



## Second Quarter and Six Months Ended

June 30, 2009

(Unaudited)

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**Notice:**

The accompanying unaudited interim financial statements (the "Financial Statements") for Strategic Resources Inc. (formerly known as Uranium City Resources Inc.) (the "Company") for the six months ended June 30, 2009 and 2008, 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, 2008 which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**The Company's independent auditor has not reviewed these Financial Statements.**

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Balance Sheets**  
**As at June 30, 2009 and December 31, 2008**

(Canadian Dollars)

	2009	2008
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	541,926	658,100
GST recoverable	4,751	24,591
Accounts receivable and prepaid expenses	-	92,955
Assets held for sale (Note 3)	-	256,500
	<b>546,677</b>	<b>1,032,146</b>
<b>Investments (Note 4)</b>	<b>600,000</b>	<b>-</b>
<b>Mineral Properties and deferred expenditures (Note 5)</b>	<b>325,077</b>	<b>1,259,990</b>
<b>Property and equipment (Note 6)</b>	<b>613,408</b>	<b>726,792</b>
	<b>2,085,162</b>	<b>3,018,928</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	38,510	225,756
	<b>38,510</b>	<b>225,756</b>
<b>Shareholders' Equity</b>		
Capital Stock:		
Common shares (Note 8)	8,675,375	8,662,876
Contributed surplus (Note 9)	5,749,732	5,749,732
Deficit	(12,115,955)	(11,619,436)
Accumulated comprehensive income	(262,500)	-
	<b>2,046,652</b>	<b>2,793,172</b>
	<b>2,085,162</b>	<b>3,018,928</b>

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

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

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Statements of Operations and Deficit**

**For the three and six months ended June 30, 2009 and June 30, 2008**

(Canadian Dollars)

	3 months ended		6 months ended	
	June 30		June 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Revenue</b>				
Interest income	-	41,810	450	94,498
	-	41,810	450	94,498
<b>Operating Expenses</b>				
Office and general	29,564	120,444	59,859	191,375
Public relations	3,505	39,183	6,489	69,028
Professional fees	34,091	14,328	74,071	39,164
Shareholder information	13,220	3,520	33,692	11,483
Consulting	28,280	12,839	56,930	37,958
	108,660	190,314	231,040	349,008
<b>Net Operating Loss</b>	(108,660)	(148,504)	(230,590)	(254,510)
Foreign exchange (gains) losses	118	-	171	-
(Gain) loss on disposal of property and	23,559	-	16,281	-
Write-down of mineral properties (Note 4)	175,260	-	211,977	-
Future income tax recovery	37,500	46,036	37,500	78,898
<b>Net Loss</b>	(345,097)	(102,469)	(496,519)	(175,712)
Deficit at the beginning of period	(11,770,858)	(2,361,252)	(11,619,436)	(2,288,109)
<b>Deficit at end of period</b>	(12,115,955)	(2,463,721)	(12,115,955)	(2,463,721)
<b>Basic and fully-diluted Net Loss Per Share</b>	0.7¢	(0.2)¢	0.9¢	(0.2)¢
<b>Weighted Average Number of Shares 000's)</b>	52,530	50,994	52,566	50,994

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

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



**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Statements of Cash Flow**  
**For the three and six months ended June 30, 2009 and June 30, 2008**

