

**STRATABOUND MINERALS CORP.  
INTERIM FINANCIAL STATEMENTS**

(Unaudited - Prepared by Management)

**MARCH 31, 2010**

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, Stratabound Minerals Corp. discloses that its auditors have not reviewed the unaudited financial statements for the three months ended March 31, 2010.

**STRATABOUND MINERALS CORP.**  
**(Unaudited - Prepared by Management)**  
**BALANCE SHEET**

	March 31, 2010	December 31, 2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 189,535	\$ 491,762
Marketable securities	20,000	20,000
Accounts receivable	96,382	60,045
	305,917	571,807
PROPERTY, PLANT AND EQUIPMENT	7,206	7,705
MINERAL EXPLORATION PROPERTIES (note 2)	8,762,987	8,509,290
	\$ 9,076,110	\$ 9,088,802
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 171,929	\$ 138,338
FUTURE INCOME TAXES	799,602	799,602
	971,531	937,940
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (note 3)	13,745,189	13,745,189
CONTRIBUTED SURPLUS	970,582	964,158
DEFICIT	(6,611,192)	(6,558,485)
	8,104,579	8,150,862
	\$ 9,076,110	\$ 9,088,802

Going concern (note 1)

Approved on behalf of the Board:

“Stan Stricker”  
 Director

“Keith Macdonald”  
 Director

**STRATABOUND MINERALS CORP.**  
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**STATEMENT OF OPERATIONS AND DEFICIT**

THREE MONTHS ENDED MARCH 31	2010	2009
<b>REVENUE</b>		
Interest income	\$ 420	\$ 247
<b>EXPENSES</b>		
Salaries and benefits	17,683	10,240
Professional Fees	15,210	11,818
Filing fees and investor communications	12,623	11,022
Office and other	6,062	4,083
Rent	1,050	1,050
Amortization	499	482
	53,127	38,695
<b>LOSS BEFORE INCOME TAXES</b>	52,707	38,448
<b>NET AND COMPREHENSIVE LOSS</b>	52,707	38,448
<b>DEFICIT, beginning of period</b>	6,558,485	6,405,601
<b>DEFICIT, end of period</b>	\$ 6,611,192	\$ 6,444,049
<b>BASIC AND DILUTED NET AND COMPREHENSIVE LOSS PER SHARE</b>	\$ 0.001	\$ 0.001

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**STATEMENT OF CASH FLOWS**

THREE MONTHS ENDED MARCH 31	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net and comprehensive loss	\$ (52,707)	\$ (38,448)
Items not affecting cash		
Amortization	499	482
	(52,208)	(37,966)
Change in non-cash working capital items	(2,746)	36,275
	(54,954)	(1,691)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditures on mineral properties	(247,273)	(133,994)
Expenditures on property and equipment	-	(2,000)
	(247,273)	(135,994)
<b>CHANGE IN CASH POSITION</b>	(302,227)	(137,685)
<b>CASH, beginning of period</b>	491,762	252,439
<b>CASH, end of period</b>	\$ 189,535	\$ 114,754

**STRATABOUND MINERALS CORP.**  
**(Unaudited - Prepared by Management)**  
**NOTES TO THE FINANCIAL STATEMENTS**

MARCH 31, 2009 AND 2010

The Company's auditors have not audited nor have they performed a review of these interim financial statements. The unaudited interim financial statements for the period ended March 31, 2010 have been prepared by management in accordance with Canadian generally accepted accounting principles and follow the same accounting policies as the financial statements for the fiscal year ended December 31, 2009. The unaudited interim financial statements should be read in conjunction with the financial statements and the notes therein for the fiscal year ended December 31, 2009.

**1. GOING CONCERN**

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

These financial statements have been prepared on a going concern basis and do not include any adjustments that may be required should the Company be unable to continue as a going concern. The amounts shown as mineral properties represent net costs to date, less amounts written off, and do not necessarily represent present or future values. The recovery of the cost of mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition of properties.

**2. MINERAL EXPLORATION PROPERTIES**

	December 31, 2009	Incurred during period	March 31, 2010
Acquisition and renewal costs	\$ 662,203	\$ 3,986	\$ 666,189
Exploration expenditures	7,847,087	249,711	8,096,798
	<b>\$ 8,509,290</b>	<b>\$ 253,697</b>	<b>\$ 8,762,987</b>
Bathurst, New Brunswick	\$ 4,875,212	\$ 250,303	\$ 5,125,515
Elmtree, New Brunswick	2,083,381	3,394	2,086,775
Melchett Lake, Ontario	742,503	-	742,503
Enja, Quebec	273,853	-	273,853
Ramsay Brook, New Brunswick	245,578	-	245,578
Otish Mountain (Marusia), Quebec	233,109	-	233,109
Highway Properties, Western New Brunswick	30,008	-	30,008
Green Point, New Brunswick	14,418	-	14,418
Loch Lomond, Southern New Brunswick	11,228	-	11,228
	<b>\$ 8,509,290</b>	<b>\$ 253,697</b>	<b>\$ 8,762,987</b>

Of total costs incurred during period, \$6,424 (2009 - \$nil) relate to stock-based compensation, a non-cash item.

