



**UNAUDITED CONDENSED  
INTERIM FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2013  
(In Canadian Dollars)**

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

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

(in Canadian dollars)

	As at September 30, 2013	As at December 31, 2012
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	800,819	429,254
Tax credits receivable	4,294,235	3,606,099
Sales tax receivable	106,889	373,461
Prepaid expenses and other receivables	143,668	369,560
	5,345,611	4,778,374
<b>Non-current assets</b>		
Non-current portion of tax credits receivable	2,066,641	2,961,889
Available-for-sale investment	8,000	20,000
Mining properties (Notes 3 and 4)	-	3,351,929
Deferred exploration and evaluation expenditures (Notes 3 and 4)	56,939	75,718,754
Property and equipment (Notes 3 and 5)	1,106,682	8,637,820
Total assets	8,583,873	95,468,766
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued charges	1,972,106	2,118,296
Loans payable (Note 6)	2,950,644	268,730
Current portion of obligations under finance leases	16,519	15,448
	4,939,269	2,402,474
<b>Non-current liabilities</b>		
Obligations under finance leases	2,899	15,426
Convertible notes	10,685,259	8,958,647
Deferred income tax liabilities (Note 3)	-	10,746,310
Asset retirement obligations	2,323,061	2,269,620
Total liabilities	17,950,488	24,392,477
<b>EQUITY (DEFICIT)</b>		
Share capital	83,346,731	82,551,146
Equity component of convertible notes	4,933,323	4,933,323
Warrants	498,321	2,575,671
Contributed surplus	13,014,715	11,229,519
Accumulated other comprehensive loss	(42,000)	(30,000)
Deficit	(111,117,705)	(30,183,370)
Total equity (deficit)	(9,366,615)	71,076,289
Total liability and equity	8,583,873	95,468,766

Going concern (Note 1)

Subsequent events at the closing date (Note 12)

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

# STRATECO RESOURCES INC.

## Interim Statements of Income

(Unaudited)

(in Canadian dollars)

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>EXPENSES</b>				
Mining properties costs (Note 9)	3,255	-	3,255	-
Exploration and evaluation expenditures (Note 9)	811,398	-	1,620,144	-
General and administrative expenses (Note 10)	279,650	333,058	1,015,136	1,622,751
Impairment of mining properties, deferred exploration and evaluation expenditures and property and equipment (Note 3)	-	-	87,241,070	-
Gain on disposal of property and equipment	(3,043)	-	(3,043)	-
<b>Operating loss</b>	<b>(1,091,260)</b>	<b>(333,058)</b>	<b>(89,876,562)</b>	<b>(1,622,751)</b>
Finance income	(1,838)	(14,299)	(6,861)	(63,015)
Finance costs				
Accretion expense on convertible notes	615,976	486,670	1,726,612	1,368,599
Accretion expense on asset retirement obligations	18,148	23,013	53,441	67,787
Accretion expense on loans payable	62,594	60,932	181,914	119,993
Interest and bank charges	79,048	25,351	226,409	145,716
Interest on obligations under finance leases	494	828	1,738	2,717
<b>Loss before income tax</b>	<b>(1,865,682)</b>	<b>(915,553)</b>	<b>(92,059,815)</b>	<b>(3,264,548)</b>
Current income tax expense (recovery)	-	(11,520)	(87,016)	(65,884)
Deferred income tax expense (recovery) (Note 3)	-	57,958	(11,038,464)	271,543
Income tax expense (recovery)	-	46,438	(11,125,480)	205,659
<b>NET LOSS</b>	<b>(1,865,682)</b>	<b>(961,991)</b>	<b>(80,934,335)</b>	<b>(3,470,207)</b>
<b>NET LOSS PER SHARE, BASIC AND DILUTED</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.47)</b>	<b>(0.02)</b>
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b> (in thousands)	176,688	167,204	170,764	162,341

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

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

(in Canadian dollars)

