

INTERIM FINANCIAL STATEMENTS

STRATABOUND MINERALS CORP.
(Unaudited – Prepared by Management)

September 30, 2007

Stratabound Minerals Corp.

BALANCE SHEETS

(Unaudited – Prepared by Management)

	September 30, 2007	December 31, 2006
	\$	\$
ASSETS		
Current		
Cash	418,431	236,687
Marketable securities	329	329
Accounts receivable	123,292	68,501
Provincial resource tax credit receivable	40,000	40,000
Prepaid expenses	62,000	—
	<u>644,052</u>	<u>345,517</u>
Property and equipment	8,174	10,229
Mineral properties [note 3]	5,288,473	4,544,420
	<u>5,940,699</u>	<u>4,900,166</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	203,216	103,655
Future income taxes	296,300	70,000
	<u>499,516</u>	<u>173,655</u>
Shareholders' equity		
Share capital [note 4]	10,767,818	9,908,168
Contributed surplus [note 4]	451,059	282,475
Deficit	(5,777,694)	(5,464,132)
	<u>5,441,183</u>	<u>4,726,511</u>
	<u>5,940,699</u>	<u>4,900,166</u>

See accompanying notes

Approved on behalf of the Board of Directors:

“Stan Stricker” _____ Director “Keith E. Macdonald” _____ Director

Stratabound Minerals Corp.

STATEMENTS OF OPERATIONS AND DEFICIT

Periods ended September 30

(Unaudited – Prepared by Management)

	Three months 2007	Three months 2006	Nine months 2007	Nine months 2006
	\$	\$	\$	\$
Revenues	5,506	1,423	10,185	3,235
Expenses				
Stock-based compensation <i>(note 4)</i>	112,119	—	112,119	24,500
Consulting fees	18,300	15,000	48,300	15,000
Salaries and benefits	13,258	14,776	39,774	41,927
Filing fees and investor communications	7,406	7,677	28,315	25,260
Office and other	9,582	6,931	26,117	14,581
Professional fees	6,219	8,124	22,885	24,455
Rent	1,050	1,050	3,150	3,150
Depletion and amortization	685	336	2,055	1,008
	168,619	53,894	282,715	149,881
Net loss before income taxes	163,113	52,471	272,530	146,646
Income taxes				
Future income taxes	—	—	41,032	4,500
Net loss for the period	163,113	52,471	313,562	151,146
Deficit, beginning of period	5,614,581	5,261,959	5,464,132	5,163,284
Deficit, end of period	5,777,694	5,314,430	5,777,694	5,314,430
Basic loss per share	0.005	0.002	0.010	0.007
Diluted loss per share	0.005	0.002	0.010	0.007

See accompanying notes

Stratabound Minerals Corp.

STATEMENTS OF CASH FLOWS

Periods ended September 30

(Unaudited – Prepared by Management)

	Three months 2007	Three months 2006	Nine months 2007	Nine months 2006
	\$	\$	\$	\$
CASH PROVIDED BY (USED IN)				
Operating				
Net loss for the period	(163,113)	(52,471)	(313,562)	(151,146)
Items not involving cash				
Depletion and amortization	685	336	2,055	1,008
Stock-based compensation	112,119	—	112,119	24,500
Future income taxes	—	—	41,032	4,500
Funds from operations	(50,309)	(52,135)	(158,356)	(121,138)
Net change in non-cash working capital	(61,479)	74,439	(17,230)	21,528
	(111,788)	22,304	(175,586)	(99,610)
Financing				
Proceeds from exercised warrants	66,000	203,400	388,118	310,075
Proceeds from exercised options	55,500	—	63,000	7,500
Issuance of share capital	—	470,000	576,800	470,000
	121,500	673,400	1,027,918	787,575
Investing				
Expenditures on mineral properties	(437,201)	(119,246)	(767,588)	(387,908)
Expenditures on property and equipment	—	(6,889)	—	(6,889)
Government incentives	60,000	—	97,000	40,000
	(377,201)	(126,135)	(670,588)	(354,797)
Increase (decrease) in cash for the period	(367,489)	569,569	181,744	333,168
Cash, beginning of period	785,920	89,473	236,687	325,874
Cash, end of period	418,431	659,042	418,431	659,042

See accompanying notes

Stratabound Minerals Corp.

NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2007 and 2006

(Unaudited – Prepared by Management)

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 September 30, 2007 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, 2006. The unaudited interim financial statements should be read in conjunction with the financial statements and the notes thereon for the fiscal year ended December 31, 2006.

