Condensed Consolidated Interim Financial Statements

For the nine month periods ended September 30, 2016 and 2015
Expressed in Canadian Dollars
(Unaudited - Prepared by Management)

Contents

Condensed Consolidated Interim Financial Statements

For the nine month periods ended September 30, 2016 and 2015

The accompanying unaudited condensed consolidated interim financial statements, and accompanying notes, of Strategic Resources Inc. for the nine month period~~s~~ ended September 30, 2016 and 2015 have been prepared by management and approved by the Company's Audit Committee and Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

/s/ Mark Tommasi

Mark Tommasi, Chief Executive Officer
Vancouver, BC Canada
November 29, 2016

/s/ Steven Brassard

Steven Brassard, Chief Financial Officer
Vancouver, BC Canada
November 29, 2016

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

Strategic Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Notes	**September 30, 2016**	December 31 2015
ASSETS			
Current Assets			
Cash	**5**	**$ 362,003**	$ 14,387
Receivables	**6**	**3,255**	6,344
Deposits	**7**	**12,735**	-
Total current assets		**377,993**	20,731
Non-current Assets			
Restricted cash		**-**	8,326
Total non-current assets		**-**	8,326
TOTAL ASSETS		**$ 377,993**	$ 29,057
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	**8**	**$ 11,960**	$ 175,804
TOTAL LIABILITIES		**11,960**	175,804
SHAREHOLDERS' EQUITY			
Share capital	**10**	**9,876,300**	9,290,865
Contributed Surplus Warrants	**11**	**4,864,517**	4,864,517
Contributed Surplus Options	**11**	**2,343,981**	2,343,981
Deficit		**(16,718,765)**	(16,643,607)
Accumulated Other Comprehensive Loss		**-**	(2,503)
TOTAL SHAREHOLDERS' EQUITY		**366,033**	(146,747)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 377,993**	$ 29,057

Ability to Continue as a Going Concern (Note 2(d))
Commitments (Note 14)
Subsequent Events (Note 15)

Approved on behalf of the Board:

/s/ Blair McIntyre — Director

/s/ Mark Tommasi — Director

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

Strategic Resources Inc.

Condensed Consolidated Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three Month Period Ended September 30		Nine Month Period Ended September 30	
	2016	2015	**2016**	2015
Operating expenses				
Exploration and evaluation expenditures	**$ -**	**$** 4,715	**$** -	$ 4,715
Foreign exchange loss (gain)	**-**	(4,140)	-	(5,352)
Office and miscellaneous	**10,277**	(2,706)	14,371	4,357
Personnel (recovery)	**(26,793)**	35,506	25,770	87,000
Professional	**-**	31,395	12,762	31,995
Operating income (loss) for the period	**16,516**	(64,770)	(52,903)	(122,115)
Other Expenses				
Loss on disposal of subsidiary	(19,753)	-	(19,753)	-
Gain on disposal of assets	-	142	-	10,511
Reclassification of accumulated other comprehensive loss	(2,503)	-	(2,503)	-
Net loss for the period	**$ (5,740)**	**$** (64,628)	**$** (75,159)	$ (111,604)
Cumulative translation adjustment	**-**	9,081	-	(5,250)
Unrealized loss on other financial assets	**-**	2,180	-	2,180
Other comprehensive income (loss)	**$ -**	**$** 11,261	**$** -	$ (3,070)
Comprehensive loss	**$** (5,740)	**$** (53,367)	**$** (75,159)	$ (114,674)
Basic and diluted loss per share	**$ (0.00)**	**$** (0.06)	**$ (0.02)**	$ (0.11)
Weighted average number of shares outstanding	**7,260,319**	1,105,971	**3,217,157**	1,018,051