*(Canadian Dollars except share and per share amounts)*

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>June 30</i>		<i>June 30</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
<b>Operations</b>				
Net loss	<b>(345,097)</b>	(102,469)	<b>(496,519)</b>	(175,612)
Adjustments to reconcile net loss to cash flow from operating activities:				
Future income tax recovery	<b>37,500</b>	(46,036)	<b>37,500</b>	(78,898)
Amortization	<b>9,251</b>	15,923	<b>20,395</b>	31,899
Stock-based compensation	-	-	-	-
Write-down of resource properties <i>(Note 4)</i>	<b>175,259</b>	-	<b>211,976</b>	-
Gain on sale of property and equipment	<b>23,559</b>	-	<b>16,281</b>	-
Net change in non-cash working capital items:				
GST recoverable	<b>(3,936)</b>	(16,369)	<b>19,840</b>	22,014
Receivable and prepaid expenses	<b>7,955</b>	(813)	<b>92,955</b>	(813)
Advances	-	30,096	-	36,940
Payables and accrued liabilities	<b>(63,925)</b>	(60,950)	<b>(187,247)</b>	(252,415)
Due to manager	-	(150,884)	-	18,339
<b>Cash Flow provided from (used in) Operating Activities</b>	<b>(159,434)</b>	(331,502)	<b>(284,819)</b>	(398,546)
<b>Financing</b>				
Issuance of common shares	-	-	-	-
<b>Cash Flow provided from Financing</b>	-	-	-	-
<b>Investments</b>				
Sale (purchase) of property and equipment <i>(Note 3)</i>	<b>12,761</b>	700	<b>38,440</b>	(115,255)
Expenditures on deferred exploration	<b>(81,986)</b>	(871,530)	<b>(126,295)</b>	(1,583,301)
Assets held for sale	-	-	<b>256,500</b>	-
Restricted cash	-	-	-	17,746
<b>Cash Flow provided from (used in) Investing Activities</b>	<b>(69,225)</b>	(870,830)	<b>168,645</b>	(1,680,810)

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Statements of Cash Flow**  
**For the three and six months ended June 30, 2009 and June 30, 2008**

*(Canadian Dollars except share and per share amounts)*

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>June 30</i>		<i>June 30</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
<b>Net Increase (decrease) in Cash for the period</b>	<b>(228,659)</b>	(1,202,332)	<b>(116,174)</b>	(2,079,140)
<b>Cash and Cash Equivalents at beginning of period</b>	<b>770,585</b>	4,985,366	<b>658,100</b>	5,862,174
<b>Cash and Cash Equivalents at end of period</b>	<b>541,926</b>	<b>3,783,034</b>	<b>541,926</b>	3,783,034

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

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

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

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**General**

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.

**1. Basis of Presentation, Significant Accounting Policies and Newly Adopted Accounting Policies**

These unaudited interim financial statements (the "Interim Financial Statements") follow the same accounting policies and their methods of application as the 2008 audited financial statements.

Not all disclosure required by generally accepted accounting principles for annual financial statements are present, and accordingly, these Interim Financial Statements should be read in conjunction with the Company's audited financial statements.

***Nature of Operations***

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.

***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. Accordingly, it does 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 the consolidated financial statements.

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.

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

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The reader is also directed to review *Note 1(b)(vi) – Liquidity Risk*.

Certain prior year amounts have been reclassified to conform to account presentation in the current year.

**Capital Disclosure and Financial Instruments – Disclosure and Presentation.**

On December 1, 2006, the CICA issued three new accounting standards: *CICA 1535 – Capital Disclosures*, *CICA 3862 – Financial Instruments – Disclosure* and *CICA 3863 – Financial Instruments – Presentation*. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning January 1, 2008.

**(a) Capital Disclosures**

*CICA 1535* specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has adopted this standard as of January 1, 2008.

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 June 30, 2009. The Company is not subject to externally imposed capital restrictions.

**(b) Financial Instruments – Disclosure and Presentation**

*CICA 3862* and *CICA 3863* replace *CICA 3861 – Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extend of risks arising from financial instruments and how the entity manages those risks. The Company has adopted these standards as of January 1, 2008.

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

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**i. Fair value**

The carrying values of the Company's current assets and current liabilities approximate their fair values due to the relatively short periods to maturity of the instruments.

**ii. 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 government investment certificates, as appropriate. A change in the interest rate of 1% would not cause a significant change in the Company's expected interest income for the year.

