

Condensed interim consolidated financial statements of

Strathmore Minerals Corp.

March 31, 2013 and 2012

(unaudited)

Strathmore Minerals Corp.

March 31, 2013 and 2012

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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 three month period ended March 31, 2013 and 2012.

Strathmore Minerals Corp.

Condensed interim consolidated statements of financial position
(unaudited)

(expressed in Canadian dollars)

	As at March 31, 2013	As at December 31, 2012
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (Note 8)	2,952,309	5,368,727
Restricted cash and cash equivalents (Note 8)	246,638	244,562
Other financial assets (Note 4)	241,071	240,665
Available-for-sale financial assets (Note 6)	2,000,000	2,000,000
Trade and other receivables	55,084	174,919
Prepaid expenses	176,102	108,535
	5,671,204	8,137,408
Property and equipment	1,061,476	1,090,713
Other restricted assets (Note 8)	911,588	893,007
Exploration and evaluation assets (Note 5)	60,223,407	57,389,751
Total assets	67,867,675	67,510,879
LIABILITIES		
Current		
Trade and other payables	1,325,697	1,871,912
Total liabilities	1,325,697	1,871,912
SHAREHOLDERS' EQUITY		
Share capital	78,823,430	78,823,430
Other capital reserves (Note 7(e))	10,183,062	9,869,672
Deficit	(35,078,309)	(34,069,343)
Accumulated other comprehensive loss	(116,484)	(1,093,191)
Attributable to shareholders of:		
Strathmore Minerals Corp.	53,811,699	53,530,568
Non-controlling interests (Note 5(a))	12,730,279	12,108,399
Total shareholders' equity	66,541,978	65,638,967
Total liabilities and shareholders' equity	67,867,675	67,510,879

Strathmore Minerals Corp.

Condensed interim consolidated statements of loss

(unaudited)

(expressed in Canadian dollars)

	Period Ended	Period Ended
	March 31,	March 31,
	2013	2012
	\$	\$
General and administrative expenses		
Amortization	49,213	77,344
Consulting fees	229,135	702,846
Corporate development and investor relations	125,017	214,487
Office and administration	114,527	224,184
Professional fees	88,183	204,728
Share-based payments (Notes 7(b), 7(c) and 7(d))	214,455	275,514
Transfer agent and regulatory fees	32,279	49,231
Wages and benefits	186,433	304,298
Loss before other items	(1,039,242)	(2,052,632)
Other items		
Foreign exchange loss	-	(8,663)
Interest and miscellaneous income (loss)	(4,915)	38,285
Unrealized gain on other financial assets	-	210,771
	(4,915)	240,393
Net loss for the period	(1,044,157)	(1,812,239)
Attributable to shareholders of:		
Strathmore Minerals Corp.	(1,008,966)	(1,777,229)
Non-controlling interests	(35,191)	(35,010)
Net loss for the period	(1,044,157)	(1,812,239)
Basic and diluted loss		
per common share		
Basic and Diluted	(0.01)	(0.02)
Weighted average number of		
of common shares outstanding		
Basic and Diluted	115,013,283	97,954,155

Strathmore Minerals Corp.

Condensed interim consolidated statements of comprehensive gain (loss)
(unaudited)

(expressed in Canadian dollars)

	Period Ended March 31, 2013	Period Ended March 31, 2012
	\$	\$
Net loss for the period	(1,044,157)	(1,812,239)
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods, net of tax		
Exchange differences on translating foreign operations	976,707	(584,830)
Exchange differences on translating non-controlling interests	251,813	(169,578)
Comprehensive gain (loss) for the period	184,363	(2,566,647)
Attributable to shareholders of:		
Strathmore Minerals Corp.	(32,259)	(2,362,059)
Non-controlling interests	216,622	(204,588)
Comprehensive gain (loss) for the period	184,363	(2,566,647)

Strathmore Minerals Corp.

