Condensed interim consolidated financial statements of

Strathmore Minerals Corp.

September 30, 2012 and 2011

(unaudited)

Notice

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the nine month periods ended September 30, 2012 and 2011.

Strathmore Minerals Corp.

September 30, 2012 and 2011

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Strathmore Minerals Corp.

Condensed interim consolidated statements of financial position (unaudited)

(expressed in Canadian dollars)

	As at September 30, 2012	As at December 31, 2011
	$	$
ASSETS		
Current		
Cash and cash equivalents (Note 8)	**6,755,999**	11,570,582
Restricted cash and cash equivalents (Note 8)	**2,302,819**	246,785
Other financial assets (Note 4)	**443,805**	676,575
Available-for-sale financial assets (Note 6)	**2,100,000**	2,100,000
Trade and other receivables	**153,676**	292,678
Income taxes receivable	**-**	41,094
Prepaid expenses	**125,611**	67,849
	11,881,910	14,995,563
Property and equipment	**1,110,136**	1,123,717
Other assets (Note 8)	**826,635**	310,015
Exploration and evaluation assets (Note 5)	**53,801,568**	38,483,774
Total assets	**67,620,249**	54,913,069
LIABILITIES		
Current		
Trade and other payables	**2,318,989**	1,506,297
Total liabilities	**2,318,989**	1,506,297
SHAREHOLDERS' EQUITY		
Share capital	**78,823,430**	63,719,428
Other capital reserves (Note 7(e))	**9,533,226**	8,764,384
Deficit	**(32,884,015)**	(28,358,302)
Foreign currency translation reserve	**(1,625,947)**	(338,991)
Attributable to shareholders of:		
Strathmore Minerals Corp.	**53,846,694**	43,786,519
Non-controlling interests (Note 5(a)(i))	**11,454,566**	9,620,253
Total shareholders' equity	**65,301,260**	53,406,772
Total liabilities and shareholders' equity	**67,620,249**	54,913,069

Contingency (Note 11)

Strathmore Minerals Corp.

Condensed interim consolidated statements of income (loss)

(Unaudited)

(expressed in Canadian dollars)

	Three months ended September 30, 2012	Three months ended September 30, 2011	**Nine months ended September 30, 2012**	Nine months ended September 30, 2011
	$	$	**$**	$
General and administrative expenses				
Amortization	**71,332**	80,183	**225,453**	231,359
Consulting fees	**241,746**	242,760	**1,339,979**	773,144
Corporate development and investor relations	**70,769**	154,970	**493,933**	461,345
Office and administration	**177,879**	220,516	**614,798**	540,781
Professional fees	**42,727**	53,499	**278,285**	338,000
Share-based payments (Notes 7(b), 7(c) and 7(d))	**260,332**	176,956	**869,421**	878,290
Transfer agent and regulatory fees	**24,593**	13,153	**94,968**	241,859
Wages and benefits	**141,439**	179,798	**580,493**	482,419
Loss before other items	**(1,030,817)**	(1,121,835)	**(4,497,330)**	(3,947,197)
Other items				
Foreign exchange gain (loss)	**1,498**	3,229	**(4,395)**	2,253
Interest and miscellaneous income	**24,747**	70,259	**92,594**	214,458
Realized (loss) gain on other financial assets (Note 4)	**-**	-	**(3,931)**	445,474
Unrealized (loss) gain on other financial assets (Note 4)	**19,916**	(508,919)	**(205,677)**	(2,031,030)
	46,161	(435,431)	**(121,409)**	(1,368,845)
Loss for the period before income taxes	**(984,656)**	(1,557,266)	**(4,618,739)**	(5,316,042)
Deferred income taxes recovery	**-**	576,525	**-**	1,311,928
Net loss for the period	**(984,656)**	(980,741)	**(4,618,739)**	(4,004,114)
Attributable to shareholders of:				
Strathmore Minerals Corp.	**(951,936)**	(945,842)	**(4,525,713)**	(3,918,778)
Non-controlling interests	**(32,720)**	(34,899)	**(93,026)**	(85,336)
Net loss for the period	**(984,656)**	(980,741)	**(4,618,739)**	(4,004,114)
Basic and diluted loss per common share				
Basic	**(0.01)**	(0.01)	**(0.04)**	(0.04)
Diluted	**(0.01)**	(0.01)	**(0.04)**	(0.04)
Weighted average number of of common shares outstanding				
Basic	**112,092,225**	89,939,769	**112,092,225**	89,636,150
Diluted	**112,092,225**	89,939,769	**112,092,225**	89,636,150

Strathmore Minerals Corp.

Condensed interim consolidated statements of comprehensive income (loss)
(Unaudited)
(expressed in Canadian dollars)

	Three months ended September 30, 2012	Three months ended September 30, 2011	**Nine months ended September 30, 2012**	Nine months ended September 30, 2011
	$	$	**$**	$
Net loss for the period	**(984,656)**	(980,741)	**(4,618,739)**	(4,004,114)
Other comprehensive income (loss), net of tax				
Exchange differences on translating foreign operations	**(1,652,343)**	2,193,798	**(1,286,956)**	1,297,044
Exchange differences on translating non-controlling interests	**(385,206)**	578,090	**(352,189)**	378,174
Comprehensive income (loss) for the period	**(3,022,205)**	1,791,147	**(6,257,884)**	(2,328,896)
Attributable to shareholders of:				
Strathmore Minerals Corp.	**(2,989,485)**	1,826,046	**(6,164,858)**	(2,243,560)
Non-controlling interests	**(32,720)**	(34,899)	**(93,026)**	(85,336)
Comprehensive income (loss) for the period	**(3,022,205)**	1,791,147	**(6,257,884)**	(2,328,896)

Strathmore Minerals Corp.

