



**Management's Discussions and Analysis
of the Financial Condition and Results of Operations
For the Third Quarter and
Nine months ended September 30, 2009**

November 27, 2009

Strategic Resources Inc.
(formerly known as Uranium City Resources Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis has been prepared based on information available to Strategic Resources Inc. ("SRI" or the "Company") (formerly known as Uranium City Resources Inc. ("UCR")) as at November 27, 2009. The MD&A of the operating results and financial condition of the Company for the quarter and nine months ended September 30, 2009, should be read in conjunction with the Company's financial statements and the related notes for the nine months then ended together with its audited financial statements for the year ended December 31, 2008, which have been prepared in accordance with Canadian generally accepted accounting principles. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

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

Management is 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.

CAUTIONARY NOTE

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law. See the section entitled ***Risks and Uncertainties***.

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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. Although the Sale was not closed prior to the end of the Company's last year end, a write-down was made and reflected in last year's reported financial position to \$975,000 of the carrying values of its mineral properties and deferred exploration expenditures regarding the Sale of the related properties. During the second quarter, the Sale closed and the Company received the 5,000,000 shares of Red Rock pursuant to the agreement and during the third quarter, it received the balance of closing proceeds. The Company recognized the receipt of the shares and is treating the investment as "held-for-sale". SRI recorded the initial value of the shares at their fair value which was equal to the consideration received on the sale (less the cash portion). At the end of the third quarter, the investment was marked-to-market using the closing value of Red Rock shares on September 28th, 2009.

Overall Performance

As at September 30, 2009, the Company had assets of \$2,255,355 and a net equity position of \$2,234,582. This compares with assets of \$3.0 million and a net equity position of \$2.8 million at December 31, 2008.

Nine months ended September 30, 2009 and 2008

Total assets decreased by \$763,573 during the nine months ended September 30, 2009 with decreases in the following items: Cash and cash equivalents of \$103,873, accounts receivable and prepaid expenses of \$50,581, GST recoverable of \$21,109, assets held for sale of \$256,500, property and equipment of \$615,551 and mineral properties of \$935,887. These decreases were offset by increases to investments of \$900,000 and assets held for sale of \$61,429.

During the nine months ended September 30, 2009, the Company's decrease of \$103,873 in its cash position (2008 – \$4,013,918) was a result of cash flow used in operations of \$397,756 (2008 – \$550,052), cash provided from (used for) investing activities of \$293,883 (2008 – \$(3,504,597)) offset by cash provided from financing activities of \$Nil (2008 - \$40,731).

For the 9 months ended September 30, 2009 and 2008, the Company posted losses. Net loss and comprehensive net loss was \$591,589 (2008 – \$311,665) or 1.1¢ (2008 – 0.6¢) loss per share. The 9-month loss was comprised of the following expenditures: Office and general expenses of \$77,105 (2008 – \$339,284), public relations expenditures \$8,849 (2008 - \$44,544), professional and consulting costs of \$159,338 (2008 - \$151,584), shareholder information costs of \$33,871 (2008 – \$17,190), stock-based compensation expense of \$20,500 (2008 -\$Nil), write-down of mineral properties of \$211,977 (2008 - \$Nil),

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losses on the disposal of capital assets of \$76,910 (2008 - \$3,279) and foreign exchange losses of \$3,489 (2008 - \$Nil). These losses were offset by future income tax recoveries of \$Nil (2008 - \$140,000) and interest income of \$450 (2008 - \$104,216).

3 Months ended September 30, 2009 and 2008

Total assets increased by \$170,193 during the three months ended September 30, 2009 with decreases in the GST recoverable of \$1,269, mineral properties and deferred exploration expenditures of \$974 and property and equipment of \$502,168. These decreases were offset by increases in cash and cash equivalents of \$12,301, accounts receivable and prepaid expenses of \$44,374, investments available for sale of \$300,000 and assets held for sale of \$317,929.

