



First Quarter and Three Months Ended

March 31, 2010

(Unaudited)

Notice:

The accompanying unaudited interim financial statements (the "Financial Statements") for Uranium City Resources Inc. (the "Company") for the three months ended March 31, 2008 and 2007, have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. Only changes in accounting information have been disclosed in these Financial Statements. These Financial Statements are presented on an accrual basis and as such, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. These Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2007 which are available on SEDAR at www.sedar.com.

The Company's independent auditor has not reviewed these interim consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Strategic Resources Inc., or the Company, have been prepared by management in accordance with accounting principles generally accepted in Canada and contain estimates based on management's judgement. Management maintains an appropriate system of internal controls to provide assurance that transactions are authorized, assets safeguarded and proper records maintained.

The Audit Committee of the Board of Directors has reviewed the scope and results of these interim consolidated financial statements and related financial reporting matters prior to submitting these interim consolidated financial statements to the Board of Directors for approval.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109.

Strategic Resources Inc.
Consolidated Balance Sheets
As at March 31, 2010 and December 31, 2009

(Canadian Dollars)

	2010	2009
	\$	\$
	<i>(Unaudited)</i>	<i>(Audited)</i>
Assets		
Current assets		
Cash and cash equivalents <i>(note 7)</i>	536,776	512,367
GST recoverable	3,752	3,513
Accounts receivable and prepaid expenses	-	27,114
Assets held for sale <i>(note 8)</i>	270,000	270,000
	810,528	812,994
Investment <i>(note 9)</i>	450,000	500,000
Mineral properties and deferred expenditures <i>(note 10)</i>	360,069	299,419
Property and equipment <i>(note 11)</i>	68,564	66,087
	1,689,161	1,678,500
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities <i>(note 12)</i>	21,572	27,038
	21,572	27,038
Shareholders' equity		
Capital stock:		
Common shares <i>(note 13)</i>	8,798,255	8,715,376
Contributed surplus <i>(note 14)</i>	5,876,552	5,820,232
Deficit	(12,613,468)	(12,534,146)
Accumulated other comprehensive loss	(393,750)	(350,000)
	1,667,589	1,651,462
	1,689,161	1,678,500

Going concern *(note 1)*

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

These financial statements have been approved by the Company's directors.

Strategic Resources Inc.
Consolidated Statements of Operations and Deficit

(Canadian Dollars)

(except weighted average number of shares)

For the 3 months ended March 31	2009	2009
	\$	\$
	(Unaudited)	(Unaudited)
Revenue		
Interest income	-	450
	-	450
 Operating expenses		
Office and general	16,256	30,294
Public relations	502	2,984
Professional fees	20,349	39,980
Shareholder information	7,925	20,470
Consulting	26,700	28,650
Foreign exchange losses	1,340	53
	73,072	122,431
Net operating loss	(73,072)	(121,981)
Gain on disposal of property and equipment	-	7,277
Write-down of mineral properties	-	(36,718)
Future income taxes	(6,250)	-
Net loss	(79,322)	(151,422)
Deficit at the beginning of period	(12,534,146)	(11,619,436)
Deficit at end of period	(12,613,468)	(11,770,858)
 Basic and fully-diluted net loss per share	0.1¢	0.3¢
 Weighted average number of shares (000's)	56,562	52,494

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

These financial statements have been approved by the Company's directors.

Strategic Resources Inc.

**Consolidated Statements of Comprehensive Loss
and Accumulated Comprehensive Loss**

(Canadian Dollars)

For the 3 months ended March 31	2010	2009
	\$	\$
	(Unaudited)	(Unaudited)
Net loss	(79,322)	(151,422)
Other comprehensive loss:		
Unrealized loss on available-for-sale securities (net of taxes)	(43,750)	-
Total comprehensive loss	(123,071)	(151,422)
Comprehensive loss per share - basic and fully-diluted	0.2¢	0.3¢

As at March 31	2010	2009
	\$	\$
	(Unaudited)	(Unaudited)
Opening accumulated comprehensive loss	(350,000)	-
Unrealized loss on available-for- sale securities (net of taxes)	(43,750)	-
Accumulated comprehensive loss	(393,750)	-

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

These financial statements have been approved by the Company's directors.