Condensed interim consolidated statements of changes in equity

(unaudited)

(expressed in Canadian dollars)

	Common shares (Note 7)		Other capital	Foreign currency		Attributable to shareholders of:	Non-	
	Shares	Amount	reserves (Note 7(e))	translation reserve	(Deficit)	Strathmore Minerals Corp.	controlling interests	Total
		$	$	$	$	$	$	$
Balance, January 1, 2012	89,939,769	63,719,428	8,764,384	(338,991)	(28,358,302)	43,786,519	9,620,253	53,406,772
Net loss	-	-	-	-	(4,525,713)	(4,525,713)	(93,026)	(4,618,739)
Other comprehensive loss	-	-	-	(1,286,956)	-	(1,286,956)	(352,189)	(1,639,145)
Comprehensive loss for the period	-	-	-	(1,286,956)	(4,525,713)	(5,812,669)	(445,215)	(6,257,884)
Share-based payments (Notes 7(c) and 7(d))	-	-	1,205,775	-	-	1,205,775	-	1,205,775
Share subscription (Notes 7(a) and 5(b)(i))	14,586,182	8,022,400	-	-	-	8,022,400	-	8,022,400
Share issuance (Note 7(a))	18,255,002	6,663,076	-	-	-	6,663,076	-	6,663,076
Share issuance costs (Note 7(a))	-	(18,407)	-	-	-	(18,407)	-	(18,407)
Release of restricted share units	932,000	436,933	(436,933)	-	-	-	-	-
Contributions to Roca Honda Resources LLC	-	-	-	-	-	-	2,279,528	2,279,528
Balance, September 30, 2012	123,712,953	78,823,430	9,533,226	(1,625,947)	(32,884,015)	53,846,694	11,454,566	65,301,260
Balance, January 1, 2011	88,942,269	62,443,068	8,367,562	(975,486)	(23,806,166)	46,028,978	6,235,304	52,264,282
Net loss	-	-	-	-	(3,918,778)	(3,918,778)	(85,336)	(4,004,114)
Other comprehensive income	-	-	-	1,297,044	-	1,297,044	378,174	1,675,218
Comprehensive loss for the period	-	-	-	1,297,044	(3,918,778)	(2,621,734)	292,838	(2,328,896)
Exercise of options	740,000	1,083,235	(773,834)	-	-	309,401	-	309,401
Exercise of warrants	257,500	193,125	-	-	-	193,125	-	193,125
Share-based payments (Notes 7(c) and 7(d))	-	-	878,290	-	-	878,290	-	878,290
Finders Fee		(7,386)				(7,386)		(7,386)
Contributions to Roca Honda Resources LLC	-	-	-	-	-	-	2,067,577	2,067,577
Balance, September 30, 2011	89,939,769	63,712,042	8,472,018	321,558	(27,724,944)	44,780,674	8,595,719	53,376,393

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Strathmore Minerals Corp.

Condensed interim consolidated statements of cash flows

(unaudited)

(expressed in Canadian dollars)

	Nine months ended September 30, 2012	Nine months ended September 30, 2011
	$	$
Operating activities		
Net loss for the period	**(4,618,739)**	(4,004,114)
Items not affecting cash:		
Amortization	**225,453**	231,359
Interest income	**(96,552)**	(214,458)
Realized (gain) loss on other financial assets	**3,931**	(445,474)
Unrealized loss on other financial assets	**205,677**	2,031,030
Share-based payments	**869,421**	878,290
Foreign exchange loss (gain)	**4,394**	(4,660)
Deferred income taxes	**-**	(1,311,928)
Changes in non-cash working capital items (Note 8)	**(2,596,859)**	1,063,812
Cash used in operations	**(6,003,274)**	(1,776,143)
Interest received	**203,196**	249,872
Net cash used in operating activities	**(5,800,078)**	(1,526,271)
Investing activities		
Purchases of property and equipment	**(206,280)**	(147,069)
Proceeds from disposition of other financial assets	**22,555**	-
Expenditures on exploration and evaluation assets	**(9,049,380)**	(6,441,349)
Cash used in investing activities	**(9,233,105)**	(6,588,418)
Financing activities		
Proceeds from the issuance of common shares	**8,022,400**	-
Share issuance costs	**(18,407)**	(7,387)
Exercise of stock options	**-**	309,401
Cash received from non-controlling interests	**2,219,001**	2,348,338
Exercise of warrants	**-**	193,125
Cash provided by financing activities	**10,222,994**	2,843,477
Net decrease in cash and cash equivalents	**(4,810,189)**	(5,271,212)
Effect of exchange rate changes on cash and cash equivalents	**(4,394)**	-
Cash and cash equivalents, beginning of period	**11,570,582**	21,087,388
Cash and cash equivalents, end of period	**6,755,999**	15,816,176

Supplemental disclosure with respect to cash flows (Note 8)

1. Nature and continuance of operations

Strathmore Minerals Corp. (the "Company" or "Strathmore") is a publicly listed company incorporated in Canada under the laws of the Province of British Columbia. The Company's shares are listed on the Toronto Stock Exchange. The registered office of the Company is located at 2600 - 595 Burrard Street, Three Bentall Centre, Vancouver, British Columbia, V7X 1L3. The principal address and records office of the Company is located at 312 – 1708 Dolphin Avenue, Kelowna, British Columbia, V1Y 9S4.

The Company is primarily engaged in the acquisition, exploration, and development of uranium mineral properties. The Company is also engaged in the acquisition, exploration, and development of gold and copper mineral properties. The Company is in the process of exploring and developing its mineral property interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its properties, obtaining the necessary permits to operate a mine, and upon future profitable production, or alternatively, upon cash generated from non-core property divestures.