Condensed interim consolidated statements of changes in equity
(unaudited)

(expressed in Canadian dollars)

	Common shares (Note 7)		Other capital reserves (Note 7(e))	Accumulated other comprehensive loss	(Deficit)	Attributable to shareholders of:		
	Shares	Amount				Strathmore Minerals Corp.	Non-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	-	-	-	-	(1,777,229)	(1,777,229)	(35,010)	(1,812,239)
Other comprehensive loss	-	-	-	(584,830)	-	(584,830)	(169,578)	(754,408)
Comprehensive loss for the period	-	-	-	(584,830)	(1,777,229)	(2,362,059)	(204,588)	(2,566,647)
Share-based payments (Notes 7(c) and 7(d))	-	-	361,340	-	-	361,340	-	361,340
Share subscription (Notes 7(a) and 5(c))	14,586,182	8,022,400	-	-	-	8,022,400	-	8,022,400
Share issuance costs (Note 7(a))	-	(18,407)	-	-	-	(18,407)	-	(18,407)
Contributions to Roca Honda Resources LLC	-	-	-	-	-	-	803,325	803,325
Balance, March 31, 2012	104,525,951	71,723,421	9,125,724	(923,821)	(30,135,531)	49,789,793	10,218,990	60,008,783
Balance, January 1, 2013	123,712,953	78,823,430	9,869,672	(1,093,191)	(34,069,343)	53,530,568	12,108,399	65,638,967
Net loss	-	-	-	-	(1,008,966)	(1,008,966)	(35,191)	(1,044,157)
Other comprehensive gain	-	-	-	976,707	-	976,707	251,813	1,228,520
Comprehensive gain for the period	-	-	-	976,707	(1,008,966)	(32,259)	216,622	184,363
Share-based payments (Notes 7(c) and 7(d))	-	-	313,390	-	-	313,390	-	313,390
Contributions to Roca Honda Resources LLC	-	-	-	-	-	-	405,258	405,258
Balance, March 31, 2013	123,712,953	78,823,430	10,183,062	(116,484)	(35,078,309)	53,811,699	12,730,279	66,541,978

Strathmore Minerals Corp.

Condensed interim consolidated statements of cash flows
(unaudited)
(expressed in Canadian dollars)

	Period ended March 31, 2013 \$	Period ended March 31, 2012 \$
Operating activities		
Net loss for the year	(1,044,157)	(1,812,239)
Items not affecting cash:		
Amortization	49,213	77,344
Interest expense (income)	4,915	(38,285)
Unrealized gain on other financial assets	-	(210,678)
Share-based payments	214,455	275,514
Foreign exchange loss	-	8,663
Changes in non-cash working capital items (Note 8)	(104,253)	(6,767,868)
Cash used in operations	(879,827)	(8,467,549)
Interest received	78,001	200,029
Net cash used in operating activities	(801,826)	(8,267,520)
Investing activities		
Purchases of property and equipment	-	(133,996)
Expenditures on exploration and evaluation assets	(1,954,986)	(2,181,945)
Cash used in investing activities	(1,954,986)	(2,315,941)
Financing activities		
Proceeds from the issuance of common shares	-	8,022,400
Share issuance costs	-	(18,407)
Cash received from non-controlling interests	340,394	730,692
Cash provided by financing activities	340,394	8,734,685
Net decrease in cash and cash equivalents	(2,416,418)	(1,848,776)
Effect of exchange rate changes on cash and cash equivalents	-	(8,663)
Cash and cash equivalents, beginning of period	5,368,727	11,570,582
Cash and cash equivalents, end of period	2,952,309	9,713,143

Supplemental disclosure with respect to cash flows (Note 8)

Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

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(expressed in Canadian dollars)

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 divestitures.

The condensed interim consolidated financial statements of Strathmore for the period ended March 31, 2013 were approved and authorized for issue by the Board of Directors on May 13, 2013.

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, 2012 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 consistent with those policies applied in the Company's audited consolidated financial statements for the year ended December 31, 2012.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2013, the Company has not advanced its properties to commercial production and is not able to finance day-to-day activities through 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

Strathmore Minerals Corp.

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(expressed in Canadian dollars)

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 the financial instruments classified as fair value through profit and loss and for the available-for-sale asset stated at fair value. These condensed interim consolidated financial statements are presented in Canadian dollars.

3. Significant accounting policies

The Company's principal accounting policies under IFRS are outlined below:

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.

