactions:

- A company controlled by Ingrid Martin, CA, CFO and treasurer in function since June 9, 2009, charged accounting fees of \$49,000 for the three-month period ended March 31, 2010 included in legal and audit expenses.
- A limited partnership company in which Mr Henri Lanctôt, director, is also a partner, charged legal fees amounting to \$35,000 for the three-month period ended March 31, 2010 for the issuance of the convertible notes (\$2,000 for the same period in 2009 included in legal and audit expenses).

At March 31, 2010, accounts payable and accrued liabilities included an amount of \$918,000 (\$397,000 at March 31, 2009) owed to related-parties.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles requires Management to make estimates and assumptions that effect the assets and liabilities reported. These same estimates and assumptions also have an impact on the contingencies as at the date of the financial statements, as well as amounts related to revenue and expenses for the periods.

Critical estimates include estimates of the refundable credit on mining duties and the refundable tax credit for resources, future income tax assets and liabilities, the possibility of recovering the value of mining properties and deferred exploration expenditures, the fair value of stock options granted, asset retirement obligations, convertible notes, the amortisation period of property and equipment and certain amounts payable. Actual results could therefore differ from these estimates.

### CHANGES IN ACCOUNTING POLICY

During the three months ended March 31, 2010, the Company adopted the following accounting policies:

#### CONVERTIBLE NOTES

The liability and equity components of convertible debentures are presented separately on the consolidated balance sheet starting from initial recognition. The Company determines the carrying amount of the financial liability by discounting the stream of future payments principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. The liability component is then increased by accretion of the discounted amounts to reach the nominal value of the convertible notes at maturity which is recorded in the statement of operations, comprehensive loss and deficit. This long term debt is classified as other debts.

The carrying amount of the other components (when applicable), for example warrants, are determined with the Black-Scholes model.

The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the convertible notes deducted by the carrying amount of the other component when applicable. It is presented in Shareholders' Equity as equity component of convertible notes.

The transaction costs are distributed between liability and equity on a pro-rata basis of their carrying amounts.

#### DEBT ISSUE COST

Debt issuance costs are presented as a reduction of long-term debt and are amortized according to the effective interest rate method.

#### INTEREST EXPENSE

The Company does not capitalise the interest expense in the property and equipment cost for which the acquisition, the construction, the development or the enhancement are spread over time.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

### IFRS CONVERGENCE

The Company is using a five step roadmap to convert to IFRS:

#### STEP 1: DIAGNOSTIC

The initial diagnostic stage has been completed in 2009 with a preliminary gap analysis of the accounting and business processes.

#### STEP 2: DESIGN AND PLANNING

##### STEP 2.1: ACCOUNTING POLICIES

The detailed analysis of the accounting policies impacted by the IFRS convergence is expected to be completed in the third quarter of 2010. Overall, a lot of effort will be put in the financial statements presentation as IFRS requires more disclosure.

Set out below are the main areas where changes in accounting policies are expected to have a significant impact on the Company's financial statements. The list below should not be regarded as a complete list of changes that will result from transition to the IFRS. It is intended to highlight areas that the Company believes to be the most significant; however, the analysis of changes is still in process and the selection of accounting policies where choices are available under IFRS has not been completed. We note that the regulatory bodies that promulgate the Canadian GAAP and the IFRS have significant ongoing projects that could affect the ultimate differences between Canadian GAAP and IFRS and their impact on the Company's financial statements in future years. The future impacts of the IFRS will also depend on the particular circumstances prevailing in those years. The standards listed below are those existing based on current Canadian GAAP and IFRS. At this stage, the Company is not able to reliably quantify the expected impacts of these differences on its financial statements.

They are as follows:

##### *First time adoption (IFRS 1)*

IFRS 1 provides guidance to entities on the general approach to be taken when first adopting IFRS. The underlying principle of IFRS 1 is retrospective application of IFRS standards in force at the date an entity first reports using IFRS. IFRS 1 acknowledges that full retrospective application may not be practical or appropriate in all situations and prescribes:

- optional exemptions from specific aspects of certain IFRS standards in the preparation of the Company's opening balance sheet; and
- mandatory exceptions to retrospective application of certain IFRS standards.

Additionally, to ensure financial statements contain high-quality information that is transparent to users, IFRS 1 contains disclosure requirements to highlight changes made to financial statement items due to the transition to IFRS.

The Company believes that the choices available under IFRS 1 will allow the opening balance as of January 1, 2010 to remain similar to the closing balance of December 31, 2009. The Company expects that key IFRS 1 exemption decisions will be approved by Management during the third quarter of 2010.