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

Strategic Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine Month Period Ended September 30, 2016	2015
Cash flows from operating activities		
Net loss for the period	$ **(75,158)**	$ (111,604)
Adjustments for items not affecting cash		
Foreign exchange	**-**	(3,070)
Loss on disposal of assets and subsidiary	**10,829**	6,756
Changes in non-cash working capital items		
Receivables	**3,089**	(3,559)
Deposits	**(12,735)**	3,000
Accounts payable and accrued liabilities	**(163,844)**	80,977
	(237,819)	(41,012)
Cash flows from financing activities		
Proceeds from issuance of common shares	**600,000**	20,000
Share issue costs	**(14,565)**	(1,845)
Proceeds from loans payable	**31,500**	-
Repayment of loans payable	**(31,500)**	-
	585,435	18,155
Cash flows from investing activities		
Proceeds from restricted cash	**-**	863
Increase (decrease) in cash for the period	**347,616**	(21,994)
Cash, beginning of period	**14,387**	57,404
Cash, end of period	$ **362,003**	$ 35,410

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

Strategic Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Nine Month Period Ended September 30, 2016
(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

	Share Capital		Reserves				
	Number of Shares	Amount	Share-based payments	Warrants	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2014	**973,362**	**9,272,710**	**2,343,981**	**4,864,517**	**(16,472,409)**	**(15,791)**	**(6,992)**
Units issued for private placement	**200,000**	**20,000**	**-**	**-**	**-**	**-**	**20,000**
Share issuance costs	**-**	**(1,845)**	**-**	**-**	**-**	**-**	**(1,845)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**13,288**	**13,288**
Net loss for the year	**-**	**-**	**-**	**-**	**(171,198)**	**-**	**(171,198)**
Balance at December 31, 2015	**1,173,362**	**$ 9,290,865**	**$ 2,343,981**	**$ 4,864,517**	**$ (16,643,607)**	**$ (2,503)**	**$ (146,747)**
Shares issued in private placement	**8,000,000**	**600,000**	**-**	**-**	**-**	**-**	**600,000**
Share issuance costs	**-**	**(14,565)**	**-**	**-**	**-**	**-**	**(14,565)**
Sale of subsidiary	**-**	**-**	**-**	**-**	**-**	**2,503**	**2,503**
Net loss for the period	**-**	**-**	**-**	**-**	(75,159)	**-**	**(75,159)**
Balance at September 30, 2016	**9,173,362**	**$ 9,876,300**	**$ 2,343,981**	**$ 4,864,517**	**$ (16,718,765)**	**$ -**	**$ 366,032**

1. CORPORATE INFORMATION

Strategic Resources Inc. (or the "Company") was incorporated under the British Columbia Business Corporation Act on January 28, 2010. The Company is listed on the TSX-Venture Exchange ("TSX-V"), having the symbol STI.

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable mineral deposits.

The address of the Company's registered office and principal place of business is Suite 2900, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

2. BASIS OF PREPARATION

a) Statement of Compliance

The condensed consolidated interim financial statements of the Company for the nine month period ending September 30, 2016, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements have been prepared on the basis of and using accounting policies, methods of computation and presentation consistent with those applied in the audited annual consolidated financial statements for the year ended December 31, 2015.

The condensed consolidated interim financial statements do not include all the information required for full annual financial statements. On November 29, 2016, the Company's Audit Committee and its Board of Directors approved and authorized these condensed consolidated interim financial statements for issue.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis.

The condensed consolidated interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar, unless otherwise indicated.

c) Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenues and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. They form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and further periods, if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3.

2. BASIS OF PREPARATION (continued)

d) Ability to Continue as a Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the 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, these 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 financial statements. There is substantial doubt that the Company can meet general operating and property expenditures due to its limited working capital. 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. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

e) Subsidiaries

In addition to the Company, the condensed consolidated interim financial statements include its subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

d) Consolidation Principles

The subsidiaries of the Company are as follows:

				Portion of Ownership Interest and Voting Power Held	
Name of Subsidiary	**Principal Activity**	**Fiscal Year-End**	**Place of Incorporation and Operation**	**September 30, 2016**	**December 31, 2015**
Red Basin, LLC	Mining Exploration	December 31	USA	0%	100%

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions are eliminated at consolidation.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the actual outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

4. DISPOSAL RED BASIN, LLC

At the annual and special meeting of the shareholders of the company held December 15, 2015, the voting shareholders (99.38%) approved the sale of the Company's Gallinas Mountains Rare Earth project to Tierra Rara Minerals LLP, a non-arms-length private entity. The shareholders voted to effect the transfer by selling the securities of Red Basin LLC, the Company's wholly owned subsidiary holding the mineral rights to the Gallinas Mountains Rare Earth project, to Tierra Rara Minerals LLP for a nominal amount. The shares of Red Basin LLC were transferred to Tierra Rara Minerals LLP in 2016.