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2013	2012	2013	2012
	\$	\$	\$	\$
Net loss	(1,865,682)	(961,991)	(80,934,335)	(3,470,207)
<b>Other comprehensive income (loss) that may be reclassified subsequently to net income</b>				
Changes in fair value of available-for-sale investment	(2,000)	(10,000)	(12,000)	(20,000)
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>(1,867,682)</b>	<b>(971,991)</b>	<b>(80,946,335)</b>	<b>(3,490,207)</b>

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

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

(in Canadian dollars)

	<b>Nine-month periods ended September 30,</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flow provided by (used in)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss	(80,934,335)	(3,470,207)
Non-cash items:		
Stock-based compensation	-	225,273
Accretion expenses	1,961,967	1,556,379
Depreciation of property and equipment	5,664	24,328
Impairment of mining properties, deferred exploration and evaluation expenditures and property and equipment	87,241,070	-
Gain on disposal of property and equipment	(3,043)	-
Deferred income tax expense (recovery)	(11,038,464)	271,543
	(2,767,141)	(1,392,684)
Changes in non-cash working capital items		
Tax credit receivable	671,157	(65,884)
Sales tax receivable	266,572	(155,535)
Prepaid expenses and other receivables	225,892	113,116
Exploration supplies (Note 4)	249,594	-
Accounts payable and accrued charges	896,631	(359,908)
	2,309,846	(468,211)
Cash flow from operating activities	(457,295)	(1,860,895)
<b>INVESTING ACTIVITIES</b>		
Tax credit received	-	5,645,263
Acquisition of mining properties	(6,619)	(37,826)
Increase in deferred exploration and evaluation expenditures	(2,285,459)	(11,705,169)
Additions to property and equipment	(154,404)	(2,093,382)
Proceeds on disposal of property and equipment	3,043	-
Cash flow from investing activities	(2,443,439)	(8,191,114)
<b>FINANCING ACTIVITIES</b>		
Share capital and warrants issuance	822,319	12,999,988
Issue costs	-	(702,985)
Loans payable, net of financing costs	2,461,436	-
Payments on obligations under finance leases	(11,456)	(10,477)
Repayment of a loan payable	-	(3,000,000)
Cash flow from financing activities	3,272,299	9,286,526
<b>NET CHANGE IN CASH</b>	371,565	(765,483)
Cash, beginning of period	429,254	3,858,141
<b>CASH, END OF PERIOD</b>	800,819	3,092,658
<b>Cash transactions</b>		
Interest received	6,861	63,015
Interest paid	59,488	147,689

Supplemental cash flows information (Note 11)

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

# STRATECO RESOURCES INC.

## Interim Statements of Changes in Equity (Deficit)

For the Nine month Periods Ended September 30, 2013 and 2012

(Unaudited)

(in Canadian dollars)