Strategic Resources Inc.
Consolidated Statements of Cash Flow
(Canadian Dollars)

For the 3 months ended March 31	2010	2009
	\$	\$
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Operations		
Net loss	(79,322)	(151,421)
Adjustments to reconcile net loss to cash flow from operating activities:		
Future income tax recovery	6,250	-
Amortization	2,743	11,143
Stock-based compensation	-	-
Write-down of resource properties	-	36,718
Gain on sale of property and equipment	-	(7,277)
Net change in non-cash working capital items:		
GST recoverable	(239)	23,776
Accounts receivable and prepaid expenses	27,114	85,000
Accounts payable and accrued liabilities	(5,469)	(123,325)
Cash flow used in operating activities	(48,923)	(125,386)
Financing		
Issuance of common shares	139,200	-
Cash flow provided from financing activities	139,200	-
Investments		
Sale (purchase) of property and equipment	(5,996)	282,179
Expenditures on deferred exploration	(59,872)	(44,308)
Cash flow provided from (used in) investing activities	(65,868)	237,871
Net increase (decrease) in cash for the period	24,409	112,485
Cash and cash equivalents at beginning of period	512,367	658,100
Cash and cash equivalents at end of period	536,776	770,585

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

These financial statements have been approved by the Company's directors.

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

Governing statute and nature of operations

Strategic Resources Inc. (“SRI”, or the “Company”) was incorporated in the province of Ontario as Uranium City Resources Inc. (“UCR”) in September 2004. At a special shareholders’ meeting held on February 13, 2009 (“Special Shareholders’ Meeting”), the shareholders of the Company approved a change to UCR’s name to SRI. On March 6, 2009, articles of amendment were completed and the name change to Strategic Resources Inc. was effected and on March 9, 2009, the Company’s TSXV trading symbol changed to “UVR” from “UCR”.

At the Special Shareholders’ Meeting, shareholders also approved the sale (the “Sale”) of a 100% interest in all of the Company’s mineral claims located near Uranium City in the Province of Saskatchewan pursuant to the letter agreement dated November 24, 2008 between SRI and Red Rock Energy Inc. (“Red Rock”) for total consideration of \$975,000 comprised of \$75,000 in cash and the remaining \$900,000 in either cash or 5,000,000 common shares of Red Rock (the Company has received 5,000,000 common shares of Red Rock).

SRI is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of SRI to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties

1. *Going concern*

These Interim Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. Accordingly, these Interim Financial Statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these Interim Financial Statements.

The reader is also directed to review *note 5 (ii) - Financial risk factors – Liquidity risk*.

2. *Summary of significant accounting policies*

Accounting estimates

The preparation of the Financial Statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the Financial Statements and the reported amount of income and expenses during the period. Actual results could differ from those estimates.

Principles of consolidation

These Financial Statements include the accounts of Strategic Resources Inc. and its wholly-owned legal subsidiary, Red Basin LLC. (“Red Basin”), a United States limited liability company based in the state of New Mexico. Red Basin was formed on January 29, 2009.

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

Issuance of options and warrants

SRI records employee stock-based compensation and warrant issuances using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the equity instruments issued and are amortized over the vesting period. The offset to stock-based compensation is recorded to contributed surplus. Contributed surplus is relieved of these costs to the extent that the value of any exercised options or warrants is less than the current market price of the shares acquired by the holder of the options warrants.

The Company uses the Black-Scholes option pricing model to determine the value of all issued options and warrants. The table below summarizes the factors used with the Black-Scholes model for determining the value of the warrants issued in 2010 and 2009.

The weighted-averages used in the Black-Scholes option pricing method were as follows:

	2010	2009
Dividend Yield	-	-
Expected volatility	249.0%	186.6%
Risk-free interest rate	130.5%	2.69%
Expected life (years)	2.0	4.5

3. Future accounting changes

Transition to International Financial Reporting Standards

The Canadian Accounting Standards Board has confirmed that IFRS will replace current GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ended March 31, 2011.

The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures;
- Property, plant and equipment (measurement and valuation);
- Provisions, including asset retirement obligations;
- Stock-based compensation;
- Accounting for joint ventures;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including the following: Implications of changes to accounting policies and processes; financial statement note disclosures on information technology; internal controls; contractual arrangements; and employee training.

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

4. Capital management

The Company manages its common shares, warrants and options as capital. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the quarter ended March 31, 2010. The Company is not subject to externally imposed capital restrictions.

5. Financial risk factors

i. Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the balance sheet.

- a. **Cash and cash equivalents** – Cash and cash equivalents are held with a major Canadian bank and therefore the risk of loss is minimal.
- b. **GST recoverable** – The Company is not exposed to significant credit risk as this amount is due from the Canadian government.

ii. Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at March 31, 2010, the Company had a working capital balance of \$788,956 (2009 – \$676,921). As such, management believes that the Company has sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. However, in order to meet its longer-term working capital and property exploration expenditures, the Company intends on securing further financing to ensure that those obligations are properly discharged. There can be no assurance that SRI will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of SRI may change and shareholders

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its some or all of its interests and reduce or terminate its operations therein.

iii. Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate and if available.

b. Currency risk

Although the Company's operations are conducted in Canadian dollars, it has entered into contracts and/or agreements that require payment in United States dollars. Management believes that foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

c. Price risk

The Company holds the common shares of a TSXV-traded company. The Company has classified this investment as held-for-sale and such common shares are subject to stock market volatility. The value of these financial instruments fluctuate on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions

6. Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

- i. The Company's funds are kept in Canadian and US dollars a major Canadian financial institution.