2. Basis of preparation

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with IAS 34, *Interim Financial Reporting*, using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2011 prepared in accordance with IFRS. IAS 34 does not require disclosure of accounting policies in interim financial statements. The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are the same as those policies applied in the Company's audited consolidated financial statements for the year ended December 31, 2011.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's continuation as a going concern is dependent upon raising additional capital through equity financing and joint venture arrangements to continue operating at current levels for the ensuing twelve months. There is no assurance that the Company will raise the required capital to continue operating at the current levels. These conditions may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss and are stated at fair value. These condensed interim consolidated financial statements are presented in Canadian dollars.

(expressed in Canadian dollars)

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and all of the following subsidiaries incorporated in Canada and the United States ("US"). Subsidiaries are companies controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of a company so as to obtain benefits from the company's activities. The Company has a shareholding of more than 50% of the voting rights in its subsidiaries. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposal or loss of control.

	2012	2011
Strathmore Resources (US) Ltd.	**100%**	100%
Roca Honda Resources LLC	**60%**	60%
Saratoga Gold Company Ltd.	**100%**	-
Wyoming Gold Mining Company, Inc.	**100%**	-

Significant inter-company balances and transactions are eliminated on consolidation.

3. New accounting pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2012 reporting period.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

IFRS 13, "Fair Value Measurement"

IFRS 13, "Fair Value Measurement", is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The new converged fair value framework is effective for annual periods beginning on or after January 1, 2013.

(expressed in Canadian dollars)

4. Other financial assets

Other financial assets have been classified as fair value through profit or loss with any changes in value recognized through the condensed interim consolidated statements of income (loss) and are comprised of the following:

	Fair value September 30, 2012	Fair value December 31, 2011
	$	$
Sky Digital Stores Corp. ("Sky") (formerly Yellowcake Mining Inc.)	**6,750**	10,068
American Uranium Corporation ("American Uranium")	**13,040**	661
Bayswater Uranium Corporation ("Bayswater")	**358,775**	482,966
Crosshair Energy Corporation ("Crosshair")	**65,240**	182,880
	443,805	676,575

During the nine months ended September 30, 2012, the Company did not sell (September 30, 2011 – sold 1,248,000) any of its Bayswater shares and thus recorded a $nil gain on disposal (September 30, 2011 - $445,474 gain on disposal). During the nine months ended September 30, 2012, the Company sold 56,513 of its Crosshair shares and recorded a $3,931 loss on disposal (September 30, 2011 - $nil). The Crosshair shares were received in conjunction with the sale of the Juniper Ridge property (see note 5(c)(iv)). During the nine months ended September 30, 2012, the Company recorded an unrealized loss of $205,677 (September 30, 2011 - $2,031,030 unrealized loss) resulting from changes in the fair market values of its other financial assets. The resulting unrealized loss has been included in other items in the condensed interim consolidated statements of income (loss).

Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements
September 30, 2012 and 2011
(unaudited)
(expressed in Canadian dollars)

5. Exploration and evaluation assets

For the nine month period ended September 30, 2012	Roca Honda Property	Nose Rock/ Crown Point Property	Marquez Property	Copper King Property	Gas Hills Property	Other Properties	**Total Property Costs**
	$	$	$	$	$	$	**$**
Balance, beginning of period	24,124,286	923,527	1,862,292	-	7,036,863	4,536,806	**38,483,774**
Incurred during the period							
Acquisition costs	-	-	259,700	6,841,125	-	348	**7,101,173**
Administration	277,069	284	267	2,727	90,466	1,979	**372,792**
Drilling	195,442	-	-	-	1,681,911	-	**1,877,353**
Engineering	1,536,087	-	-	-	733,268	1,141	**2,270,496**
Feasibility study	10,056	-	-	-	-	-	**10,056**
Geology & Geophysics	302,660	-	-	28,477	285,416	1,406	**617,959**
Property maintenance fees	15,413	20,290	142	143	243,670	111,486	**391,144**
Permitting/Regulatory	2,923,242	-	-	8,787	882,703	30	**3,814,762**
Personnel time	24,302	-	-	-	-	468	**24,770**
Quality assurance	1,290	-	-	-	183	-	**1,473**
Share-based payments	144,575	181	180	-	188,035	3,382	**336,353**
Travel	64,966	-	-	-	6,169	-	**71,135**
Health & Safety	-	-	-	-	1,567	-	**1,567**
	5,495,102	20,755	260,289	6,881,259	4,113,388	120,240	**16,891,033**
Foreign currency translation	(912,934)	(30,541)	(74,758)	(87,886)	(316,262)	(150,858)	**(1,573,239)**
Balance, end of period	28,706,454	913,741	2,047,823	6,793,373	10,833,989	4,506,188	**53,801,568**

(expressed in Canadian dollars)

For the year ended December 31, 2011	Roca Honda Property	Nose Rock/ Crown Point Property	Marquez Property	Gas Hills Property	Other Properties	Total Property Costs
	$	$	$	$	$	$
Balance, beginning of year	15,482,793	878,420	1,571,893	5,063,106	4,152,871	27,149,083
Incurred during the year						
Acquisition costs	-	-	253,868	10,285	901	265,054
Administration	344,961	-	131	41,639	4,373	391,104
Drilling	1,319,243	-	-	565,076	471	1,884,790
Engineering	2,657,379	-	-	278,371	141,370	3,077,120
Feasibility Study	784,669	-	-	-	-	784,669
Geology & Geophysics	346,288	-	-	86,145	3,790	436,223
Property maintenance fees	15,067	23,702	292	241,420	118,544	399,025
Permitting/Regulatory	2,390,639	-	-	491,326	524	2,882,489
Personnel Time	26,614	185	-	-	1,483	28,282
Quality Assurance	1,001	-	-	-	-	1,001
Share-based payments	179,120	229	149	91,695	5,084	276,277
Travel	63,850	-	-	87	-	63,937
Health & Safety	556	-	-	536	-	1,092
	8,129,387	24,116	254,440	1,806,580	276,540	10,491,063
Foreign currency translation	512,106	20,991	35,959	167,177	107,395	843,628
Balance, end of year	24,124,286	923,527	1,862,292	7,036,863	4,536,806	38,483,774

Titles to the mineral properties involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated the titles to all of its mineral properties and, to the best of its knowledge, the titles to all of its mineral properties are in good standing using accepted industry standards.