	Number of common shares outstanding	Share capital \$	Equity component of convertible notes \$	Warrants \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total equity (deficit) \$
<b>Balance at January 1, 2012</b>	<b>144,998,110</b>	<b>72,285,878</b>	<b>4,933,323</b>	<b>3,442,107</b>	<b>9,766,175</b>	<b>(10,000)</b>	<b>(25,758,257)</b>	<b>64,659,226</b>
Net loss	-	-	-	-	-	-	(3,470,207)	(3,470,207)
Other comprehensive income (loss)	-	-	-	-	-	(20,000)	-	(20,000)
Comprehensive income (loss)	-	-	-	-	-	(20,000)	(3,470,207)	(3,490,207)
Private placements	22,025,620	11,012,810	-	-	-	-	-	11,012,810
Warrants issued in connection with private placements	-	(340,322)	-	340,322	-	-	-	-
Issue costs, net of income taxes of \$189,103	-	(510,391)	-	(3,491)	-	-	-	(513,882)
In consideration of issue costs, net of income taxes of \$24,210	180,000	14,000	-	10,210	-	-	-	24,210
Stock-based compensation	-	-	-	-	343,088	-	-	343,088
Deferred income tax	-	(6,685)	-	-	-	-	-	(6,685)
Expiry of warrants, net of income taxes of \$1,865	-	-	-	(13,864)	11,999	-	-	(1,865)
<b>Balance at September 30, 2012</b>	<b>167,203,730</b>	<b>82,455,290</b>	<b>4,933,323</b>	<b>3,775,284</b>	<b>10,121,262</b>	<b>(30,000)</b>	<b>(29,228,464)</b>	<b>72,026,695</b>
<b>Balance at January 1, 2013</b>	<b>167,753,181</b>	<b>82,551,146</b>	<b>4,933,323</b>	<b>2,575,671</b>	<b>11,229,519</b>	<b>(30,000)</b>	<b>(30,183,370)</b>	<b>71,076,289</b>
Net loss	-	-	-	-	-	-	(80,934,335)	(80,934,335)
Other comprehensive income (loss)	-	-	-	-	-	(12,000)	-	(12,000)
Comprehensive income (loss)	-	-	-	-	-	(12,000)	(80,934,335)	(80,946,335)
Private placement (Note 7)	16,446,389	822,319	-	-	-	-	-	822,319
Issue costs (Note 7)	-	(26,734)	-	-	-	-	-	(26,734)
In consideration of issue cost (Note 7)	328,927	-	-	-	-	-	-	-
Expiry of warrants, net of income taxes of \$292,154	-	-	-	(2,077,350)	1,785,196	-	-	(292,154)
<b>Balance at September 30, 2013</b>	<b>184,528,497</b>	<b>83,346,731</b>	<b>4,933,323</b>	<b>498,321</b>	<b>13,014,715</b>	<b>(42,000)</b>	<b>(111,117,705)</b>	<b>(9,366,615)</b>

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

# STRATECO RESOURCES INC.

## Condensed Notes to the Interim Financial Statements

For the Nine month Periods Ended September 30, 2013 and 2012

(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 September 30, 2013, the Company’s objective is the care and maintenance of the Matoush camp and to cover costs essential to the viability of the Matoush project in the light of the events described in Note 3. The address of its registered office and principal place of business is 1225 Gay-Lussac Street, Boucherville, Québec, J4B 7K1, Canada. The Company’s shares are listed on the Toronto Stock Exchange TSX under the trading symbol “RSC”.

The Company has not yet determined whether the mining properties have economically recoverable ore reserves.

The accompanying unaudited condensed interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) 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. In making its assessment, Management is aware 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 IFRS applicable to a going concern, as described in the following paragraph. These unaudited condensed interim financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and 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 \$80,934,335 for the nine-month period ended September 30, 2013, and had an accumulated deficit of \$111,117,705 as at September 30, 2013. 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 September 30, 2013, the Company had working capital of \$406,342, including \$800,819 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 financial statements.

The Company’s financial year ends on December 31. These unaudited condensed interim financial statements were approved for issuance by the Board of Directors on November 8, 2013.

# **STRATECO RESOURCES INC.**

## **Condensed Notes to the Interim Financial Statements**

For the Nine month Periods Ended September 30, 2013 and 2012

(Unaudited)

---

(in Canadian dollars)

### **2. BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES IN EFFECT**

These unaudited condensed interim financial statements have been prepared in accordance with 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 financial statements should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2012, which were prepared in accordance with IFRS as issued by the IASB.

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

#### **CHANGES IN ACCOUNTING POLICIES**

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

The Company has adopted the amendments to IAS 1, effective January 1, 2013. These amendments required the Company to group other comprehensive income (loss) items by those that will be reclassified subsequently to income. These changes did not result in any significant adjustments.

The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

The Company has adopted the amendments to IFRS 12 effective January 1, 2013. These amendments forward existing disclosures and also introduce significant additional disclosure that address the nature of, and risks associated with, an entity’s interests in other entities. These changes will not result in additional disclosures as the Company does not have an interest in other entities.