##### *Impairment of assets (IAS 36)*

IFRS requires the use of a one-step impairment test (impairment testing is performed using discounted cash flows) rather than the two-step test under Canadian GAAP (using undiscounted cash flow as a trigger to identify potential impairment loss).

IFRS requires reversal of impairment losses (excluding goodwill) where previous adverse circumstances have changed; this is prohibited under Canadian GAAP.

Impairment testing should be performed at the asset level for long-lived assets and intangible assets. Where the recoverable amount cannot be estimated for individual assets, it should be estimated as part of a Cash Generating Unit ("CGU").

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

The Company believes that the changes of this policy will have no impact on the financial statements on the changeover date. Nevertheless, in the subsequent years, this policy could generate more impairment than Canadian GAAP would since it uses a one-step test.

### *Share-based payments (IFRS 2)*

Per IFRS, the forfeiture rate, with respect to share options, needs to be estimated by the Company at the grant date instead of recognizing the entire compensation expense and only record actual forfeitures as they occur.

For graded-vesting features, IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period and hence the fair value of each instalment will differ.

The Company believes that the changes of this policy will have a very limited impact on the Financial Statements of the Company. In addition, in future years, the stock-based compensation for grants with vesting period will be front loaded instead of being linear.

### *Mineral property interests, exploration and evaluation costs (IFRS 6)*

Under IFRS, the Company would be required to develop an accounting policy to specifically and consistently identify which expenditures on exploration and evaluation activities will be recorded as assets. Unlike IFRS, Canadian GAAP indicates that exploration costs may initially be capitalized if the Company considers that such costs have the characteristics of property, plant and equipment.

Exploration and evaluation assets shall be classified as either tangible or intangible according to the nature of the assets acquired.

The Company believes that the changes of this policy will have no impact on the Financial Statements on the changeover date and in subsequent years.

### *Property, plant and equipment (IAS 16, IFRIC 1)*

Under IFRS, the Company can elect to measure property plant and equipment ("PPE") using either the cost model or the revaluation model. Canadian GAAP only accepts the cost model. The Company will not select the revaluation model due to the difficulty and effort needed to determine the fair value.

Under IFRS, each part of a PPE with a cost that is significant in relation to the total cost of the asset shall be depreciated separately. The IFRS may result in additional details needed to maintain de PPE sub-ledger. Under IFRS, the residual value and the useful life of an asset shall be reviewed at least at each year end. The Canadian GAAP was requesting the same review but only on a regular basis.

The Company believes that the changes of this policy will have no impact on the Financial Statements on the changeover date since its PPE were simple. Nevertheless, when the Company obtains the right to built the exploration ramp, additional attention will be needed to identify the different parts of each PPE.

### *Convertibles notes (IAS 32 et IAS 23)*

Under IFRS, compound instruments that have both liability and equity characteristics are split into these components upon initial recognition. The carrying amount of the compound instrument is allocated between its debt and equity components so that the liability is recognised at its fair value and the equity component as the residual. Canadian GAAP permits this allocation to be made using the relative fair value method or by assigning the less easily measurable component as the residual.

When accounting for the January 27, 2010 convertible note placement, the Company recognised the liability component at its fair value and the equity component as the residual in compliance with IFRS, which is also allowed under Canadian GAAP. So there will be no impact for the Company to apply this IFRS policy.

Under IFRS, borrowing costs directly attributable to the acquisition or construction of a qualifying asset must be capitalized. When accounting for the January 27, 2010, the Company adopted an accounting policy to expense these borrowing costs. This will have to be reviewed in detail as it will more than likely create a convergence adjustment.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

### *Asset retirement obligation (IAS 37)*

IFRS requires decommissioning provisions to be measured based on management's best estimate of the expenditures that will be made. Under Canadian GAAP, asset retirement obligations are measured at fair value, incorporating market assumptions.

IFRS uses discount rates that reflect the risks specific to the decommissioning provision. Under Canadian GAAP, the discount rates for the asset retirement obligation are based on the entity's credit-adjusted risk-free rate.

Finally, the adjustments under IFRS to decommissioning provisions are made each period for changes in timing or amount of cash flows, changes in the discount rate and the unwinding of the discount. Canadian GAAP is similar except for changes in discount rates that alone do not result in a remeasurement of the provision. Also, unlike IFRS, changes in estimates that decrease the liability are discounted using the discount rate applied upon initial recognition of the liability. When changes in estimates increase the liability, the additional liability is discounted using the current discount rate, like IFRS.

IFRS defines site restoration and environmental provisions as legal and constructive obligations. Canadian GAAP limits the definition as legal obligations.

The Company believes that the changes of this policy will have impact on the Financial Statements on the changeover date. In subsequent years, the Company will have to remeasure the provision more often if the actualisation rate changes.