	March 31, 2013	December 31, 2012
Strathmore Resources (US) Ltd.	100%	100%
Roca Honda Resources LLC	60%	60%
Saratoga Gold Company Ltd.	100%	100%
Wyoming Gold Mining Company, Inc.	100%	100%

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

New standards, interpretations and amendments adopted by Strathmore

The Company applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include *IFRS 10, consolidated financial statements*, *IAS 19, employee benefits (amended in 2011)*, *IFRS 7, financial instruments: disclosures*, *IFRS 13, fair value measurement* and amendments to *IAS 1, presentation of financial statements*. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of *IFRS 12, disclosure of interest in other entities*, would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Company or the condensed interim consolidated financial statements of the Company.

The nature and the impact of each new standard/amendment is described below:

IAS 1, Presentation of financial statements

The amendments to IAS 1 introduce a grouping of items presented in accumulated other comprehensive loss. Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation

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of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans). The amendment affected presentation only and had no impact on the Company's financial position or performance.

IFRS 7, Financial instruments: disclosures

The amendment requires an entity to disclose information about rights to off-set financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are off-set in accordance with IAS 32. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Company is not off-setting financial instruments in accordance with IAS 32 and does not have relevant off-setting arrangements, the amendment does not have an impact on the Company's condensed interim consolidated financial statements.

IFRS 10, Consolidated financial statements

In May 2011, the IASB issued *IFRS 10, Consolidated Financial Statements*. This standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. Management has applied IAS 10 on a prospective basis, commencing January 1, 2013. These amendments did not have a significant impact on the Company's condensed interim consolidated financial statements.

IFRS 12, Disclosure of interests in other entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for the condensed interim consolidated financial statements, unless significant events and transactions occur in the interim period requiring that they are discussed. Accordingly, the Company has not made such disclosures.

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. Management has applied IAS 13 on a prospective basis, commencing January 1, 2013. These amendments did not have a significant impact on the Company's condensed interim consolidated financial statements.

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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 loss and are comprised of the following:

	Fair value March 31, 2013	Fair value December 31, 2012
	\$	\$
Sky Digital Stores Corp. ("Sky") (formerly Yellowcake Mining Inc.)	5,712	5,600
American Uranium Corporation ("American Uranium")	14,574	14,280
Bayswater Uranium Corporation ("Bayswater")	220,785	220,785
	241,071	240,665

Strathmore Minerals Corp.

Notes to the condensed interim consolidated financial statements

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(expressed in Canadian dollars)

5. Exploration and evaluation assets

For the period ended March 31, 2013	Roca Honda Property	Marquez Property	Copper King Property	Gas Hills Property	Other Properties	Total Property Costs
	\$	\$	\$	\$	\$	\$
Balance, beginning of period	30,344,723	2,074,134	6,895,098	12,551,601	5,524,195	57,389,751
Incurring during the period:						
Acquisition costs	-	-	222	-	-	222
Administration	71,697	1,689	2,313	55,359	1,267	132,325
Drilling	35	-	-	19,721	297	20,053
Engineering	135,287	-	-	130,153	-	265,440
Feasibility study	4,452	-	-	-	-	4,452
Geology & Geophysics	32,393	-	175	85,836	144	118,548
Property maintenance fees	1,889	39,764	-	167	2,813	44,633
Permitting/Regulatory	560,596	-	1,212	290,027	251	852,086
Personnel time	6,977	-	-	-	-	6,977
Quality assurance	-	-	-	125	-	125
Share-based payments	38,751	458	2,837	56,111	778	98,935
Travel	73,257	-	-	181	904	74,342
Health & Safety	-	-	-	4,342	-	4,342
	925,334	41,911	6,759	642,022	6,454	1,622,480
Foreign currency translation	639,917	44,413	169,430	253,305	104,111	1,211,176
Balance, end of period	31,909,974	2,160,458	7,071,287	13,446,928	5,634,760	60,223,407

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(unaudited)

(expressed in Canadian dollars)