### **3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

Many of the amounts included in the financial statements require Management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on Management’s experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Management’s judgments and estimates could have an appreciable impact on the amounts reported in the financial statements with respect to the following items, which have changed significantly since the audited annual financial statements for the year ended December 31, 2012:



**STRATECO RESOURCES INC.**  
**Condensed Notes to the Interim Financial Statements**  
For the Nine-month Periods Ended September 30, 2013 and 2012  
(Unaudited)

---

(in Canadian dollars)

**3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)**

**IMPAIRMENT OF NON-FINANCIAL ASSETS**

The Company's evaluation of the recoverable amount with respect to the non-financial assets is based on numerous assumptions and may differ significantly from actual values. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The Company's recoverable amount estimates are based on numerous assumptions. The recoverable amount estimates may differ from actual values and these differences may be significant and could have a material impact on the Company's financial position and result of operations. Assets are reviewed for an indication of impairment at each statement of financial position date and when there are indicators of impairment. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to: the right to explore in the specific area will expire during the period or in the near future and is not expected to be renewed; substantive exploration and evaluation ("E&E") expenditures in a specific area are neither budgeted nor planned; E&E of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale, significant negative industry or economic trends, a significant drop in uranium prices or the Company's incapacity to obtain permits needed to carry out the underground exploration program at the Matoush project.

On October 16, 2012, the Canadian Nuclear Safety Commission ("CNSC") issued the Company a licence for the underground exploration program at the Matoush project.

On January 17, 2013, the Company filed a motion for *mandamus* and declaratory judgment with the Québec Superior Court. Among other things, the motion is intended to ensure that the Québec ministry of sustainable development, environment, wildlife and parks (*Ministère du Développement durable, de l'Environnement, de la Faune et des Parcs*, or "MDDEFP") comes to a decision on the authorization required for the execution of the Matoush project underground exploration program. At the initial case management session held in Québec City on March 20, 2013, on its motion for *mandamus* and declaratory judgment, the Company informed the Superior Court of Québec that it had decided to amend its petition to limit it to the motion for *mandamus*. This decision was made in the interest of accelerating the judicial process.

On March 28, 2013, the MDDEFP announced that it would initiate studies on the uranium industry ahead of a mandate given to the office of public hearings on the environment (*Bureau d'audiences publiques sur l'environnement*, or "BAPE"). This mandate will address the social and environmental impacts of uranium exploration and operations in Québec. The MDDEFP also announced that no certificates authorizing uranium exploration and operations projects within the province would be issued until the BAPE had tabled its report.

In the light of the events of March 28, 2013, the Company tested its non-financial assets for impairment.

**STRATECO RESOURCES INC.**  
**Condensed Notes to the Interim Financial Statements**  
For the Nine-month Periods Ended September 30, 2013 and 2012  
(Unaudited)

---

(in Canadian dollars)

**3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)**

All the Company's mining properties and the associated deferred E&E expenditures have been fully impaired by \$3,358,548 and \$76,663,675 respectively, given the Company's inability to proceed with its underground exploration program for the Matoush project, the uncertainty surrounding the uranium industry in Québec and the lack of significant planned E&E expenditures. The Company's property and equipment have also been impaired by \$7,218,847, based on Management's best estimate of their recoverable value, which was \$1,106,682 as of March 31, 2013. The recoverable value of assets is equal to their fair value net of costs of disposal, such that assets are not depreciated prospectively. At March 31, 2013, recoverable value was assessed based on the residual value of the assets, that is, the estimated amount the Company would obtain from their disposal on March 31, 2013, net of estimated disposal costs. Given the Company's inability to determine whether or not they were recoverable, all E&E and mining property expenditures incurred by the Company in the six-month period ended September 30, 2013, including those for the care and maintenance of the Matoush project, were recorded in the statement of income (Note 9).

These impairments created a reversal of deferred income tax liabilities as at March 31, 2013 and a corresponding recovery of deferred income taxes in the three-month period ended March 31, 2013.

The Company also served the MDDEFP with a formal notice for damages and interest for an initial amount of \$16,000,000 on April 22, 2013.