During the three months ended September 30, 2009, the Company's increase of \$12,301 in its cash position (2008 – decrease of \$1,934,778) was a result of cash flow used in operations of \$112,938 (2008 – \$151,722) less cash provided from (used for) investing activities of \$125,239 (2008 – \$(1,823,787)) offset by cash provided from financing activities of \$Nil (2008 - \$40,731).

For the 3 months ended September 30, 2009 and 2008, the Company posted losses. Net loss was \$95,070 (2008 – \$136,055) or 0.3¢ (2008 – 0.3¢) loss per share. Comprehensive net income (loss) was \$167,430 (2008 - \$(136,055)), or 0.3¢ (2008 – (0.3¢)) income (loss) per share on a basic and fully diluted basis. The 3-month loss was comprised of the following expenditures: Office and general expenses of \$17,746 (2008 – \$147,910), public relations expenditures \$2,360 (2008 - \$6,586), professional and consulting costs of \$28,338 (2008 - \$43,394), shareholder information costs of \$179 (2008 – \$5,706), stock-based compensation costs of \$20,500 (2008 - \$Nil), losses on the disposal of property and equipment of \$60,629 (2008 - \$3,279) and foreign exchange losses of \$3,318 (2008 - \$Nil). These losses were offset by future income tax recoveries of \$37,500 (2008 - \$61,102). Other comprehensive income of \$262,500 (2008 - \$Nil) brought total comprehensive income (loss) to \$167,430 (2008 - \$(136,055)).

Review of Operations

Corporate

On October 7, 2009, 550,000 options with an expiry date of September 23, 2010 and 360,000 options with an expiry date of April 19, 2012, were forfeit.

On November 6, 2009, the Company issued 1,250,000 options with an exercise price of \$0.10 and an expiry date of November 6, 2014, to various eligible participants of the Company's stock option plan.

Uranium Projects – Saskatchewan

At the conclusion of the third quarter of 2009, the only item remaining for sale in Saskatchewan was the Duralite 500 series drill. All other assets have been successfully sold.

Uranium Projects - Catron County, New Mexico, USA

The third quarter of 2009 saw further progress made in New Mexico.

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As noted in the first and second quarters' MD&A comments, Minimal Impact Exploration Permit applications were submitted to the State of New Mexico for two separate proposed drill projects, namely the Baca Project and the White Mesa Project. These applications followed earlier submissions of a Plan of Operations to officials at the Cibola National Forest. Both the Baca and White Mesa projects are situated in Catron County about 15 miles north of the town of Datil, along the Red Basin / deBaca uranium trend.

Public and Native American consultations at both the State level and with Cibola National Forest commenced in the third quarter. Although these project areas are not situated on Native American lands, protocol does require that Native American groups be consulted on any mineral exploration project that occurs in areas proximal to their lands. At the conclusion of the third quarter, officials from the State Mining and Minerals Division reported that their consultation meetings had concluded successfully. Officials from Cibola National Forest reported that all meetings held to that point had gone very well and only two consultation meetings remained. Officials from Cibola National Forest reported that all meetings held to the end of the third quarter had gone very well and only two consultation meetings remained. These meetings are scheduled for the fourth quarter of 2009.

Additional Projects – Lincoln County & Socorro County, New Mexico, USA and Malheur County, Oregon, USA

The third quarter of 2009 saw Strategic Resources take on 100% interests in additional projects, in New Mexico and in Oregon.

In Lincoln County, claims were staked in the Gallinas Mountains and in the Jicarilla Mountains. Both claim areas are situated near the small town of Corona, New Mexico. The alkalic uplift structures of the Jicarilla Mountains have been studied by various academics over the years and the occurrence of dike type structures has been documented. These dike structures are highly prospective for rare earth mineralization. The Gallinas Mountains have been the subject of various small scale mining operations for fluorite over the years. In addition to fluorite, the rock structures contain bastnaesite which is a rare earth mineral complex containing lanthanum, cerium and neodymium. Strategic Resources will be proceeding with compilation of Minimal Impact Exploration permits and Plans of Operation for these project areas.