### *Financial instruments (IAS 39)*

Under IFRS, all financial assets must be classified into "loans and receivables", held-to-maturity", "fair value through profit or loss" or "available-for-sale" categories. Like IFRS, all financial assets under Canadian GAAP must be classified into "loans and receivables", "held-to-maturity", "held-for-trading" (fair value through profit or loss) or "available-for-sale" categories. However, there are certain differences from IFRS with respect to the types of assets that may be classified into each of these categories.

Financial instruments may be designated on initial recognition as measured at fair value through profit or loss only if certain criteria are met. Like IFRS, financial instruments may be designated on initial recognition as held for trading (and measured at fair value through profit and loss) only if certain criteria are met. However, these criteria are less restrictive than under IFRS.

The Company is presently evaluating the impact of these potential modifications.

### STEP 2.2: FINANCIAL STATEMENTS PREPARATION

During the third quarter of 2010, we will prepare the financial statement model and we will identify the IFRS convergence adjustments.

### STEP 2.3: TRAINING AND COMMUNICATION

During the second quarter of 2010, the Company will evaluate if there is a need to engage experts to assist in the transition and provide the appropriate training to the employees.

### STEP 2.4: IT SYSTEMS

The accounting processes of the Company are simple since it is still at the exploration stage and no major challenges are expected at this point to operate the accounting system under the IFRS. Nevertheless, some Excel spreadsheets will probably have to be adapted to support the changes made in accounting policies.

The Company has yet to establish if historical data will have to be regenerated to comply with some of the choices to be made under IFRS 1.

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

It has yet to determine how it will generate in parallel the accounting under IFRS so that in 2011 it has the comparative information available. Once the extent of the adjustments needed to convert to IFRS will be established, processes will be put in place in the third quarter 2010 to generate the dual accounting.

### STEP 2.5: INTERNAL CONTROLS:

During the third quarter 2010, Management will review existing internal control process and procedures to address significant changes to existing accounting policies and practices.

### STEP 2.6: IMPACT ON THE BUSINESS:

The business processes of the Company are simple and no major challenges are expected at this point to operate under IFRS. Since December 31, 2009, the Company closed a private placement of convertible notes and the IFRS impacts have been discussed in Step 2.1.

### STEP 3: IMPLEMENTATION

In this stage the Company will implement the changes that have been developed including changes to the accounting processes and policies. The Company will also quantify the IFRS impacts.

Management will prepare the structure of the first financial statements as of March 31, 2011 with the opening balance as of January 1st, 2010, the comparables as of March 31, 2010 and the disclosure notes.

Management plans to start this step in the third quarter of 2010 and finalize it in the fourth quarter of 2010.

### STEP 4: POST IMPLEMENTATION

Management will prepare the interim annual financial statements in compliance with IFRS for the year ending December 31, 2011.

### OUTSTANDING SHARE DATA

---

	<b>On May 5, 2010</b>
	Number
Common shares	122,695,906
Stock options	4,354,500
Warrants	8,289,474
	<hr/> 135,339,880 <hr/>

### RISK FACTORS

Details of risk factors are outlined in the Company's MD&A included in the annual report for the year ended December 31, 2009.

### INFORMATION DISCLOSURE CONTROLS AND PROCEDURES

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

# STRATECO RESOURCES INC.

## Interim Management's Discussion and Analysis

March 31, 2010

---

Company Management, including the president and chief executive officer and the chief financial officer, participated in an assessment of the effectiveness of information disclosure controls and procedures for the year ended December 31, 2009. Based on this assessment, the president and chief financial officer have concluded that such controls and procedures were effective and provided reasonable assurance that material information on the Company was adequately disclosed to them by other Company personnel.

### **EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management maintains a system of internal control over financial reporting to provide reasonable assurance that assets are safeguarded from any loss or unauthorized use and that financial information is reliable and available in a timely manner.

There were no changes in the internal control over financial reporting during the period ended March 31, 2010, that had or could reasonably be expected to materially affect the internal control over financial reporting ("ICFR").

### **ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE**

This management discussion and analysis is dated May 5, 2010, and complies with Canadian Securities Administrators' *National Instrument 51-102* on continuous disclosure. The purpose of this management discussion and analysis is to help the reader understand and assess the material changes and trends in the Company's results and financial position. It presents Management's perspective on the Company's current and past activities and financial results, as well as an outlook of activities planned for the coming months. The Company regularly discloses additional information through press releases and financial statements filed on the Strateco ([www.stratecoinc.com](http://www.stratecoinc.com)), SEDAR ([www.sedar.com](http://www.sedar.com)) and EDGAR ([www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml)) websites.

---

Guy Hébert  
President and Chief Executive Officer

---

Ingrid Martin  
Chief Financial Officer