For the year ended December 31, 2012	Roca Honda Property	Marquez Property	Copper King Property	Gas Hills Property	Other Properties	Total Property Costs
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	24,104,495	1,862,292	-	7,036,863	5,480,124	38,483,774
Incurring during the year:						
Acquisition costs	-	259,700	6,847,984	-	1,339	7,109,023
Administration	406,922	744	6,795	118,411	3,878	536,750
Drilling	228,026	-	-	2,429,655	-	2,657,681
Engineering	1,914,823	-	7,076	1,014,887	1,141	2,937,927
Feasibility study	24,535	-	-	-	-	24,535
Geology & Geophysics	351,672	-	37,788	375,432	2,514	767,406
Property maintenance fees	17,336	1,786	122	251,622	148,718	419,584
Permitting/Regulatory	3,610,307	-	8,865	1,257,819	56	4,877,047
Personnel time	27,659	-	-	-	468	28,127
Quality assurance	1,723	-	-	183	-	1,906
Share-based payments	176,641	1,055	2,074	247,318	14,792	441,880
Travel	66,247	-	1,565	10,610	-	78,422
Health & Safety	-	-	-	4,864	-	4,864
	6,825,891	263,285	6,912,269	5,710,801	172,906	19,885,152
Foreign currency translation	(585,663)	(51,443)	(17,171)	(196,063)	(128,835)	(979,175)
Balance, end of year	30,344,723	2,074,134	6,895,098	12,551,601	5,524,195	57,389,751

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(expressed in Canadian dollars)

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 period ended March 31, 2013 (March 31, 2012 - \$nil).

(a) *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 the Company in proportion to their respective ownership interests pursuant to capital calls by Strathmore based on approved annual budgets. The initial 5 year budget of \$27,215,000 expired on December 31, 2011. Ongoing permitting activities and additional activities needed to advance the property towards the production stage must be unanimously approved in the annual budgets by the members. Any Member may elect to resign from RHR by providing notice to the other Members. If dissolution of RHR occurs and Strathmore is not in default, Strathmore 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:

	\$
Balance, December 31, 2011	9,620,253
Non-controlling interests' share of exploration and evaluation expenditures	2,710,091
Foreign exchange movement	(221,945)
Balance, December 31, 2012	12,108,399
Non-controlling interests' share of exploration and evaluation expenditures	370,067
Foreign exchange movement	251,813
Balance, March 31, 2013	12,730,279

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(b) *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 agreement was amended on January 14, 2013 by reducing the 2013 annual rental payment from \$250,000 to \$40,000. All other terms of the original agreement remain in effect. The Company has paid US\$750,000 and is required to make annual payments of US\$250,000 – with the exception of 2013 - 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.

(c) *Gas Hills properties*

Gas Hills and Definitive Agreement with Korea Electric Power Corp.

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.

Gas Hills Mill Site property

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.

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Other Gas Hills properties

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.

(d) *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 \$6,839,362, comprising 18,255,002 in common shares of Strathmore valued at \$6,663,076 and \$176,286 in acquisition related costs. Saratoga's primary asset is its wholly-owned subsidiary, Wyoming Gold Mining Company, Inc. ("Wyoming Gold"), which owns 100% interest in an advanced stage gold-copper property in Wyoming, US. The Sheep Creek Montana properties were also acquired in this transaction.

The acquisition has been accounted for as a purchase of assets and the assumption of liabilities by the Company. This transaction does not qualify as a business combination under *IFRS 3, Business Combinations* because significant inputs and processes that constitute a business were not identified for the following reasons:

- (i) The ability to create outputs by applying processes to Saratoga's inputs through its claims, licenses, mineral resources, in-place contracts, and mining processing and infrastructure were not operational at the acquisition date. Outputs may include concentrate, ore and minerals. Saratoga does not have processes in place to permit, develop, and ultimately place its mineral properties into production.
- (ii) The employees of Strathmore are needed for further exploration, permitting, and development of the Copper-King property. Strathmore did not acquire any employees of Saratoga.
- (iii) Saratoga requires the completion of a feasibility study, additional drilling to convert the resources into reserves, and permitting on its Copper-King property before a production decision can be made.

The purchase price was allocated to the assets acquired and the liabilities assumed based upon their estimated fair value at the date of acquisition. A value of \$6,842,078 was allocated to exploration and evaluation assets for the mineral interests. According to the exemption in *IAS 12, Income Taxes*, Strathmore does not recognize a deferred tax asset or liability arising from the acquired assets of Saratoga.