1. FUTURE OPERATIONS

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 interim financial statements have been prepared on the 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 costs represent net costs to date, less amounts written off, and do not necessarily represent present or future values. The recoverability 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. ACCOUNTING POLICY CHANGE

On January 1, 2007, in accordance with the applicable transitional provisions, the Company adopted on a prospective basis without restating prior periods, the new recommendations of the CICA Handbook included in Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861, Financial Instruments – Disclosure and Presentation.

Section 1530, Comprehensive Income, establishes the standards for the disclosure and presentation of comprehensive income and its components in the financial statements. Comprehensive income includes the change in the net assets of a company arising from transactions, events and circumstances excluding those related to shareholders. Section 3251, Equity, establishes standards for the presentation of equity and changes in equity during the reporting period.

Section 3855, Financial Instruments – Recognition and Measurement and Section 3861, Financial Instruments – Disclosure and Presentation, establish standards for classification, recognition, measurement, presentation and disclosure of financial instruments in the financial statements. These standards prescribe the basis of presentation for gains and losses on financial instruments. Gains and losses on financial instruments are recognized in net income or other comprehensive income, based on the underlying financial instrument classification.

The Company's earnings per share presented on the statements of operations and deficit is based upon its loss for the period which excludes comprehensive income.

The adoption of these sections had no significant impact on the Company's financial statements.

Stratabound Minerals Corp.

NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2007 and 2006

(Unaudited – Prepared by Management)

3. MINERAL PROPERTIES

The Company has capitalized expenditures related to the mineral properties summarized as follows:

	Bathurst, N.B. \$	Otish Mountains, Que. \$	Ramsay Brook, N.B. \$	Elmtree, N.B. \$	Enja, Que. \$	Highway Properties Western N.B. \$	Melchett Lake, Ont. \$	Loch Lomond Southern N.B. \$	Three months ended Sept. 30, 2007 \$	Three months ended Sept. 30, 2006 \$
Cost – July 1, 2007	2,720,381	214,313	240,535	1,342,523	150,208	162,421	21,500	2,926	4,854,807	3,761,045
Acquisition and renewals	—	—	276	—	—	372	—	—	648	(348)
Assays and analyses	5,106	—	—	5,847	—	13,845	—	—	24,798	3,025
Core shack	816	—	—	3,864	—	3,125	—	—	7,805	—
Drilling	179,438	—	—	—	—	5,850	—	—	185,288	25,168
Geochemistry	—	—	—	—	148,461	—	—	—	148,461	—
Geology and prospecting	32,682	6,500	1,588	29,528	—	29,160	—	2,693	102,151	70,384
Geophysics	2,050	—	—	—	—	—	—	—	2,050	—
Insurance	—	—	—	—	—	—	—	—	—	—
Line-cutting	—	—	—	—	—	—	—	—	—	—
Salaries and benefits	1,500	—	—	1,500	1,500	1,500	—	—	6,000	4,500
Stock-based compensation	13,508	1,216	—	13,508	14,725	13,508	—	—	56,465	—
Trenching	—	—	—	—	—	—	—	—	—	16,517
Government incentives	(100,000)	—	—	—	—	—	—	—	(100,000)	—
Cost – Sept. 30, 2007	2,855,481	222,029	242,399	1,396,770	314,894	229,781	21,500	5,619	5,288,473	3,880,291

Stratabound Minerals Corp.

NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2007 and 2006

(Unaudited – Prepared by Management)

3. MINERAL PROPERTIES CONT'D

The Company has capitalized expenditures related to the mineral properties summarized as follows:

	Bathurst, N.B. \$	Otish Mountains, Que. \$	Ramsay Brook, N.B. \$	Elmtree, N.B. \$	Enja, Que. \$	Highway Properties Western N.B. \$	Melchett Lake, Ont. \$	Loch Lomond Southern N.B. \$	Nine months ended Sept. 30, 2007 \$	Nine months ended Sept. 30, 2006 \$
Cost – January 1, 2007	2,692,110	209,113	238,675	1,236,566	140,862	27,094	—	—	4,544,420	3,532,383
Acquisition and renewals	4,906	—	316	—	3,312	12,966	20,000	2,700	44,200	24,446
Assays and analyses	5,106	—	—	38,217	—	14,730	—	—	58,053	4,765
Core shack	816	—	—	3,864	—	3,125	—	—	7,805	—
Drilling	179,438	—	—	42,062	—	93,727	—	—	315,227	159,500
Geochemistry	—	—	—	—	148,461	—	—	—	148,461	—
Geology and prospecting	63,797	11,700	3,408	53,803	5,534	73,790	—	2,919	214,951	133,036
Geophysics	2,050	—	—	—	—	—	—	—	2,050	28,165
Insurance	2,250	—	—	2,250	500	2,250	—	—	7,250	—
Line-cutting	—	—	—	—	—	8,591	—	—	8,591	5,579
Salaries and benefits	1,500	—	—	6,500	1,500	7,000	1,500	—	18,000	15,900
Stock-based compensation	13,508	1,216	—	13,508	14,725	13,508	—	—	56,465	—
Trenching	—	—	—	—	—	—	—	—	—	16,517
Government incentives	(110,000)	—	—	—	—	(27,000)	—	—	(137,000)	(40,000)
Cost – Sept. 30, 2007	2,855,481	222,029	242,399	1,396,770	314,894	229,781	21,500	5,619	5,288,473	3,880,291