**iii. Credit risk and *EIC-173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities***

In January 2009, the CICA approved EIC-173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The Company has adopted this standard and is continually evaluating its counterparties and their credit risks.

The Company is exposed to various degrees of credit risk depending on the financial instrument in question:

- a. **GST recoverable** – The Company is not exposed to significant credit risk as this amount is due from the Canadian government.
- b. **Accounts receivable and prepaids** – The Company is not exposed to credit risk for these amounts as they are due from suppliers and creditors for which the Company may deduct the amounts owing to it from future contracted services.

**iv. Derivatives – mineral properties**

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

**v. 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. The Company believes that a change of 10% in foreign exchange rates would cause no impact on the income statement, but would increase/decrease mineral property commitments by approximately \$73,000.

**Strategic Resources Inc.**  
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**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

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**vi. 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, 2009, the Company had a working capital balance of \$676,921 (2008 – \$5,085,464). As such, management believes that the Company has sufficient working capital to discharge its 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 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.

**vii. Stock market volatility 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.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in these Interim Financial Statements and accompanying notes. Actual results could differ from those estimates.

**Goodwill and intangible assets**

Effective January 1, 2009, the Company adopted Section 3064, *Goodwill and intangible assets*, which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC 27, the Company will no longer be able to defer costs and revenues incurred prior to commercial production at new operations. The Company presently does not have any goodwill and therefore the adoption of this new policy will have no impact on the Company at the present time.

**EIC 174 – Mining Exploration Costs**

On March 27, 2009 the Emerging Issues Committee ("EIC") issued EIC-174. In this EIC the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The EIC should be applied to financial statements issued after March 27, 2009 and the Company has adopted EIC-174.

**Strategic Resources Inc.**  
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**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

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**Other Standards**

The CICA issued new accounting standard Section 3031 Inventory which becomes effective for the fiscal year beginning on or after October 1, 2008. Section 3031 establishes standards for the measurement of inventories, allocations of overhead, accounting for write-downs and disclosures. The Corporation has determined that this new standard will have no material impact on its financial statements.

**Comparative figures**

Some comparative figures have been reclassified to conform to the presentation format used in the current period.

**Future Accounting Changes - Convergence with International Financial Reporting Standards**

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**2. Cash and Cash Equivalents**

The balance at June 30, 2009, consisted cash on hand of \$541,926 (2008 - \$678,833) and \$Nil (2008 - \$3,104,201) of funds held in Guaranteed Investment Certificates accruing interest at Nil% (2008 - 4.0%). Expiry of the GIC occurred on September 29, 2008.

**3. Assets held for sale**

The Company closed the Sale pursuant to which, a majority of its Saskatchewan properties were sold. As such, the Company has curtailed virtually all exploration in the area and had been exploring any opportunity or offers for the purchase of some of its exploration assets and has categorized them as assets held for sale. During the quarter ended March 31, 2009, these assets were sold and gross proceeds of \$256,500 were received.

**4. Investments**

The investments consist of 5,000,000 common shares of Red Rock Energy Inc. ("Red Rock"), a company traded on the TSX Venture Exchange ("TSXV") and were measured at their fair value as determined by the closing price of Red Rock's shares on the TSXV on the day of receipt. The Company has identified these investments as available-for-sale and has measured their fair value at June 30, 2009, based on the last available closing price of the securities on the TSXV on June 30, 2009. As such, the Company has estimated a fair value per share of \$0.12, resulting in a 6-month decrease of \$300,000 (2008 - \$Nil) in these investments and a decrease in accumulated other comprehensive income of \$300,000 (2008 - \$Nil) offset by future income recoveries of \$37,500 (2008

**Strategic Resources Inc.**  
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**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

- \$Nil) that has been included in the current period's net loss.