Immediately prior to executing the transfer, Strategic Resources Inc., released Red Basin LLC any obligation for amounts advanced by Strategic to Red Basin LLC to fund the historical exploration and operating activities of Red Basin LLC.

The sale of the subsidiary resulted in the recognition of a loss of $19,753 during the three and month nine period ended September 30, 2016. At the time of disposition, the net assets of Red Basin LLC consisted of restricted cash of $6,016. Related to the disposition, the Company adjusted $2,503 from Accumulated Other Comprehensive Income.

5. CASH

The balance at September 30, 2016, consists of $362,003 (December 31, 2015 - $14,387) on deposit with a National Charted Canadian Bank (December 31, 2015 - a National Charted Canadian Bank and a United States bank).

6. RECEIVABLES

The balance at September 30, 2016 consists of $3,255 (December 31, 2015 - $6,344) of Goods and Services Tax recoverable from the Canadian federal government.

7. DEPOSITS

The balance at September 30, 2016 consists of $12,735 (December 31, 2015 - $nil) of deposits held for professional services.

8. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accrual consist of amounts outstanding for trade purchases for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

9. LOANS PAYABLE

The loans payable activity is as follows:

	Principal	Interest	Loans Payable
Balance, December 31, 2014 and December 31, 2015	**$ -**	**$ -**	**$ -**
Principal Borrowed	**31,500**	**-**	**31,500**
Interest Accrued	**-**	**637**	**637**
Repayments	(31,500)	(637)	(32,137)
Balance at September 30, 2016	**$ -**	**$ -**	**$ -**

The Company entered into four short-term loans during the 2016 fiscal year with principal borrowed totaling $31,500. All loans accrued interest at 8% per annum and have been repaid.

10. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value.

b) Issued

During the nine month period ended September 30, 2016, the following share transactions occurred:

i. The Company's common shares were consolidated on the basis of one post-consolidation common share for every five pre-consolidation common shares. All share capital, stock option, warrant, and per share data in the current and comparative periods have been adjusted to reflect this change.
ii. Concurrent with the share consolidation the Company closed a non-brokered private placement whereby the Company issued post consolidation 8,000,000 shares at a price of $0.075 per shares.

During the year ended December 31, 2015, the following share transactions occurred:

iii. The Company's common shares were consolidated on the basis of one post-consolidation common share for every fifteen pre-consolidation common shares. All share capital, stock option, warrant, and per share data in the current and comparative periods have been adjusted to reflect this change.
iv. Subsequent to the share consolidation in 2015, the Company closed a non-brokered private placement whereby the Company issued post consolidation 200,000 units at a price of $0.10 per unit. Each unit consisted of 1 common share of the Company and 1 share purchase warrant ("warrant").

11. EQUITY AND RESERVES

a) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet include 'Share-based Payment Reserve', and 'Accumulated Deficit'.

- 'Share-based Payment Reserve' is used to recognize the fair value of option instruments granted by the Company.
- 'Warrant Reserve' is used to recognize is used to recognize the fair value of warrant instruments issued by the Company.
- 'Accumulated Other Comprehensive Income' is used to recognize the change in equity during a period from transaction and other events and circumstances from non-owner sources.

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

11. EQUITY AND RESERVES

a) Nature and Purpose of Equity and Reserves (continued)

- 'Deficit' is used to record the Company's change in deficit from net and comprehensive income or loss from period to period.

b) Stock Options

The Company uses the Black-Scholes pricing model to determine the fair value of incentive options granted. This model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options and warrants.