The Company reserves all rights to any future claims in the event that the undue delays continue and lead to irreparable loss of the Matoush project. In such circumstances, an additional amount would be added to the claim to compensate for the loss of value of the project, which amount has yet to be determined. In addition, the Company has asked the Court to issue a safeguard order. The Company has requested the Court to order the government to pay a sum of \$420,000 to \$800,000 on the last day of each month beginning on May 31, 2013, until at least September 30.

Finally, the Company has amended its motion for *mandamus*, which originally asked the Québec Superior Court to order the Minister of the MDDEFP to make a decision on the issuance of the certificate of authorization. The Company is now asking that the Court order the minister to issue the certificate of authorization.

The hearings for the safeguard order took place on June 13 and 14 in front of the Québec Superior Court.

Following these hearings, the MDDEFP minister notified the Company on June 21, 2013, that he plans to "refuse to issue the permit for the Matoush underground exploration project" due to "a lack of sufficient social acceptability". The notification also gave the Company 60 days, later amended to 90 days, to present its "observations" to the Minister regarding his intended refusal to issue the requested permit.

On July 5, 2013, the Minister presented a motion asking the Court to dismiss the *mandamus* proceedings. The Company plans to vigorously oppose this new step.

On July 31, 2013, the Court issued a ruling rejecting the motion from the Company for a safeguard measure. One reason for the ruling is that the Court cannot, at this stage in the proceedings, assume what the final ruling will be on the main application for *mandamus*.

On August 15, 2013, at the request of the MDDEFP, the Company agreed to stay the legal proceedings underway. In exchange, the MDDEFP granted the Company a 30-day extension to submit its observations on the Minister's notice, and provided some of the documents and information requested by the Company. Under the stay of proceedings agreement reached in court between the Company and the MDDEFP, the Minister had 30 days following the filing of the Company's observations to make its decision on the granting of a certificate of authorization, otherwise the stay of legal proceedings could end.

# STRATECO RESOURCES INC.

## Condensed Notes to the Interim Financial Statements

For the Nine-month Periods Ended September 30, 2013 and 2012

(Unaudited)

---

(in Canadian dollars)

### 3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

On September 20, 2013, the Company sent the MDDEFP minister its observations within the required timeframe. These observations were aimed at demonstrating the lack of justification for the MDDEFP minister's intended refusal to issue the certificate of authorisation for the Matoush project due to "a lack of sufficient social acceptability". The Company considered that the Minister had all the elements needed to make a favourable decision regarding the Matoush project.

Despite the filing of the Company's observations on September 20, 2013, and the expiry of the agreed stay period, the MDDEFP minister had still not rendered a decision on the granting of the certificate of authorization. The Company announced on October 29, 2013, that it's picking up where it left off with its legal action against the minister.

On November 8, 2013, the MDDEFP minister notified the Company that his decision is to refuse to deliver the certificate of authorization for the Matoush project (Note 12).

As at the date of the present unaudited condensed interim financial statements, the proceedings on the motion for *mandamus* were still pending.

As of September 30, 2013, given the uncertainty surrounding the amended motion for *mandamus*, the accounting for asset retirement obligations continues to be based on the Company's estimate that the rehabilitation and restoration work required by legislation and regulations will be undertaken in 2017. Changes to the above-mentioned items could have an impact on the timing of rehabilitation and restoration work, and thus on obligations with respect to property and equipment asset retirement obligations.

The choice of method and estimated losses for impairment purposes requires the exercise of judgment by Management, and are based on information available as at the date of these financial statements.