**5. Mineral Properties and Deferred Expenditures**

**June 30, 2009**

	Opening Balance	Additions	Transferred to assets held for sale	Write-downs	Net
	\$	\$	\$	\$	\$
New Mexico	99,507	87,105	-	-	<b>186,612</b>
Uranium Energy Corp JV	-	21,737	-	-	<b>21,327</b>
Contact Lake	134,423	(59,423)	-	-	<b>75,000</b>
Inspiration Lake	39,278	(39,278)	-	-	-
Fishhook	120,161	(120,161)	-	-	-
Eldorado Lake	483,579	(483,579)	-	-	-
Quartzite Ridge	-	-	-	-	-
Gunner Area	22,276	(22,276)	-	-	-
Virgin Adit	30,642	(30,642)	-	-	-
Eagle Lake	91,379	(91,379)	-	-	-
Sheffield/Sopps	-	-	-	-	-
Neely Lake	95,793	(95,973)	-	-	-
McIntosh Bay	89,689	(89,689)	-	-	-
General and other	53,263	(11,125)	-	-	<b>42,138</b>
	<b>1,259,990</b>	<b>(934,913)</b>	<b>-</b>	<b>-</b>	<b>325,077</b>

**Strategic Resources Inc.**  
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**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

During the six months ended June 30, 2009, amortization expense of \$38,269 (2008 - \$21,136) and \$12,500 (2008 - \$Nil) were included in the additions to mineral properties and deferred expenditures.

**December 31, 2008**

	Opening Balance	Additions	Transferred to assets held for sale	Write-downs	Net
	\$	\$	\$	\$	\$
New Mexico	-	99,507	-	-	<b>99,507</b>
Contact Lake	1,475,015	3,534	-	(1,344,126)	<b>134,423</b>
Inspiration Lake	431,914	114	-	(392,750)	<b>39,278</b>
Fishhook	920,920	324,714	-	(1,125,473)	<b>120,161</b>
Eldorado Lake	3,455,688	1,863,311	-	(4,835,420)	<b>483,579</b>
Quartzite Ridge	595,865	58,994	-	(654,859)	-
Gunner Area	212,797	32,222	-	(222,743)	<b>22,276</b>
Virgin Adit	33,141	303,901	-	(306,400)	<b>30,642</b>
Eagle Lake	66,913	938,184	-	(913,718)	<b>91,379</b>
Sheffield/Sopps	-	515,023	-	(515,023)	-
Neely Lake	82,075	13,718	-	-	<b>95,793</b>
McIntosh Bay	62,151	27,538	-	-	<b>89,689</b>
General and other	549,006	366,779	(256,500)	(606,022)	<b>53,263</b>
	<b>7,885,485</b>	<b>4,547,539</b>	<b>(256,500)</b>	<b>(10,916,534)</b>	<b>1,259,990</b>

During 2008, amortization expense of \$64,417 (2007 - \$31,400) and \$67,500 (2007 - \$Nil) of acquisition costs satisfied by the issuance of common shares (*Note 7*) is included in the additions to mineral properties and deferred expenditures.

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

**6. Property and Equipment**

<b>As at</b>	<b>June 30, 2009</b>		<b>December 31, 2008</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>	<b>Accumulated Amortization</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	6,000	-	7,800	-
Exploration equipment	472,139	127,721	472,139	89,453
Equipment	289,360	103,981	374,240	131,208
Furniture and fixtures	1,267	800	1,267	748
Buildings	81,367	4,223	97,567	4,812
	<b>850,133</b>	<b>236,725</b>	<b>953,013</b>	<b>226,221</b>
<b>Net Book Value</b>	<b>613,408</b>		<b>726,792</b>	

**7. Related Party Transactions**

These Interim 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.