As at March 31, 2010, the Company's exposure to foreign currency balances is as follows:

Account	Foreign Currency	Exposure (\$CDN)
Cash and cash equivalents	US dollar	49,911

A change in the interest rate of 1% would not cause a significant change in the Company's expected interest income for the year.

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

The Company believes that a change of 10% in foreign exchange rates would not have a significant impact on the income statement.

- ii. The Company's investments are subject to fair value fluctuations. As at March 31, 2010, if the fair value of investments had decreased/increased by 50% with all other variables held constant, net comprehensive loss for the three months ended March 31, 2010 would have been approximately \$225,000 higher/lower. Similarly, as at March 31, 2010, reported shareholders' equity would have been approximately \$225,000 lower/higher as a result of a 50% decrease/increase in the fair value of investments.

7. Cash and cash equivalents

The balance at March 31, 2010, consisted cash on hand of \$536,776 (2009 - \$770,585).

8. Assets held for sale

In 2009, the Company completed the Sale pursuant to which, a majority of its Saskatchewan properties were sold. At that time, the Company curtailed virtually all exploration in the area and is in the process of selling some of its exploration assets. These assets have been categorized as assets held for sale.

9. Investments

The investment consists of 5,000,000 (2009 - 5,000,000) common shares of Red Rock, a company traded on the TSX Venture Exchange ("TSXV") and were measured at the value stipulated in the purchase and sale agreement (\$0.18 per share) on the day of receipt. The Company has identified these investments as available-for-sale and has measured their fair value at March 31, 2010, based on the last available closing price of the securities on the TSXV on March 31, 2010. As such, the Company has estimated a fair value per share of \$0.09, resulting in a decrease of \$50,000 (2009 - \$400,000) in these investments and an increase in accumulated other comprehensive loss of \$50,000 (2009 - \$400,000) offset by future income expense of \$6,250 (2008 - \$50,000) that has been included in the current period's net loss.

10. Mineral properties and deferred expenditures

March 31, 2010

	Opening Balance	Additions	Net
	\$	\$	\$
New Mexico	293,179	30,358	323,537
Silica Sand	6,240	23,275	29,515
General & other	-	7,017	7,017
	299,419	60,650	360,069

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

During the first quarter of 2010, amortization expense of \$777 (2009 - \$19,134) was included in the additions to mineral properties and deferred expenditures.

December 31, 2009

	Opening Balance	Additions	Sale	Write-downs	Net
	\$	\$	\$	\$	\$
New Mexico	99,507	193,672	-	-	293,179
Red Basin / Coyote Ranch	-	36,179	-	(36,179)	-
Contact Lake	134,423	-	(134,423)	-	-
Inspiration Lake	39,278	-	(39,278)	-	-
Fishhook	120,161	2,517	(113,247)	(9,431)	-
Eldorado Lake	483,579	-	(483,579)	-	-
Gunner Area	22,276	-	(22,276)	-	-
Virgin Adit	30,642	1,500	(30,642)	(1,500)	-
Eagle Lake	91,379	-	(91,379)	-	-
Neely Lake	95,793	-	-	(95,793)	-
McIntosh Bay	89,689	-	-	(89,689)	-
Silica Sand	53,263	28,717	(60,176)	(15,564)	6,240
	1,259,990	262,585	(975,000)	(248,156)	299,419

During 2009, amortization expense of \$32,196 (2008 - \$64,417) and \$52,500 (2008 - \$67,500) of acquisition costs satisfied by the issuance of common shares (*note 13*) is included in the additions to mineral properties and deferred expenditures.

The Company has the following commitments regarding its properties:

	Year	New Mexico	Total
Shares	2010	1,000,000 ¹	1,000,000
Work expenditures (\$US)	2010	200,000	200,000
Work expenditures (\$US)	2011	200,000	200,000
		400,000	400,000

¹ Payment of US\$200,000 may be made instead of share issuance.