# STRATECO RESOURCES INC.

## Condensed Notes to the Interim Financial Statements

For the Nine-month Periods Ended September 30, 2013 and 2012

(Unaudited)

(in Canadian dollars)

### 4. MINING PROPERTIES AND DEFERRED E&E EXPENDITURES

Mining properties	Interest	December 31, 2012	Additions	Impairment (Note 3)	September 30, 2013
		\$	\$	\$	\$
<b>Matoush project</b>					
Matoush	100%	1,339,982	-	(1,339,982)	-
Matoush Extension	100%	40,775	-	(40,775)	-
Eclat	100%	1,290,671	-	(1,290,671)	-
Pacific Bay-Matoush	60%	661,782	-	(661,782)	-
<b>Other project</b>					
Mistassini	60%	18,719	6,619	(25,338)	-
		3,351,929	6,619	(3,358,548)	-

Deferred E&E expenditures	September 30, 2013	December 31, 2012
	\$	\$
Deferred E&E expenditures	-	75,212,699
Exploration supplies	56,939	506,055
	56,939	75,718,754

Deferred E&E expenditures	December 31, 2012	Additions	Tax Credits	Impairment (Note 3)	September 30, 2013
	\$	\$	\$	\$	\$
<b>Matoush project</b>					
Matoush	67,308,630	1,896,391	(456,826)	(68,748,195)	-
Matoush Extension	663,891	5,193	(2,012)	(667,072)	-
Eclat	4,397,255	9,407	(3,645)	(4,403,017)	-
Pacific Bay-Matoush	1,881,763	3,207	(1,243)	(1,883,727)	-
<b>Other project</b>					
Mistassini	961,160	823	(319)	(961,664)	-
	75,212,699	1,915,021	(464,045)	(76,663,675)	-

**STRATECO RESOURCES INC.**  
**Condensed Notes to the Interim Financial Statements**  
For the Nine-month Periods Ended September 30, 2013 and 2012  
(Unaudited)

(in Canadian dollars)

**5. PROPERTY AND EQUIPMENT**

	<b>Buildings and infrastructure</b>	<b>Vehicles and rolling stock (i)</b>	<b>Equipment</b>	<b>Total (ii)</b>
	\$	\$	\$	\$
<b>Nine-month period ended September 30, 2013</b>				
Net book value, beginning of period	8,386,015	61,296	190,509	8,637,820
Additions	51,554	-	-	51,554
Depreciation	(328,405)	(10,837)	(24,603)	(363,845)
Impairment (Note 3)	(7,132,250)	(17,757)	(68,840)	(7,218,847)
Net book value, end of period	976,914	32,702	97,066	1,106,682
<b>As at September 30, 2013</b>				
Cost	14,854,594	526,486	1,073,112	16,454,192
Accumulated depreciation	(6,518,770)	(476,027)	(907,206)	(7,902,003)
Accumulated impairment charges	(7,358,910)	(17,757)	(68,840)	(7,445,507)
Net book value	976,914	32,702	97,066	1,106,682

(i) There was no depreciation expense relating to finance leases in the statement of income. The depreciation expense relating to property and equipment under finance lease of \$3,932 was capitalized in deferred E&E expenditures for the nine-month period ended September 30, 2013.

Vehicles and rolling stock includes vehicles and rolling stock under a finance lease with net book values of \$18,806 as at September 30, 2013.

(ii) All property and equipment are located in Canada.

**6. LOANS PAYABLE**

On January 14, 2013, in accordance with the agreement signed on December 20, 2012, with Sentient Executive GP IV, Limited, part of The Sentient Group, the Company received the \$2,500,000 representing the second payment of the \$3,000,000 loan.

**7. EQUITY**

**SHARE CAPITAL**

On August 12, 2013, the Company closed a non-brokered private placement with Sentient Executive GP IV, Limited, part of The Sentient Group, of 16,446,389 common shares priced at \$0.05 each for gross proceeds of \$822,319. Sentient Executive GP IV, Limited, received 328,927 additional shares evaluated at \$16,446 representing 2% of the gross proceeds of the placement, as a transaction fee. In connection with this financing, the Company incurred fees and issue costs totaling \$26,734, which were charged against share capital.

# STRATECO RESOURCES INC.

## Condensed Notes to the Interim Financial Statements

For the Nine-month Periods Ended September 30, 2013 and 2012

(Unaudited)

---

(in Canadian dollars)

### 8. 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 (uranium exploration company);
- 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: – none.