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NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2007 and 2006

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4. SHARE CAPITAL

Authorized

An unlimited number of common shares, without nominal or par value

Issued

	Number of Shares	Amount \$
December 31, 2005	21,221,162	8,887,025
Issued on exercise of warrants	1,967,500	310,075
Private Placement	2,500,000	500,000
Issued on exercise of options	50,000	7,500
Share issuance costs	—	(30,000)
	25,738,662	9,674,600
December 31, 2006	27,099,162	9,908,168
Issued on exercise of warrants	1,821,447	388,118
Issued for mineral properties	68,000	17,000
Issued on private placement	1,648,000	576,800
Issued on exercise of options	300,000	63,000
Future income taxes on flow-through shares	—	(185,268)
	30,936,609	10,767,818

Stock options outstanding

	Number of Options	Exercise Price \$	Expiry Date
	250,000	0.20	Mar. 5, 2009
	175,000	0.20	Jun.27, 2009
	275,000	0.15	Apr. 21, 2010
	1,100,000	0.20	Nov.13, 2011
	940,000	0.27	Aug.30, 2012
	Total	2,740,000	

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NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2007 and 2006

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4. SHARE CAPITAL CONT'D

During the three month period ended September 30, 2007, 250,000 stock options were exercised at various prices raising total proceeds of \$55,500. During the period, 400,000 stock options with an exercise price of \$0.22 expired without exercise.

On August 30, 2007, the Company, pursuant to its Stock Option Plan granted 1,040,000 new stock options to directors and consultants at a price of \$0.27 each, with a five year life, expiring on August 30, 2012. Stock based compensation cost of \$168,584 (\$0.16 per option) has been recognized, \$56,465 has been capitalized to mining properties and \$112,119 expensed. The stock options have been estimated using the Black-Scholes fair value method using the following assumptions: Weighted average life of five years, risk-free interest rate of 4.0%, expected volatility of 100% and a dividend yield of 0%.

Share purchase warrants outstanding

Number of Warrants	Exercise Price \$	Expiry Date
14,875	0.25	Nov. 7, 2007
185,000	0.30	Dec. 10, 2007
97,000	0.25	Dec.27, 2007
150,000	0.20	Aug.25, 2008
Total	446,875	

During the three month period ended September 30, 2007, 330,000 share purchase warrants were exercised at a price of \$0.20 each, raising total proceeds of \$66,000. During this period, no new share purchase warrants were granted and 300,000 warrants with an exercise price of \$0.20 expired without being exercised.

5. RELATED PARTY TRANSACTIONS

For the nine months ended September 30, 2007, the Company paid rent of \$3,150 (2006 - \$3,150) for office space owned by officers of the Company. Consulting fees of \$3,300 were paid to a director and officer of the Company for corporate development activities.

6. SUBSEQUENT EVENTS

Subsequent to the period ended September 30, 2007, the Company issued 50,000 shares representing fair value consideration of \$17,500 for purchase of 42 claims surrounding the original ten-claim Elmtree Gold Property.

A total of 100,000 options were exercised for proceeds of \$16,250 and 44,875 warrants were exercised for proceeds of \$12,718.75.

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6. SUBSEQUENT EVENTS CONT'D

On November 27, 2007, the Company closed the first tranche of a brokered private placement for net proceeds of \$618,641.07 (gross proceeds of \$681,874.50). Emerging Equities Inc. acted as exclusive agent and were paid a cash commission of \$40,858.04. An aggregate of 1,688,021 common shares were issued consisting of 1,036,466 common shares at \$0.375 per share and 651,555 common shares issued at \$0.45 on a flow-through basis. Pursuant to the flow-through shares issue, the Company is committed to renounce \$293,200 to the investors effective December 31, 2007 and is obliged to incur the expenditures before December 31, 2008.