During the year ended December 31, 2015, the Company received shareholder approval to implement a stock option plan pursuant to which options to purchase common shares could be granted to certain officers, directors, employees and consultants at the higher of: market price less an applicable discount from market price as allowed by TSX Venture Exchange regulations.

The plan allows for the issuance of up to 10% of the issued and outstanding common shares. Options may have a maximum term of 10 years. The Company has not submitted its stock option plan to the TSX Venture Exchange for final approval.

The following table summarizes incentive share option activity for the nine month period ended September 30, 2016 and year ended December 31, 2015:

	Number of Options	Weighted Average Exercise Price	Share-based Payment Reserve - Options
Balance, December 31, 2014, December 31, 2015 and September 30, 2016	-	$ -	**$ 2,343,981**

There were no options granted during the year ended December 31, 2015 and during the nine months ended September 30, 2016.

c) Warrants

The Company has issued share purchase warrants ("warrant") as part of a units issued in private placements for cash in the past. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to the warrants.

The following table summarizes warrants activity:

	Number of Warrants	Weighted Average Exercise Price	Share-based Payment Reserve - Warrants
Balance, December 31, 2014	**126,667**	**$ 13.50**	**$ 4,864,517**
Issued	200,000	0.25	-
Expired	(126,667)	13.50	-
Balance, December 31, 2015 and September 30, 2016	**200,000**	**$ 0.25**	**$ 4,864,517**

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

11. EQUITY AND RESERVES (continued)

c) Warrants (continued)

On July 31, 2014, the Company completed a private placement consisting of 1,000,000 units issued at a unit price of $0.02 per unit. Each unit consisted of one common share and one warrant. The warrants are exercisable at $0.05 per share until they expire on July 30, 2017. There was no value allocated to the warrant.

The remaining life of the warrants as at September 30, 2016 is 0.83 years (December 31, 2015: 1.58 years).

12. RELATED PARTY TRANSACTIONS & BALANCES

The consolidated financial statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them.

a) Key Management Personnel

Compensation to key management, which consists of its officer and directors, for the nine month periods ended September 30, 2016 and 2015 was as follows:

		September 30, 2016		September 30, 2015
Short-term employee benefits	**$**	**25,770**	$	87,000

b) Related Party Balances

Included within accounts payable and accrued liabilities were amounts owed to related parties as follows:

		September 30, 2016		December 31, 2015
Amounts due to companies controlled by Directors and Officers of the Company. Amounts are non-interest bearing, unsecured and have no specified terms of repayment.	**$**	**Nil**	$	161,250

13. SEGMENTED INFORMATION

a) Operating Segments

At September 30, 2016 the Company's operations comprise a single reporting operating segment engaged in mineral exploration in the United States and Canada. The Company did not generate any revenues during the nine month period ended September 30, 2016 and the year ended December 31, 2015. The amounts disclosed in these consolidated financial statements represent the Company's single operating segment amounts.

b) Geographic Segments

The Company is in the business of mineral exploration and production in Canada and the USA. As such, management has organized the Company's reportable segments by geographic area. The USA segment is responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities and is responsible for the Canadian mineral exploration and production activities.

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

13. SEGMENTED INFORMATION (continued)

b) Geographic Segments (continued)

Operating results for the geographic segments is as follows for the nine months ended:

		September 30, 2016		September 30, 2015
Canada	$	**(75,159)**	$	(117,400)
United States of America		**-**		5,796
	$	**(75,159)**	$	(111,604)

Assets for the geographic segments is as follows:

		September 30, 2016		September 30, 2015
Canada	$	**377,993**	$	11,684
United States of America		**-**		17,373
	$	**377,993**	$	29,057

13. COMPARATIVE FIGURES

Certain comparatives figures have been reclassified in order to conform to the financial presentation adopted in the current period.

14. COMMITMENTS

The Company does not have any commitments.

15. SUBSEQUENT EVENTS

There are no subsequent events.