In Malheur County, Oregon, claims were staked in select areas along the Nevada-Oregon state line. These claims are located west of the small town of McDermitt, Nevada. This area is situated in the McDermitt caldera complex. This area first gained recognition in the late 1970s when Placer Amex delineated 17 million tons of uranium mineralization grading 0.05% (~ 1 lb per ton). In recent years, another industry participant working across the state line in Humboldt County, Nevada has delineated both uranium and lithium mineralization in the sedimentary rock sequences. Strategic Resources will be proceeding with compilation of a Minimal Impact Exploration permit and a Plan of Operation for this project area.

Results of Operations

The Company has not generated any operating revenue and therefore losses have been incurred throughout the third quarter and 9 months ended September 30, 2009.

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Nine Months ended September 30, 2009 and 2008:

Net loss for the period was \$591,589 (2008 –\$311,665) with consulting and professional fees accounting for \$159,338 (2008 - \$151,584) of the loss along with shareholder information and public relations costs of \$42,720 (2008 - \$61,734), office and general costs of \$77,105 (2008 - \$339,284) and stock-based compensation costs of \$20,500 (2008 - \$Nil). The loss was increased further with write-downs on mineral properties of \$211,977 (2008 - \$Nil), losses on the disposal of property and equipment of \$76,910 (2008 - \$3,279) and foreign exchange losses of \$3,489 (2008 - \$Nil). Losses were offset by interest income of \$450 (2008 - \$104,216) and future income tax recoveries of \$Nil (2008 - \$140,000).

Three Months ended September 30, 2009 and 2008:

Net loss for the period was \$95,070 (2008 –\$136,055) with consulting and professional fees accounting for \$28,338 (2008 - \$43,394) of the loss along with shareholder information and public relations costs of \$2,539 (2008 - \$12,292), office and general costs of \$17,246 (2008 - \$147,910) and stock-based compensation of \$20,500 (2008 - \$Nil). The loss was increased further with losses on the disposal of property and equipment of \$60,629 (2008 - \$3,279) and foreign exchange losses of \$3,318 (2008 - \$Nil). Losses were offset by interest income of \$Nil (2008 - \$9,718) and future income tax recoveries of \$37,500 (2008 - \$61,102). Other comprehensive income of \$262,500 (2008 - \$Nil) brought total comprehensive income (loss) to \$167,430 (2008 - \$(136,055)).

Summary of Quarterly Results

	3rd Quarter 2009	2nd Quarter 2009	1st Quarter 2009	4th Quarter 2008
Total revenues	-	-	450	5,238
Net loss	95,070	345,097	151,422	9,019,660
Net loss per share – basic and fully-diluted ⁽¹⁾	0.2¢	0.7¢	0.3¢	17.6¢
Total assets	2,255,355	2,085,162	2,744,184	3,018,928
Long-term debt	-	-	-	-
Shareholders' equity	2,234,582	2,046,652	2,641,750	2,793,172
Cash dividends declared per common share	0.0¢	0.0¢	0.0¢	0.0¢

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	3 rd Quarter 2008	2 nd Quarter 2008	1 st Quarter 2008	4 th Quarter 2007
Total revenues	9,718	41,810	52,687	72,574
Net (income) loss	136,055	102,469	73,143	(177,512)
Net (income) loss per share – basic and fully-diluted ⁽¹⁾	0.3¢	0.2¢	0.1¢	(0.3)¢
Total assets	14,437,514	14,413,357	14,773,695	14,901,728
Long-term debt	-	-	-	-
Shareholders' equity	11,840,656	11,840,656	11,943,125	12,016,268
Cash dividends declared per common share	0.0¢	0.0¢	0.0¢	0.0¢

⁽¹⁾Inclusion of outstanding warrants and options is anti-dilutive.