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

11. Property and equipment

As at	March 31, 2010 (Unaudited)		December 31, 2009 (Audited)	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Exploration equipment	28,723	13,968	28,723	13,192
Equipment	107,147	53,338	101,151	50,595
	135,870	67,306	129,874	63,787
Net Book Value	68,564		66,087	

12. Related party transactions

These Financial Statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

As at and for the 3 months ended March 31	2010	2009
Transactions during the year:	\$	\$
Exploration expenditures	15,000	22,500
Consulting fees	26,700	28,650
	\$	\$
Accounts payable and accrued liabilities	2,048	-

13. Capital stock

Share capital

SRI's authorized share capital consists of an unlimited number of Common shares.

The issued and outstanding Common share capital is as follows:

	Number of shares	\$
Balance at December 31, 2008	52,494,132	8,662,876
Issued in lieu of property option payments	1,500,000	52,500
Balance at December 31, 2009	53,994,132	8,715,376
Issued for cash:		
Private placement	2,800,000	140,000
Fair value of warrants	-	(56,320)

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

Issue costs	-	(799)
Balance at March 31, 2010	56,794,132	8,798,255

2010

During the first quarter of 2010, the Company completed (in two tranches) a private placement of 2,800,000 units (the "Units") at a price of \$0.05 per Unit to total gross proceeds of \$140,000. Each Unit is comprised of one common share and one common share purchase warrant, entitling the holder to purchase one common share at a price of \$0.10 per share for a period of 2 years.

In connection with the financing, the Company paid a cash finder's fee of \$799 and issued an aggregate of 16,000 share purchase warrants, each of which is exercisable to purchase one common share at a price of \$0.10 per share for a period of 2 years.

2009

The Company also issued 1,500,000 shares valued at \$52,500 in lieu of an option payment regarding its New Mexico property.

Outstanding issued warrants –

The outstanding Issued Warrants balance at March 31, 2010, is comprised of the following items:

Date of Expiry	Type	No. of Warrants	Exercise Price \$
January 7, 2012	Warrant	2,716,000	0.10
January 21, 2012	Warrant	100,000	0.10
Total		2,816,000	

Options

SRI has a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. The plan allows for the issuance of up to 10% of the issued and outstanding common shares. As at March 31, 2010 the Company had 2,829,413 (2009 – 3,389,413) options available for issuance. A continuity of the unexercised options to purchase common shares is as follows:

	March 31, 2010		December 31, 2009	
	Weighted Average Exercise Price (\$)	No. of Options	Weighted Average Exercise Price (\$)	No. of Options
Outstanding at beginning of period	0.10	2,850,000	0.44	2,085,000
Transactions during the period:				
Granted ¹	-	-	0.10	2,850,000

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

Exercised	-	-	-	-
Forfeited	-	-	0.45	(1,360,000)
Expired	-	-	0.40	(725,000)
Outstanding at end of period	0.10	2,850,000	0.10	2,850,000
Exercisable at end of period	0.10	2,850,000	0.10	2,850,000

¹ On August 18, 2009, the Company received approval to cancel 725,000 options issued to officers and directors of the Company and re-issue the same number of options with the same expiry date but with amended exercise prices. On September 23, 2009, the Company cancelled and re-issued those options. The weighted-average fair value of those amended options issued during the three months ended September 30, 2009 was \$0.02 per option resulting in a total fair value of amended options issued of \$14,500. The fair value of the options cancelled was \$11,500 and the additional stock-based compensation recorded regarding the amended options was \$3,000. On July 29, 2009, the Company issued 875,000 new options with a weighted average fair value of \$0.02 for a total weighted average fair value of \$17,500. These options were issued with exercise prices higher than the market price of the Company's common shares on the day prior to their issuances. On November 6, 2009 the Company issued 1,250,000 new options with a weighted average fair value of \$0.04 for a total weighted average fair value of \$50,000. These options were issued with exercise prices higher than the market price of the Company's common shares on the day prior to their issuances.

The following table provides additional information about outstanding stock options at March 31, 2010:

Range of exercise price	No. of options outstanding	Weighted average remaining life (years)	Weighted average exercise price (\$)	No. of options currently exercisable	Weighted average exercise price (\$) of exercisable options
\$0.10	2,850,000	3.8	0.10	2,850,000	0.10

Stock-based compensation

The fair value of the stock options granted for the 3 months ended March 31, 2010 was \$Nil (2009 – \$Nil).

Strategic Resources Inc.

Notes to the Unaudited Interim Consolidated Financial Statements

As at March 31, 2010

14. Contributed surplus

A summary of the changes in the Company's contributed surplus as at March 31, 2010, is set out below:

	\$
As at January 1, 2009	5,749,732
Stock-based compensation	70,500
As at December 31, 2009	5,820,232
Fair value of warrants issued	56,320
As at March 31, 2010	5,876,552