Based on the Company’s analysis of its properties in consideration of any impairment, it was concluded that there was no impairment during the nine months ended September 30, 2012 (September 30, 2011 -$nil).

(a) New Mexico properties, USA

(i) Roca Honda property

On July 26, 2007, the Company completed an agreement with Sumitomo Corp. (“Sumitomo”) of Japan to develop the Roca Honda uranium project located in New Mexico. The Company has transferred its entire interest in the Roca Honda property to Roca Honda Resources LLC (“RHR”), a subsidiary in which the Company owns 60% and Sumitomo owns 40%. Each Member is obligated to contribute funds to RHR in proportion to their respective ownership interests pursuant to capital calls by Strathmore US based on approved annual budgets, provided that, subject to the terms of the agreement, such funds shall not exceed in the aggregate $27,215,000. It should be noted that the original budget of $27,215,000 did not include funds to complete an independent third party feasibility study. The current 2012 budget is for the undertaking and completion of the feasibility study, and for obtaining the permits. The 2012 budget includes funding and scheduling in excess of the original five year budget to continue advancing the project. Such permitting and additional activities are needed to advance the property towards the production stage. Any Member may elect to resign from RHR by providing notice to the other Members. If dissolution of RHR occurs and Strathmore US is not in default, Strathmore US would receive the mineral property interests that it contributed to RHR and any remaining proceeds and assets would be distributed in accordance with the respective ownership interests of the Members.

Following completion of development, permitting and the feasibility study, should a positive decision be made to proceed, Sumitomo will contribute a pre-determined cash contribution for development of the Roca Honda mine.

The Company has consolidated Roca Honda Resources LLC into its operations and has recorded the following non-controlling interests balance:

(expressed in Canadian dollars)

	$
Balance, January 1, 2011	6,235,304
Non-controlling interests' share of exploration and evaluation expenditures	3,162,913
Foreign exchange movement	222,036
Balance, December 31, 2011	9,620,253
Non-controlling interests' share of exploration and evaluation expenditures	2,186,502
Foreign exchange movement	(352,189)
Balance, September 30, 2012	11,454,566

(ii) Marquez property

On September 5, 2007, the Company entered into a mineral lease agreement on the Marquez property located in New Mexico, for a period of ten years, with the option to extend the lease for an additional five years. The Company has paid US$750,000 and is required to make annual payments of US$250,000 during the initial ten year term. To extend the lease for an additional five years, the Company is required to pay US$750,000 and make annual payments of US$300,000 thereafter. To extend the lease beyond fifteen years, the Company is required to pay an additional US$750,000.

The property is subject to an 8% net proceeds production royalty. Should commercial production not commence by September 2015, the Company will be required to pay additional annual minimum advance royalty payments of US$250,000, which may be recovered from future production royalties.

(iii) Nose Rock/Crown Point property

The Company has title to a 100% interest in the Nose Rock/Crown Point property.

(b) Wyoming properties, USA

(i) Gas Hills properties

<u>Gas Hills and Definitive Agreement with Korea Electric Power Corp.</u>

On February 1, 2012, the Company completed a two phase strategic Definitive Agreement (the “Agreement”) with Korea Electric Power Corp. (“KEPCO”). In Phase I, KEPCO acquired 14,586,182 common shares of Strathmore at $0.55 per share for total gross proceeds of $8,022,400, with the proceeds deposited into a jointly controlled escrow bank account. The proceeds will be used to advance the Gas Hills properties, in accordance with the Phase I program and budget. In addition, the Agreement contains an off-take provision, whereby KEPCO has the right to purchase a portion of any future annual uranium production from Strathmore's properties, subject to pre-existing agreements. Future off-take uranium purchases are determined by KEPCO's equity ownership in Strathmore.

In Phase II, KEPCO will have the option to participate in a "Phase II" development program, allowing KEPCO to earn-in up to a 40% interest in the Gas Hills properties by funding expenditures totalling US$32 million over three years beginning in 2013. KEPCO will have the option to receive uranium “in-kind” from Gas Hill’s production based on KEPCO’s proportionate interest in the Gas Hills properties. Strathmore will continue to be the operator of the Gas Hills properties and will receive 5% of expenditures as a management fee for its services.

<u>Gas Hills Mill Site property</u>

On December 10, 2007, the Company entered into an option agreement to acquire the Gas Hills Mill Site property located in Wyoming and the related Nuclear Regulatory Commission (“NRC”) license. The Company pays an annual renewal fee of US$10,000 to extend the option agreement.

<u>Other Gas Hills properties</u>

The Company had acquired, by staking, its original 100% interest in certain claims located in the Gas Hills region of Wyoming, USA during prior years. Certain claims are subject to a 5% net proceeds royalty.

(ii) Copper-King property

On May 11, 2012, the Company acquired all of the outstanding shares of Saratoga Gold Company Ltd. (“Saratoga”), a private company incorporated in the Province of British Columbia, for total consideration amounting to $6,835,513, comprising 18,255,002 in common shares of Strathmore valued at $6,663,076 and $172,437 in acquisition related costs. Saratoga’s primary asset is its wholly-owned subsidiary, Wyoming Gold Mining Company, Inc., which owns 100% interest in an advanced stage gold-copper property in Wyoming, US.