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

The Company's financial instruments as at September 30, 2013, consist of cash, financial assets available for-sale, 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.

	September 30, 2013		December 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash	800,819	800,819	429,254	429,254
Financial assets available for sale	8,000	8,000	20,000	20,000
<b>Financial liabilities</b>				
Accounts payable and accrued charges	1,972,106	1,972,106	2,118,296	2,118,296
Obligations under finance leases	19,418	19,418	30,874	30,874
Loans payable	2,950,644	3,000,000	268,730	500,000
Convertible notes	10,685,259	10,879,174	8,958,647	9,206,882

# STRATECO RESOURCES INC.

## Condensed Notes to the Interim Financial Statements

For the Nine-month Periods Ended September 30, 2013 and 2012

(Unaudited)

(in Canadian dollars)

### 9. MINING PROPERTIES COSTS AND E&E EXPENDITURES

Mining properties costs	Three and nine-month periods ended September 30, 2013	
	Interest	Total
		\$
<b>Matoush project</b>		
Matoush	100%	-
Matoush Extension	100%	597
Eclat	100%	-
Pacific Bay-Matoush	60%	-
<b>Other project</b>		
Mistassini	60%	2,658
		<u>3,255</u>

E&E Expenditures	Three-month period ended September 30, 2013			Nine-month period ended September 30, 2013		
	Additions	Tax Credits	Total	Additions	Tax Credits	Total
	\$	\$	\$	\$	\$	\$
<b>Matoush project</b>						
Matoush	810,154	-	810,154	1,856,338	(229,264)	1,627,074
Matoush Extension	-	-	-	2,176	(843)	1,333
Eclat	-	-	-	702	(272)	430
Pacific Bay-Matoush	1,244	-	1,244	(11,164)	4,809	(6,355)
<b>Other project</b>						
Mistassini	-	-	-	(3,817)	1,479	(2,338)
	<u>811,398</u>	<u>-</u>	<u>811,398</u>	<u>1,844,235</u>	<u>(224,091)</u>	<u>1,620,144</u>

### 10. GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2013	2012	2013	2012
	\$	\$	\$	\$
Salaries and benefits	144,149	-	468,213	-
Consulting and professional fees	70,787	226,358	283,841	797,782
Stock-based compensation	-	1,742	-	225,273
Communication and promotion expenses	11,723	65,593	130,200	457,285
Office expenses	52,991	31,893	127,218	118,083
Depreciation of property and equipment	-	7,472	5,664	24,328
	<u>279,650</u>	<u>333,058</u>	<u>1,015,136</u>	<u>1,622,751</u>

# STRATECO RESOURCES INC.

## Condensed Notes to the Interim Financial Statements

For the Nine-month Periods Ended September 30, 2013 and 2012

(Unaudited)

---

(in Canadian dollars)

### 11. SUPPLEMENTAL CASH FLOW INFORMATION

---

	Nine-month periods ended September 30,	
	2013	2012
	\$	\$
<b>Non-cash transactions</b>		
Deferred E&E expenditures included in accounts payable and accrued charges	393,987	918,163
Additions to property and equipment included in accounts payable and accrued charges	12,650	43,042
Share issue costs included in accounts payable and accrued charges	26,734	-
Tax credits receivable presented as a reduction in deferred E&E expenditures	464,045	3,372,730
Depreciation of property and equipment included in deferred E&E expenditures	358,181	1,748,661
Shares and units issued for share issue costs, net of the tax impact of \$0 (\$24,210 as at September 30, 2012)	16,446	65,790
Stock-based compensation capitalized in deferred E&E expenditures	-	117,815

---

### 12. SUBSEQUENT EVENTS AT THE CLOSING DATE

The Company received \$3,242,545, on November 5, 2013, for its 2012 refundable credit for resources.

On November 8, 2013, the MDDEFP minister notified the Company that his decision is to refuse to deliver the certificate of authorization for the Matoush underground exploration phase. At the time of publication of this report, the Company's legal counsel was examining the impact and reach of this decision on the legal proceedings currently underway.