<b>As at and for the 6 months ended June 30</b>	<b>2009</b>	<b>2008</b>
Transactions during the year:	<b>\$</b>	<b>\$</b>
Exploration expenditures	<b>30,000</b>	53,318
Consulting fees	<b>25,350</b>	36,000
Administrative costs	-	11,200
Management fees	-	116,229
Due (to) from related parties:	<b>\$</b>	<b>\$</b>
Accounts receivable and prepaid expenses	-	-
Management fees payable	-	83,614

**8. Capital Stock**

***Share Capital***

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

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

The issued and outstanding Common share capital is as follows:

	Number of Shares	\$
<b>Balance at December 31, 2007</b>	<b>50,994,132</b>	<b>8,554,645</b>
Issued in lieu of property option payments	1,500,000	67,500
Issue costs reimbursement		40,730
<b>Balance at December 31, 2008</b>	<b>52,494,132</b>	<b>8,662,875</b>
Issued in lieu of property option payments	500,000	12,500
<b>Balance at June 30, 2009</b>	<b>52,994,132</b>	<b>8,675,375</b>

**2009**

During the 6 months ended June 30, 2009, the Company issued 500,000 common shares in settlement of an option payment regarding its Uranium Energy joint venture project.

**2008**

During the 12 months ended December 31, 2008, the Company became aware of funds held with legal counsel regarding the financing completed in 2007. The amount of \$40,730 that was originally charged to capital stock was reversed and the remaining balance of the funds still on deposit with the Company's legal counsel was included in cash and cash equivalents as at December 31, 2008

The Company also issued 1,500,000 shares valued at \$67,500 in lieu of an option payment regarding its New Mexico property.

**Outstanding Issued Warrants –**

As at June 30, 2009, the Company has no outstanding warrants.

On May 25, 2009, the following Company securities expired:

- 12,385,829 warrants with an exercise price of \$1.25;
- 1,174,724 agents' warrants with an exercise price of \$1.25; and
- 1,174,724 agents' warrants with an exercise price of \$0.49.

**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 June 30, 2009 the Company had 3,439,413 (2008 – 1,064,413) options available for issuance. A continuity of the unexercised options to purchase common shares is as follows:

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

	June 30, 2009		December 31, 2008	
	Weighted Average Exercise Price (\$)	No. of Options	Weighted Average Exercise Price (\$)	No. of Options
Outstanding at beginning of period	0.44	2,085,000	0.46	4,035,000
Transactions during the period:				
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	0.45	(225,000)	0.48	(1,950,000)
Expired	-	-	-	-
<b>Outstanding at end of period</b>	<b>0.44</b>	<b>1,860,000</b>	0.44	2,085,000
<b>Exercisable at end of period</b>	<b>0.44</b>	<b>1,860,000</b>	0.44	2,085,000

The following table provides additional information about outstanding stock options at June 30, 2009.

Range of Exercise Prices (\$)	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price (\$)
0.25 - 0.40	350,000	3.4	0.32
0.41 - 0.50	1,510,000	2.1	0.46
	<b>1,860,000</b>	<b>2.3</b>	<b>0.44</b>

***Stock-based compensation***

The fair value of the stock options granted for the 6 months ended June 30, 2009 was \$Nil (2008 – \$Nil).

**9. Contributed Surplus**

A summary of the changes in the Company's contributed surplus as at June 30, 2009, is set out below:

**Strategic Resources Inc.**  
(formerly Uranium City Resources Inc.)

**Notes to the Interim Financial Statements (Unaudited)**

**As at June 30, 2009**

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	Amount (\$)
<b>Balance at January 1, 2008</b>	<b>5,749,732</b>
Fair value of issued warrants	-
Value transfer of exercised options and warrants	-
Stock-based compensation	-
<b>Balance at December 31, 2008 and June 30, 2009</b>	<b>5,749,732</b>

**10. Subsequent Events**

**Options**

At the Company's annual special meeting, among other items of business, the shareholders of the Company approved the cancellation and reissuance of 725,000 stock options to directors and officers of the Company. The options were re-issued with the same expiry dates but with a revised strike price of \$0.10. TSXV approval for the re-issuance was granted on August 18, 2009 and the Company will re-value them using the Black-Scholes option pricing model in Q3-2009.