Significant variances are detailed below:

The decreased net loss of \$250,027 during Q3-2009 was mainly a result of no further write-downs of mineral property and exploration expenditures for the quarter.

The increased net loss of \$194,000 during Q2-2009 was virtually entirely due to additional write-downs to exploration expenditures and asset disposed of for the quarter

The decreased net loss of \$8,868,240 from the net loss of \$9,019,660 in Q4-2008 was attributable to reduced costs relating to write-downs of its mineral properties of \$10,879,817, losses of \$130,519 and part XII.6 taxes of \$180,378. The reductions were offset by increases in administrative costs of \$79,474 and future income taxes of \$2,243,000.

The increased net loss of \$8,884,000 from a net loss of \$136,000 from Q3-2008 to Q4-2008 was mainly attributable to the Company's write-down of its mineral properties, with such amount equal to \$10,917,000 offset by income tax recoveries of \$2,243,000.

The increased net loss of \$136,000 from a net loss of \$102,000 from Q2-2008 to Q3-2008 is mainly the result of lower interest income of \$32,000 generated on lower cash balances.

The increased net loss of \$102,000 from a net loss of \$73,000 from Q1-2008 to Q2-2008 is the result of lower interest income of \$11,000 generated on lower cash balances coupled with increases in office and general,

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public relations and shareholder information of \$54,000. These increases were off-set by lower professional and consulting fees of \$22,000 and higher future income tax recoveries of \$13,000.

The change from net income of \$177,000 to net loss of \$73,000 from Q4-2007 to Q1-2008 is the result of lower interest income of \$20,000 generated on lower cash balances coupled with increases in office and general, public relations and shareholder information of \$46,000, increases to professional fees and consulting costs of \$40,000 and lower future income tax recoveries of \$442,000. These increases were off-set by a decrease to stock-based compensation of \$57,000 and decreased write-downs of mineral properties of \$214,000 and gains/losses of \$25,000.

Liquidity and Capital Resources

The Company's liquidity and solvency are critical information since SRI is not currently generating any income from its mineral properties. As at September 30, 2009, the Company's working capital was \$899,238 (2008 - \$2,119,184) which management believes is sufficient for the Company to meet and discharge all of its current and medium-term obligations over the eight to twelve months.

The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. If the Company's exploration programs are successful, additional funds will be required to develop SRI's properties and, if successful, to place them in commercial production. The only sources of future funds available to the Company are further offerings of either debt or 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. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company 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 interests in some or all of its properties and reduce or terminate its operations.

There are no other balance sheet conditions that would adversely affect the Company's liquidity.

Transactions with Related Parties

For the six months ended September 30, 2009 and 2008, the following transactions involved related parties:

GLR charged management fees totalling \$Nil (2008 - \$214,223). GLR was the Company's exploration, development and mining operations manager and former majority shareholder.

R.J. Kasner Co. ("RJKC") charged the Company a total of \$Nil (2008 - \$99,000) in respect of the services of Robert Kasner as President and CEO. Robert Kasner, a former director of the Company until July 18, 2008, beneficially owns RJKC.

Malcolm Bucholtz, also a director of the Company, was appointed President and Chief Executive Officer of the Company on July 10, 2008. Prior to that date, Mr. Bucholtz acted for the Company in an investor relations

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capacity. Mr. Bucholtz charged the Company \$Nil (2008 - \$26,000) in his investor relations capacity and \$90,000 (2008 - \$20,000) in his capacity as President and Chief Executive Officer.

Keshill Consulting Associates Inc. ("KCA") charged the Company a total of \$37,050 (2008 - \$37,000) in respect of the services of Stephen Gledhill as Chief Financial Officer of the Company. Stephen Gledhill beneficially owns KCA. The term of this agreement is ongoing with either party able to terminate upon 30 days written notice to the other.