This transaction was accounted for as an acquisition of a group of assets. The acquisition cost of the group was allocated to the individual identifiable assets acquired and liabilities assumed on the basis of their relative fair values at the date of acquisition.

(c) Other properties

(i) Other New Mexico properties

The Company had acquired its original 100% interest in certain claims located in New Mexico, USA, during prior years.

(expressed in Canadian dollars)

(ii) Sky/Cedar Rim property

The Company had acquired its original 100% interest in the Sky/Cedar Rim property during prior years.

(iii) Church Rock property

The Company has title to a 100% interest in the Church Rock property.

(iv) Other Wyoming properties

Juniper Ridge property – disposition of mineral property interest

The Company entered into an option agreement on October 29, 2010 with Crosshair Energy Corporation for the sale of its Juniper Ridge property. Under the terms of the agreement, Crosshair will pay the Company an estimated value of US$7,200,000 over six years in cash and common shares of Crosshair to acquire the property. As of September 30, 2012, the Company has received US$450,000 in cash and 522,513 shares valued at US$250,000 from Crosshair. The purchase price will increase or decrease by $1.00 for each pound of uranium above or below 5,000,000 pounds as demonstrated by a National Instrument 43-101 technical report to be completed within three years of the agreement. The purchase price will also increase or decrease by $0.30 for each pound of uranium above or below 5,000,000 pounds as determined a pre-feasibility study or feasibility study to be completed within six years of the agreement date. Ownership will revert back to the Company if any of the required payments are not received from Crosshair.

Schedule of estimated payments to be received from Crosshair Energy Corporation in cash and common shares based on an estimated 5,000,000 pounds of uranium:

Year	Cash	Common Shares	Total
	US$	**US$**	**US$**
2010	200,000	-	200,000
2011	250,000	250,000	500,000
2012	1,250,000	1,250,000	2,500,000
2013	1,250,000	1,250,000	2,500,000
2016	To be determined by Strathmore Minerals Corp.		1,500,000
Total			7,200,000

(v) Royalties

In connection with the sale of the Company's Pine Tree/Reno Creek property to Bayswater on April 7, 2010, the Company retains a 5% gross proceeds royalty from sales that can be re-purchased in whole or in part by Bayswater at any time before the commencement of commercial production for US$2,000,000 (US$1,000,000 in cash and US$1,000,000 in common shares of Bayswater) per 1% royalty reduction up to a maximum of the entire 5% royalty for US$10,000,000.

(expressed in Canadian dollars)

In connection with the sale of the Company's Juniper Ridge property to Crosshair on October 29, 2010, the Company retains a 2% gross production royalty that can be re-purchased in whole or in part by Crosshair during the three years after commercial production commences for a total of US$1,500,000 per 1% royalty reduction up to a maximum of the entire 2% royalty for US$3,000,000.

In connection with the sale of the Company's seven state uranium mineral leases to Peninsula Minerals Limited on August 24, 2009, the Company retains a 4% gross sales royalty.

6. Available-for-sale financial assets

The Company's investments in equity securities of private companies have been classified as available-for-sale financial assets, which are initially recognized at fair value and subsequently measured at cost. Any impairment amounts would be recognized through the condensed interim consolidated statements of income (loss) and are comprised of the following:

	Cost September 30, 2012	Cost December 31, 2011
	$	$
Mogul Ventures Corp. ("Mogul")	**2,000,000**	2,000,000
Vico Energy Corp. ("Vico")	**100,000**	100,000
	2,100,000	2,100,000

On April 5, 2011, the Company acquired 8,000,000 common shares of Mogul Ventures Corp. by a subscription agreement for $2,000,000.

On November 1, 2011, the Company acquired 1,250,000 common shares of Vico Energy Corp. by a subscription agreement for $100,000. For each common share acquired, the Company also acquired one half of one non-transferable share purchase warrant of Vico. Each whole warrant entitles Strathmore to purchase one additional common share of Vico at a price of $0.10 per warrant for a period of five years.

7. Share capital, stock options, restricted share units, warrants, and other capital reserves

The Company has authorized an unlimited number of common shares, without par value. On February 1, 2012, the Company entered into an ongoing share subscription agreement with KEPCO. Under the terms of the agreement, KEPCO has the option to subscribe for additional common shares in the Company's future public or private share offerings to maintain its proportionate common share interest. The agreement also entitles KEPCO to appoint at least one director when its ownership interest in Strathmore's common shares is greater than or equal to 20%.

(a) Share capital

Share subscription

On February 11, 2012, the Company completed an equity financing with KEPCO (see note 5(b)(i)) of 14,586,182 common shares at a price of $0.55 per share for gross proceeds of $8,022,400. The Company paid $18,407 in share issuance costs as a result of the equity financing with KEPCO.

Acquisition of Saratoga

On May 11, 2012, the Company completed the acquisition of all the outstanding shares of privately held Saratoga. As part of the consideration for the acquisition of Saratoga, the Company issued 18,255,002 of its common shares to Saratoga shareholders on the basis of 1.25 Strathmore shares for each share of Saratoga with a fair value of $6,663,076 on the date of acquisition. Refer to note 5(b)(ii).

(b) Stock options and warrants

The Company has a stock option plan whereby, from time to time, at the discretion of the Board of Directors (the "Board"), stock options are granted to directors, officers, employees and certain consultants. The Board will establish the exercise prices of options at the time options are granted, provided that such prices shall not be less than the market prices. The options granted must be exercised no later than ten years after the date of grant or such lesser period as the applicable grant may require, and the options will have vesting periods determined by the Board to be settled in the Company's common shares.

The aggregate maximum number of shares available for issuance from treasury under the plan is 14,000,000. Any shares subject to options which have been granted under the plan and which options have been cancelled, surrendered or terminated in accordance with the terms of the plan without having been exercised will again be available under the plan.