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	\$
Purchase price:	
18,255,002 common shares of Strathmore at CAD \$0.365	6,663,076
Transaction costs	176,286
Total purchase price	6,839,362
Assets acquired:	
Net working capital	(50,961)
Reclamation bonds	48,245
Exploration and evaluation assets	6,842,078
Net identifiable assets	6,839,362

(e) *Other properties*

The Company had acquired its original 100% interest in certain claims located in New Mexico and Wyoming, USA, during prior years. These properties include Dalton Pass, Ambrosia Lake, Church Rock, Nose Rock/Crown Point, Sky/Cedar Rim, Kaycee, Copper Mountain, Shirley Basin, Ketchum Buttes, NE Wyoming Leases, Crooks Gap, and Chords.

Juniper Ridge property – acquisition 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. The Company has received US\$450,000 in cash and 522,513 shares valued at US\$250,000 from Crosshair in conjunction with the option agreement. During 2012, Crosshair withdrew from the option agreement. As a result of the termination, Strathmore now retains its 100% interest in the Juniper Ridge property.

(f) *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.

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.

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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 measured at fair value. Any impairment amounts would be recognized through the consolidated statements of loss and are comprised of the following:

	Fair value March 31, 2013	Fair value December 31, 2012
	\$	\$
Mogul Ventures Corp. ("Mogul")	2,000,000	2,000,000

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

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(c)) 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(d).

(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

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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.

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, December 31, 2011	7,685,000	0.73	7,493,364	0.75
Granted	3,050,000	0.38	-	-
Cancelled/Forfeited	(125,000)	1.17	-	-
Expired	-	-	(7,493,364)	0.75
Outstanding, December 31, 2012	10,610,000	0.70	-	-
Expired	(400,000)	2.25	-	-
Outstanding, March 31, 2013	10,210,000	0.56	-	-

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There were no stock options exercised during the periods ended March 31, 2013 and March 31, 2012. The following table summarizes information about the outstanding stock options at March 31, 2013:

Stock Options

Number Outstanding	Exercise Price	Number Exercisable	Expiry Date
	\$		
35,000	0.70	35,000	April 23, 2013
150,000	0.60	150,000	September 26, 2013
3,875,000	0.41	3,875,000	November 10, 2013
100,000	1.30	100,000	February 1, 2014
1,905,000	0.65	1,665,000	February 17, 2015
190,000	1.30	126,667	November 29, 2015
1,305,000	1.17	870,004	December 23, 2015
1,050,000	0.56	349,999	February 22, 2022
1,600,000	0.215	-	October 26, 2022
10,210,000		7,171,670	

(c) *Share-based payments*

During the period ended March 31, 2013, the Company granted nil (March 31, 2012 – 1,450,000) options to employees, officers and directors. The options outstanding at March 31, 2013 vest over periods ranging up to 3 years. The stock options are recorded at fair value in the condensed interim consolidated statements of 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. 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 loss during the period ended March 31, 2013 was \$114,425 (March 31, 2012 – \$141,574) and in exploration and evaluation assets in the condensed interim consolidated statements of financial position at March 31, 2013 was \$412,772 (December 31, 2012 - \$386,841) 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 the options granted during the period ended March 31, 2013 was \$nil (March 31, 2012 - \$0.35) per option. The weighted average remaining contractual life for options outstanding at March 31, 2013 is 3.4 years (March 31, 2012 – 3.2 years).

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During the period ended March 31, 2013, the following weighted average assumptions were used for the valuation of stock options:

March 31	2013	2012
Expected risk-free interest rate	2.01%	1.28%
Expected life	3.7 years	3.5 years
Expected volatility	97%	94%
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.

During the period ended March 31, 2013, nil (March 31, 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 grant date fair value of \$638,754 and are released over 2.5 years and the restricted share units granted in 2012 have grant dates fair values totalling \$919,989 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 loss during the period ended March 31, 2013 was \$100,030 (March 31, 2012 - \$133,940) and in exploration and evaluation assets in the condensed interim consolidated statements of financial position was \$404,320 (December 31, 2012 - \$331,316) as a result of restricted share units issued. These amounts were also recorded as other capital reserves in the condensed interim consolidated statements of financial position. The weighted average fair value of restricted share units granted during the period ended March 31, 2013 was \$nil (March 31, 2012 - \$0.49). The weighted average remaining contractual life for restricted share units outstanding at March 31, 2013 is 1.6 years (December 31, 2012 - 2.3 years).