Glen C. Kasner Exploration Service charged the Company a total of \$42,000 (2008 - \$32,500) in respect of exploration management services. Glen Kasner is related to a former officer and director of the Company and was appointed as Chief Operating Officer on July 18, 2008. On July 2, 2009, this agreement was terminated.

1353150 Ontario Limited ("1353150") charged the Company a total of \$Nil (2008 - \$16,667) in respect of rent for SRI's premises in Kirkland Lake. Robert Kasner, the former President and Chief Executive Officer and a former director of the Company, beneficially owns 1353150. This lease expired on December 31, 2008.

Significant Accounting Policies

Going Concern

The 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 interim 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, the 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 the interim financial statements.

The reader is also directed to review ***Risks and Uncertainties – Liquidity Risk*** section of this MD&A.

Use of Estimates

The preparation of the interim 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 interim financial statements and the reported amount of income and expenses during the period. Actual results could differ from those estimates.

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Future Accounting Standards

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 outline 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, it has no formal plan and the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Risk and Uncertainties

Operational

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Resources, Reserves and Production

No assurance can be given that the anticipated level of recovery and/or grades of reserves or resources as previously disclosed by SRI will be realised. Moreover, short-term operating factors relating to ore reserves and resources, such as the need for orderly development of an orebody or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period. The effect of these factors could have a material adverse effect on SRI's business and could affect the Company's ability to realise the carrying value of its resource assets. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent that the carrying value exceeds the discounted amount of future cash flows. Where estimates of future cash flows are not available and the events or changes in circumstances suggest impairment, management assesses if the carrying value can be recovered and provides for impairment for any excess of carrying value over estimated fair value

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

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

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.
- c. 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.

(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 September 30, 2009, the Company had a working capital balance of \$899,238 (2008 – \$2,119,184). 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 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

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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.

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

Other Risk Factors

Derivatives risk – 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.

Exploration and development risk

SRI's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the mining industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and SRI's common shares should be considered speculative.

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Financing risk

There can be no assurance that any funding required by the Company will become available, and, if so, that it will be offered on reasonable terms or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects or that they can be secured on competitive terms

Segregation of Duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to the Company's small size and limited resources, a complete segregation of duties within the Company's accounting group cannot be fully achieved. The result is that the Company is highly reliant on the performance of mitigating procedures during the process of closing its financial statements in order to ensure the financial statements are presented fairly in all material respects. Management will identify and hire additional accounting resources where cost effective and when required. Where it is not cost effective to obtain additional accounting resources, management will review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

Additional Disclosure for Venture Issuers Without Significant Revenue

Mineral properties and deferred exploration expenditures for the period from January 1, 2009 to June 30, 2009 together with comparative expenditures for the year ended December 31, 2008, are detailed by significant property as follows:

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As at September 30, 2009

	Opening Balance	Additions	Sold	Write-downs	Net
	\$	\$	\$	\$	\$
New Mexico	99,507	103,478	-	-	202,985
New Mexico – Uranium Energy Corp. JV	-	28,670	-	-	28,670
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)	-	-
Quartzite Ridge	-	-	-	-	-
Gunner Area	22,276	-	(22,276)	-	-
Virgin Adit	30,642	1,500	(30,642)	(1,500)	-
Eagle Lake	91,379	-	(91,379)	-	-
Sheffield/Sopps	-	-	-	-	-
Neely Lake	95,793	-	-	(95,793)	-
McIntosh Bay	89,689	-	-	(89,689)	-
General	53,263	114,924	(60,176)	(15,564)	92,448
	1,259,990	251,090	(975,000)	(211,977)	324,103

Strategic Resources Inc.
(formerly known as Uranium City Resources Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2008

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

Disclosure Of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at November 27, 2009:

	Number
Common shares	52,994,132
Warrants	-
Options	2,850,000