**STRATABOUND MINERALS CORP.**  
**(Unaudited - Prepared by Management)**  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2009 AND 2010

---

**2. MINERAL EXPLORATION PROPERTIES, continued**

- a) Bathurst, New Brunswick  
The Company holds a 100% interest, subject to a 1% net smelter return royalty in 4,000 hectares in the Bathurst base metal mining camp in New Brunswick, Canada. The properties include the CNE/Captain Group, CNE Mining Lease, Captain East Extension, Nepisiguit Brook, Taylor Brook and Taylor Brook East Extension claim groups.
- b) Elmtree, New Brunswick  
The Company has a 100% interest in 85 claims (1,360 hectares), hosting gold and polymetallic prospects in Gloucester County, New Brunswick. Of the 85 claims, 69 are subject to a 2% net smelter return royalty. In June 2009, the Company entered into an option agreement with Castle Resources Inc. ("Castle") whereby Castle can earn a 60% interest in the Elmtree claims by spending \$2,700,000 on exploration and staged payments to the Company by June 1, 2012, including minimum annual exploration expenditures of \$750,000. Castle can acquire another 10% by paying the Company \$1,000,000 within 90 days of acquiring the initial 60%. Castle has further expanded the property boundary by optioning 76 claims directly adjacent to the east of the 85 original claims. At year end, Castle had paid toward the option, \$100,000 in cash and \$14,000 in marketable securities (with fair market value at year end of \$20,000).
- c) Melchett Lake, Ontario  
In 2007 the Company entered into an option agreement whereby it can acquire a 60% interest in a 105 unit (subsequently expanded to 209 units, 3,344 hectares) base and precious metals prospect 60 kilometers north of Nakina, Ontario. To earn the 60% interest the Company must spend \$1,000,000 on exploration prior to November 1, 2010. As at March 31, 2010, \$704,426 had been spent.
- d) Enja, Quebec  
The Company has a 100% interest, subject to a 2% net smelter return royalty, in this 69 claim (3,700 hectares) gold and base metal prospect.
- e) Highway Property, Western New Brunswick  
Lamoreaux Corner  
The Company has a 100% interest in 49 claims (784 hectares) covering gold prospects along a new section of the Trans-Canada Highway.
- f) Ramsay Brook, New Brunswick  
The Company holds a 100% interest in 68 claims (1,088 hectares) covering gold prospects in Restigouche County, New Brunswick.
- g) Otish Mountains (Marusia), Quebec  
The Company holds a 100% interest in the 2,630-hectare Marusia diamond/gold prospect in the Otish mountain area of Central Quebec, subject to a 2% net smelter return royalty.

**STRATABOUND MINERALS CORP.**  
**(Unaudited - Prepared by Management)**  
**NOTES TO THE FINANCIAL STATEMENTS**

MARCH 31, 2009 AND 2010

---

2. **MINERAL EXPLORATION PROPERTIES, continued**

- h) Green Point, New Brunswick  
The Company has a 100% interest, subject to a 2% net smelter return royalty in 71 claims (1,136 hectares) located 2.5 kilometres northeast of the Company's Elmtree Extension claims.
- i) Loch Lomond Area, Southern New Brunswick  
The Company acquired by staking a 100% interest in the Shanklin Road and Grassy Lake claim groups (18 claims, 288 hectares) near the former Cape Spencer gold mine.

3. **SHARE CAPITAL**

- a) Authorized  
Unlimited number of common shares, without nominal or par value

Issued

	Number	Amount
Balance December 31, 2008	42,484,168	\$ 12,883,945
Private placement – common shares	6,554,000	491,550
Private placement - flow through shares	5,675,000	567,500
Future income tax on renounced flow-through expenditures	-	(191,558)
Share issue costs	-	(6,247)
	54,713,168	\$ 13,745,190
Balance December 31, 2009 and March 31, 2010	54,713,168	\$ 13,745,190

The Company is obligated to incur qualifying exploration expenditures ("CEE") of \$567,500 by December 31, 2010. The full amount was renounced effective December 31, 2009. As at March 31, 2010 the full amount had been expended.

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**(Unaudited - Prepared by Management)**  
**NOTES TO THE FINANCIAL STATEMENTS**

MARCH 31, 2009 AND 2010

---

3. **SHARE CAPITAL, continued**

b) Stock options

The Company has a stock-based compensation plan for its key officers, directors, employees and consultants. Up to 10% of the issued and outstanding shares may be reserved for issuance under the plan. The weighted average fair value of each option granted is estimated using the Black-Scholes option-pricing model using the following assumptions for options: weighted average life of five years (2009 - five years), risk free rate of 1.63% (2009 - 2.65%), expected volatility of 233% (2009 - 316%), vesting immediately and dividend yield of 0% (2009 - 0%).

	Number	Weighted average exercise price
Outstanding December 31, 2008	3,390,000	\$ 0.26
Expired during the year	(250,000)	0.20
Expired during the year	(175,000)	0.15
Cancelled during the year	(275,000)	0.25
Issued during the year	2,500,000	0.10
Outstanding December 31, 2009	5,190,000	0.19
Issued during the period	50,000	0.12
Outstanding March 31, 2010	5,240,000	0.19

All the options outstanding vest immediately and are all exercisable at March 31, 2010.