(expressed in Canadian dollars)

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
		$		$
Outstanding, January 1, 2011	8,405,000	0.69	7,750,864	0.75
Granted	200,000	1.30	-	-
Exercised	(740,000)	0.42	(257,500)	0.75
Forfeited	(180,000)	0.97	-	-
Outstanding, December 31, 2011	7,685,000	0.73	7,493,364	0.75
Granted	1,450,000	0.56	-	-
Cancelled/Forfeited	(10,000)	1.17	-	-
Expired	-	-	(7,493,364)	0.75
Outstanding, September 30, 2012	9,125,000	0.70	-	-

For stock options exercised during the nine months ended September 30, 2011, the weighted average fair value per option is $0.22. There were no stock options exercised during the nine months ended September 30, 2012.

The following table summarizes information about outstanding stock options at September 30, 2012:

Stock Options

Number Outstanding	Exercise Price	Number Exercisable	Expiry Date
	$		
400,000	2.25	400,000	January 2, 2013
35,000	0.70	35,000	April 23, 2013
150,000	0.60	150,000	September 26, 2013
3,925,000	0.41	3,925,000	November 10, 2013
100,000	1.30	100,000	February 1, 2014
1,545,000	0.65	1,287,499	February 17, 2015
190,000	1.30	95,000	November 29, 2015
1,330,000	1.17	665,000	December 23, 2015
400,000	0.55	80,000	February 17, 2015
1,050,000	0.56	175,001	February 22, 2022
9,125,000		6,912,500	

(expressed in Canadian dollars)

(c) *Share-based payments*

During the nine months ended September 30, 2012, the Company granted 1,450,000 (September 30, 2011 – 200,000) options to employees, consultants, officers and directors. The outstanding options at September 30, 2012 vest over periods ranging from 2.5 years to 3 years. The stock options are recorded at fair value in the condensed interim consolidated statements of income (loss) and the condensed interim consolidated statements of financial position using the Black-Scholes option pricing model. The expected volatility assumption is based on the historical and implied volatility of the Company's Canadian dollar common share prices on the Toronto Stock Exchange and on the Toronto Stock Venture Exchange. The risk-free interest rate assumption is based on yield curves on Canadian Government zero-coupon bonds with a remaining term equal to the stock options' expected life. The total amount of share-based payments recognized in the condensed interim consolidated statements of income (loss) during the nine months ended September 30, 2012 was $453,271 (September 30, 2011 – $878,290) and in exploration and evaluation assets in the condensed interim consolidated statements of financial position at September 30, 2012 was $105,013 (December 31, 2011 - $247,397) as a result of options granted and vested. These amounts were also recorded as other capital reserves in the condensed interim consolidated statements of financial position. The weighted average fair value of options granted during the nine months ended September 30, 2012 was $0.56 (September 30, 2011 - $0.83) per option. The weighted average remaining contractual life for options outstanding at September 30, 2012 is 2.7 years (December 31, 2011 – 2.7 years).

During the nine months ended September 30, 2012, the following weighted average assumptions were used for the valuation of stock options:

September 30	**2012**	2011
Expected risk-free interest rate	**1.28%**	1.80%
Expected life	**3.5 years**	2.5 years
Expected volatility	**95%**	113%
Expected dividend rate	**0.00%**	0.00%

(d) *Restricted share units*

The Company implemented a restricted share plan whereby, from time to time, at the discretion of the Board, restricted share rights are granted to directors, officers, employees and certain consultants to acquire any number of fully paid and non-assessable shares. The Board shall determine the restricted period applicable to such restricted share rights. The aggregate maximum number of shares available for issuance from treasury under this plan shall not exceed 5,500,000 shares. Any shares subject to restricted share rights, which have been granted under the plan and which have been cancelled or terminated in accordance with the terms of the plan without the applicable restriction period having expired, will again be available under the plan.

(expressed in Canadian dollars)

On March 21, 2012, 1,355,000 restricted share units were granted by the Company to employees, consultants, officers, and directors of the Company. The restricted share units granted in 2011 have a total fair value of $643,546 and are released over 2.5 years and the restricted share units granted in 2012 have a total fair value of $633,443 and are released over 2.5 years.

The total amount of restricted share units recognized in share-based payments in the condensed interim consolidated statements of income (loss) during the nine months ended September 30, 2012 was $416,150 (September 30, 2011 - $nil) and in exploration and evaluation assets in the condensed interim consolidated statements of financial position was $231,340 (December 31, 2011 - $28,880) as a result of restricted share units issued. These amounts were also recorded as other capital reserves in the condensed interim consolidated statement of financial position. The weighted average fair value of restricted share units granted during the nine months ended September 30, 2012 was $0.49 (September 30, 2011 - $nil). The weighted average remaining contractual life for restricted share units outstanding at September 30, 2012 is 1.8 years (December 31, 2011 – 2.3 years).

Restricted Share Units	Number
Outstanding, January 1, 2011	-
Granted	1,494,000
Outstanding, December 31, 2011	1,494,000
Granted	1,355,000
Released	(932,000)
Forfeited	(66,333)
Outstanding, September 30, 2012	1,850,667

(e) Other capital reserves

The Company’s other capital reserves relate to stock options and restricted share units granted by the Company to employees, consultants, officers and directors under its stock option and restricted share plans. Details about the Company’s share-based payments and restricted share units are provided in notes 7(b), 7(c), and 7(d).