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Restricted Share Units	Number
Outstanding, December 31, 2011	1,494,000
Granted	2,935,000
Released	(932,000)
Forfeited	(66,333)
Outstanding, December 31, 2012	3,430,667
Forfeited	(130,001)
Outstanding, March 31, 2013	3,300,666

(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).

(f) *Loss per share*

Loss per share totals for the periods ended March 31, 2013 and 2012 were calculated based on the following:

March 31	2013	2012
Basic and diluted weighted average number of shares outstanding	115,013,283	97,954,155

The stock options and restricted share units were anti-dilutive for the periods ended March 31, 2013 and March 31, 2012.

8. Supplemental disclosure with respect to cash flows

	March 31, 2013	December 31, 2012
	\$	\$
Cash and cash equivalents		
Cash		
CAN\$	238,236	127,127
US\$	1,583,361	2,386,524
	1,821,597	2,513,651
Term deposits		
CAN\$	1,130,712	2,855,076
	2,952,309	5,368,727

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The Company has \$246,638 (December 31, 2012 - \$244,562) in restricted cash and cash equivalents to guarantee credit cards and \$911,588 (December 31, 2012 - \$893,007) in other restricted assets to guarantee performance bonds for compliance with environmental laws, and are therefore not available for general use by the Company. As at March 31, 2013, these performance bonds consisted of \$862,433 (December 31, 2012 - \$844,854) relating to the Gas Hills properties and \$49,155 (December 31, 2012 - \$48,153) relating to the Copper-King property.

During the period ended March 31, 2013, the Company earned \$10,244 (March 31, 2012 - \$38,285) in interest income on its cash and cash equivalents and on its other financial assets.

	March 31, 2013	March 31, 2012
	\$	\$
Changes in non-cash working capital items:		
Decrease in trade and other receivables	36,919	44,294
Increase in prepaid expenses	(67,567)	(41,320)
Increase in restricted cash and cash equivalents	-	(6,596,995)
Decrease in trade and other payables	(73,605)	(173,847)
Total changes in non-cash working capital items	(104,253)	(6,767,868)

There were \$nil cash payments for income taxes during the period ended March 31, 2013 (March 31, 2012 - \$nil).

Significant non-cash transactions during the period ended March 31, 2013 include the following:

- (a) Recognizing \$1,211,176 in foreign currency translation adjustment through exploration and evaluation assets.
- (b) Recognizing \$98,935 in fair value for the share-based payments in exploration and evaluation assets.
- (c) Recognizing \$251,813 in foreign currency translation adjustment through non-controlling interests.

Significant non-cash transactions during the three months ended March 31, 2012 include the following:

- (a) Recognizing \$675,078 in foreign currency translation adjustment in exploration and evaluation assets.
- (b) Recognizing \$169,578 in foreign currency translation adjustment through non-controlling interests.
- (c) Recognizing \$85,904 in fair value for the share-based payments in exploration and evaluation assets.

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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.

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

	March 31, 2013	December 31, 2012
	\$	\$
Intercompany balances to be received by:		
Strathmore Minerals Corp.	42,293,154	40,248,004
Saratoga Gold Company Ltd.	132,103	10,650
Strathmore Resources (US) Ltd.	254,742	258,079
Intercompany balances to be paid by:		
Strathmore Resources (US) Ltd.	42,202,697	40,159,416
Wyoming Gold Mining Company, Inc.	239,122	83,680
Saratoga Gold Company Ltd.	90,457	99,238
Roca Honda Resources LLC	147,723	171,471

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

	March 31, 2013	March 31, 2012
	\$	\$
Share-based payments for options granted to directors and key management personnel	111,426	119,267
Share-based payments for restricted share units granted to directors and key management personnel	115,185	128,789
Wages and consulting fees paid to directors and key management personnel	368,823	437,119
	595,434	685,175

Included in trade and other payables at March 31, 2013 is \$29,000 (December 31, 2012 - \$56,707) 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.