Options outstanding	Exercise price	Expiry date
150,000	0.15	April 21, 2010
1,000,000	0.20	November 13, 2011
840,000	0.27	August 30, 2012
50,000	0.42	October 2, 2012
650,000	0.40	January 9, 2013
2,500,000	0.10	August 17, 2014
50,000	0.12	August 17, 2014
5,240,000		

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**(Unaudited - Prepared by Management)**  
**NOTES TO THE FINANCIAL STATEMENTS**

MARCH 31, 2009 AND 2010

---

**3. SHARE CAPITAL, continued**

c) Warrants

The following is a summary of the warrants outstanding.

	March 31, 2010		December 31, 2009	
	Warrants outstanding	Exercise price	Warrants outstanding	Exercise price
Balance, beginning of year	2,679,733 \$	0.15	2,679,733 \$	0.15
	2,679,733 \$	0.15	2,679,733 \$	0.15

The 2,679,733 warrants outstanding at March 31, 2010 expire on December 31, 2010.

**4. CAPITAL MANAGEMENT**

The capital structure of the Company consists of equity attributable to common shareholders and includes share capital, contributed surplus, warrants, stock options and comprehensive income and deficit.

The Company manages its capital to maximize its ability to be able to continue as a going concern and have sufficient capital to develop its mining projects and take them to production. The Company directs as much of its available capital as possible towards its exploration/development activities. The Company's present overall capital risk management strategy remains unchanged from 2009.

The Company is not subject to any externally imposed capital requirements.

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**(Unaudited - Prepared by Management)**  
**NOTES TO THE FINANCIAL STATEMENTS**

MARCH 31, 2009 AND 2010

---

**5. FINANCIAL INSTRUMENTS**

Financial instruments consist of recorded amounts of cash and cash equivalents, accounts receivable and short term deposits which will result in future cash receipts, as well as accounts payable which will result in future cash outlays.

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate and equity price risk) and liquidity risk.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal.

Financial instruments included in accounts receivable consist of amounts due from joint venture partner, provincial government grant and sales tax receivable from government authorities in Canada. Accounts receivable are in good standing as of March 31, 2010. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

(b) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. The Company's current policy is to invest excess cash in investment-grade short-term GICs issued by banks with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. The Company regularly monitors its cash management policy.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

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**(Unaudited - Prepared by Management)**  
**NOTES TO THE FINANCIAL STATEMENTS**

MARCH 31, 2009 AND 2010

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**5. FINANCIAL INSTRUMENTS, continued**

(d) Fair value

The Company's carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values due to the immediate or short-term maturity of these instruments. The marketable securities are carried at their fair value.

CICA Handbook Section 3862 Financial Instruments – Disclosures, prescribes the following three-level fair value hierarchy for disclosure purposes based on the transparency of the inputs used to measure the fair values of the assets and liabilities:

- a) Level 1 – quoted prices (unadjusted) of identical instruments in active markets that the reporting entity has the ability to access at the measurement date.
- b) Level 2 – inputs are quoted prices of similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, inputs other than quoted prices used in a valuation model that are observable for that instrument, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- c) Level 3 – one or more significant inputs used in a valuation technique are unobservable for the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The Company's financial instruments measured at fair value are cash and cash equivalents and marketable securities and they are recorded based on level 1 measurement.

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and marketable securities as held for trading, which is measured at fair value. Accounts receivable are classified for accounting purposes as receivables, which are measured at amortized cost which equals fair market value. Accounts payable are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair market value.

As of March 31, 2010 both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

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

- i) Interest rate risk is minimal as cash and cash equivalents include investment-grade short-term GICs with fixed interest rates.

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**(Unaudited - Prepared by Management)**  
**NOTES TO THE FINANCIAL STATEMENTS**

MARCH 31, 2009 AND 2010

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**6. RELATED PARTY TRANSACTIONS**

During the period, the Company paid rent of \$1,050 (2009 - \$1,050) for office space owned by officers of the Company.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**6. SUBSEQUENT EVENTS**

On April 12, 2010, the Company closed a private placement with MineralFields Group of 4,444,443 flow-through units at \$0.225 per unit for gross proceeds of \$1,000,000. Each unit consists of one flow-through share and one half of a non-flow-through share purchase warrant. Each whole warrant is exercisable for two years from closing at an exercise price of \$0.35 per common share in year one and \$0.40 per common share in year two. The shares issued are subject to a hold period expiring on August 13, 2010.

On April 13, 2010, 500,000 warrants were exercised at \$0.15 per common share for gross proceeds of \$75,000.

On April 22, 2010, the Company closed a private placement of 2,367,500 flow-through units at \$0.225 per unit for proceeds of \$532,688. Each unit consists of one flow-through share and one half of a non-flow-through share purchase warrant. Each whole warrant is exercisable for two years from closing at an exercise price of \$0.35 per common share in year one and \$0.40 per common share in year two. The shares issued are subject to a hold period expiring on August 23, 2010.