(expressed in Canadian dollars)

8. Supplemental disclosure with respect to cash flows

	September 30, 2012	December 31, 2011
	$	$
Cash and cash equivalents		
Cash		
CAN$	**311,498**	579,405
US$	**3,589,425**	1,581,112
	3,900,923	2,160,517
Term deposits		
CAN$	**2,855,076**	9,410,065
	6,755,999	11,570,582

The Company has $3,129,454 in restricted cash and cash equivalents (December 31, 2011 - $556,800), which are being held in escrow to further develop the Gas Hills properties as a result of the Agreement with KEPCO for a total of $2,059,531 (December 31, 2011 - $nil), to guarantee performance bonds for compliance with environmental laws for a total of $826,635 (December 31, 2011 - $310,015), and to guarantee credit cards for a total of $243,288 (December 31, 2011 - $246,785), and are therefore not available for general use by the Company. During the nine months ended September 30, 2012, the Company earned $96,552 (September 30, 2011 - $192,149) in interest income on its cash and cash equivalents and on its other financial assets.

	September 30, 2012	September 30, 2011
	$	$
Changes in non-cash working capital items:		
(Increase) decrease in trade and other receivables	**32,358**	(5,488)
Increase in other financial assets	**-**	(901,703)
Increase in other assets	**(516,620)**	-
Increase in prepaid expenses	**(57,762)**	(17,791)
Increase in restricted cash and cash equivalents	**(2,056,034)**	-
Decrease in income taxes receivable	**-**	1,364,392
Increase in trade and other payables	**1,199**	624,402
Total changes in non-cash working capital items	**(2,596,859)**	1,063,812

There were $nil cash payments for income taxes during the nine months ended September 30, 2012 (September 30, 2011 - $nil).

Significant non-cash transactions during the nine months ended September 30, 2012 include the following:

(a) Incurring exploration and evaluation assets expenditures of $1,398,110 through trade and other payables.
(b) Recognizing $1,573,239 in foreign currency translation adjustment through exploration and evaluation assets.
(c) Recognizing $6,665,791 in share capital for the acquisition of Saratoga through exploration and evaluation assets.
(d) Recognizing $336,353 in fair value for the share-based payments in exploration and evaluation assets.
(e) Recognizing $436,932 in fair value for the released restricted share units under other capital reserves through share capital.

Significant non-cash transactions during the nine months ended September 30, 2011 include the following:

(a) Incurring exploration and evaluation assets expenditures of $1,388,331 through trade and other payables.
(b) Recognizing $773,834 of other capital reserves on exercised options and warrants through share capital.
(c) Recognizing $1,216,838 in foreign currency translation adjustment through exploration and evaluation assets.
(d) Recognizing $48,418 in foreign currency translation adjustment through property and equipment.
(e) Recognizing $179,375 in prepaid expenses through property and equipment.

9. Related party transactions

Balances between the Company and its subsidiaries have been eliminated on consolidation and are disclosed below. Details of the transactions between the Company and other related parties are discussed below.

(expressed in Canadian dollars)

Intercompany balances resulting from transactions during the normal course of business are as follows at the end of the period:

	September 30, 2012	December 31, 2011
	$	$
Intercompany balances to be received by:		
Strathmore Minerals Corp.	**39,991,858**	27,748,554
Saratoga Gold Company Ltd.	**6,637,577**	-
Strathmore Resources (US) Ltd.	**260,021**	160,307
Intercompany balances to be paid by:		
Strathmore Resources (US) Ltd.	**39,909,835**	27,748,554
Saratoga Gold Company Ltd.	**82,023**	-
Wyoming Gold Mining Company, Inc.	**6,688,361**	-
Roca Honda Resources LLC	**209,237**	160,307

Details of the transactions between the Company and other related parties are discussed below:

	September 30, 2012	September 30, 2011
	$	$
Share-based payments for options granted to directors and key management personnel	**390,346**	533,672
Share-based payments for restricted share units granted to directors and key management personnel	**383,014**	-
Wages and consulting fees paid to directors and key management personnel	**1,140,136**	1,016,488
	1,913,496	1,550,160

Included in accounts payable at September 30, 2012 is $26,000 (December 31, 2011 - $28,500) for consulting and directors fees to directors, officers and companies controlled by directors and officers.

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

Share-based payments represents the fair value calculations of options in accordance with IFRS 2, *Share-Based Payment* granted to key management personnel.

(expressed in Canadian dollars)

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the nine month periods ended September 30, 2012 and September 30, 2011.

10. Segmented information

The Company primarily operates in one reportable operating segment, the exploration and evaluation of its mineral properties, and the Company considers its loss from operations for the nine months ended September 30, 2012 and its loss from operations for the nine months ended September 30, 2011 to relate to this segment.

For the exploration and evaluation assets, the Company receives discrete financial information that is used by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. The segment is principally engaged in uranium exploration and evaluation in the US. The Company's corporate segment only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8, *Operating segments*.

Assets by geographic area are as follows:

	Canada	United States	Total
	$	$	**$**
September 30, 2012			
Property and equipment	**61,479**	**1,048,657**	**1,110,136**
Exploration and evaluation assets	**-**	**53,801,568**	**53,801,568**
December 31, 2011			
Property and equipment	73,378	1,050,339	1,123,717
Exploration and evaluation assets	-	38,483,774	38,483,774

11. Contingency

The Company has a claim for services allegedly performed on its mineral properties totalling $182,616 plus interest that arose prior to the spin-out of Fission Energy Corp. ("Fission") on July 17, 2007. The Plaintiff has commenced legal proceedings against Strathmore and Fission. Strathmore unequivocally rejects this claim and is actively defending itself. A counterclaim has been filed against the Plaintiff in the amount of $87,641 plus interest. The Plaintiff's claim involves mineral properties transferred to Fission. It is Strathmore's position that according to the "plan of arrangement" to spin-out Fission from Strathmore, liabilities associated with the transferred mineral properties become the responsibility of Fission. No amount has been accrued with respect to this claim in the condensed interim consolidated financial statements.