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Share-based payments represent the fair value calculations of options in accordance with *IFRS 2, Share-Based Payment*, granted to key management personnel. Key management personnel were not paid post-employment benefits, termination benefits, or other *long-term benefits* during the periods ended March 31, 2013 and March 31, 2012.

10. Segmented information

The Company primarily operates in one reportable operating segment, the exploration and evaluation of its mineral properties; the Company considers its loss from operations for the period ended March 31, 2013 and its loss from operations for the period ended March 31, 2012 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
	\$	\$	\$
March 31, 2013			
Property and equipment	51,712	1,009,764	1,061,476
Exploration and evaluation assets	-	60,223,407	60,223,407
December 31, 2012			
Property and equipment	57,829	1,032,884	1,090,713
Exploration and evaluation assets	-	57,389,751	57,389,751

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11. 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
	\$	\$	\$	\$	\$	\$	\$	\$
March 31, 2013								
Cash and cash equivalents	2,952,309	2,952,309	-	-	-	-	-	-
Restricted cash and cash equivalents	246,638	246,638	-	-	-	-	-	-
Other restricted assets	911,588	911,588	-	-	-	-	-	-
Other financial assets	241,071	241,071	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	55,084	55,084	-	-
Available-for-sale financial assets	-	-	2,000,000	2,000,000	-	-	-	-
Trade and other payables	-	-	-	-	-	-	1,325,697	1,325,697
December 31, 2012								
Cash and cash equivalents	5,368,727	5,368,727	-	-	-	-	-	-
Restricted cash and cash equivalents	244,562	244,562	-	-	-	-	-	-
Other restricted assets	893,007	893,007	-	-	-	-	-	-
Other financial assets	240,665	240,665	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	174,919	174,919	-	-
Available-for-sale financial assets	-	-	2,000,000	2,000,000	-	-	-	-
Trade and other payables	-	-	-	-	-	-	1,871,912	1,871,912

* The Company does not have any outstanding loans.

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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 restricted assets, and trade and other payables.

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 March 31, 2013, the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the consolidated statements of financial position at fair value are categorized as follows: cash and cash equivalents, restricted cash and cash equivalents, other financial assets, and other restricted assets are categorized in level 1. For cash and cash equivalents, restricted cash and cash equivalents, trade and other receivables, other restricted 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 financial instruments at the reporting date was calculated on the basis of available market data.

During 2012, management transferred the Mogul available-for-sale financial asset into level 3 of the fair value hierarchy because of new inputs, not based on observable market data, becoming available in determining the fair value for this available-for-sale asset. The fair value has been determined using a valuation technique based on recent equity financings by Mogul. The available-for-sale investments in equity were previously recognized at cost because they did not have quoted market prices in an active market and whose fair values could not be reliably measured.

There were no further transfers between levels during the period ended March 31, 2013.

The following table presents the reconciliation of the beginning and ending balances of those financial instruments categorized in level 3 of the fair value hierarchy:

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	March 31, 2013	December 31, 2012
	\$	\$
Balance, beginning of period	2,000,000	-
Transfers into level 3	-	2,000,000
Total gains or losses recognized in other comprehensive income	-	-
Balance, end of period	2,000,000	2,000,000

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 March 31, 2013, 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.

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

	March 31, 2013	December 31, 2012
	\$	\$
Cash and cash equivalents	2,952,309	5,368,727
Restricted cash and cash equivalents	246,638	244,562
Other restricted assets	911,588	893,007
Trade and other receivables	55,084	174,919
	4,165,619	6,681,215

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(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 March 31, 2013, the Company had positive working capital of \$4,345,507 that includes \$246,638 in restricted cash and cash equivalents. Accordingly, the Company is able to meet its current obligations and has minimal liquidity risk.

The following table summarizes the Company's financial liabilities:

	March 31,	December 31,
	2013	2012
	\$	\$
Trade and other payables	1,325,697	1,871,912

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 March 31, 2013, 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 loss of approximately \$24,107 (March 31, 2012 - \$298,725). 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.

12. 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

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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 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 period ended March 31, 2013, 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 March 31, 2013, the Company's available capital resources, consisting of cash and cash equivalents, and other financial assets, total \$3,193,380. At March 31, 2013, the Company's total liabilities are \$1,325,697. 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.