(expressed in Canadian dollars)

12. Financial instruments and risk management

Categories of financial instruments

	Fair value through profit or loss		Available-for-sale		Loans and receivables *		Other financial liabilities	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
	$	$	$	$	$	$	$	$
September 30, 2012								
Cash and cash equivalents	6,755,999	6,755,999	-	-	-	-	-	-
Restricted cash and cash equivalents	2,302,819	2,302,819	-	-	-	-	-	-
Other assets	826,635	826,635	-	-	-	-	-	-
Other financial assets	443,805	443,805	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	153,676	153,676	-	-
Available-for-sale financial assets	-	-	N/A	2,100,000	-	-	-	-
Trade and other payables	-	-	-	-	-	-	2,318,989	2,318,989
December 31, 2011								
Cash and cash equivalents	11,570,582	11,570,582	-	-	-	-	-	-
Restricted cash and cash equivalents	246,785	246,785	-	-	-	-	-	-
Other assets	310,015	310,015	-	-	-	-	-	-
Other financial assets	676,575	676,575	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	292,678	292,678	-	-
Available-for-sale financial assets	-	-	N/A	2,100,000	-	-	-	-
Trade and other payables	-	-	-	-	-	-	1,506,297	1,506,297

* The Company does not have any outstanding loans.

The Company's financial instruments consist of cash and cash equivalents, restricted cash and cash equivalents, trade and other receivables, other financial assets, available-for-sale financial assets, other assets, and trade and other payables. For cash and cash equivalents, restricted cash and cash equivalents, trade and other receivables, other assets, and trade and other payables, carrying value is considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. The fair value of other financial assets represents quoted prices in active markets for identical securities. The available-for-sale investments in equity securities do not have quoted market prices in an active market and whose fair values cannot be reliably measured, and are therefore, recorded at cost. The fair value of financial instruments at the reporting date was calculated on the basis of available market data.

The Company's financial instruments that are measured at fair value on a recurring basis in periods subsequent to initial recognition and the fair value hierarchy used to measure them are presented in the table below. The Company classifies its other financial assets, measured at fair value, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

At September 30, 2012, the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the condensed interim consolidated statements of financial position at fair value are categorized as follows: (1) cash and cash equivalents, restricted cash and cash equivalents, other assets, and other financial assets are categorized in level 1. At September 30, 2012, there were no financial assets or liabilities measured and recognized on the consolidated statements of financial position at fair value that would be categorized in level's 2 and 3 in the fair value hierarchy provided above. There were no transfers between level 1 and 2 during the nine months ended September 30, 2012. Available-for-sale financial assets are measured and recognized at historical cost.

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, and market risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging and derivative trading activities.

(a) *Credit Risk*

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis, including evaluation of counterparty credit ratings, monitoring activities related to receivables and counterparty concentrations measured by amounts and percentages. The primary sources of credit risk for the Company arise from financial assets including cash and cash equivalents held with major financial institutions and trade and other receivables. The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At September 30, 2012, the Company has no financial assets that are past due or impaired due to credit risk defaults. Therefore, the Company is not exposed to significant credit risk.

(expressed in Canadian dollars)

The Company's maximum exposure to credit risk at the reporting date is as follows:

	September 30, 2012	December 31, 2011
	$	$
Cash and cash equivalents	**6,755,999**	11,570,582
Restricted cash and cash equivalents	**2,302,819**	246,785
Other assets	**826,635**	310,015
Trade and other receivables	**153,676**	292,678
	10,039,129	12,420,060

(b) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of trade and other payables. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and other financial assets balances to meet its anticipated operational needs.

The Company's financial liabilities, consisting of trade and other payables, arose as a result of exploration and evaluation of its mineral properties and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

At September 30, 2012, the Company had positive working capital of $9,562,921 that includes $2,302,819 in restricted cash and cash equivalents. Accordingly, the Company is able to meet its current obligations and has minimal liquidity risk.

(expressed in Canadian dollars)

The following table summarizes the Company's financial liabilities:

	September 30, 2012	December 31, 2011
	$	$
Trade and other payables	**2,318,989**	1,506,297
	2,318,989	1,506,297

Typical repayment terms for the Company do not exceed 90 days.

(c) *Market risk*

Market risk is the risk that the fair value for assets classified as FVTPL, other financial liabilities, and loans or receivables of a financial instrument will fluctuate because of changes in market conditions. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to market fluctuations. The Company holds certain marketable securities that will fluctuate in value as a result of trading on global financial markets. Based on the Company's portfolio at September 30, 2012, a 10% increase or decrease in the market price of the equity securities held, ignoring any foreign currency risk, which is described below, would have resulted in an increase (or decrease) to net income of approximately $20,568 (September 30, 2011 - $203,103). The Company is not exposed to interest rate risk, as it does not hold debt balances and is not charged interest on its trade and other payables.

13. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing or the divestiture of its non-core mineral properties to fund its activities. The capital structure of the Company currently consists of common shares, stock options, restricted share units and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the condensed interim consolidated statements of changes in equity. The Company manages its capital structure by making adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents and other financial assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are approved by the Board of Directors and updated as necessary depending on various factors, including capital deployment and general industry conditions.

During the nine months ended September 30, 2012, there were no significant changes in the processes used by the Company or in the Company's objectives and policies for managing its capital. At September 30, 2012, the Company's available capital resources, consisting of cash and cash equivalents, and other financial assets, total $7,199,804. At September 30, 2012, the Company's total liabilities are $2,318,989. The Company believes that sufficient capital resources are available to support further exploration and evaluation of its mineral properties. The Company anticipates continuing to access equity markets, divestiture of its non-core mineral properties, and the use of joint ventures to fund continued exploration and evaluation of its mineral properties.