

INTERIM FINANCIAL STATEMENTS

STRATABOUND MINERALS CORP.
(Unaudited – Prepared by Management)

June 30, 2007

Stratabound Minerals Corp.

BALANCE SHEETS

(Unaudited – Prepared by Management)

	June 30, 2007	December 31, 2006
	\$	\$
ASSETS		
Current		
Cash	785,920	236,687
Marketable securities	329	329
Accounts receivable	41,999	68,501
Provincial resource tax credit receivable	40,000	40,000
Prepaid expenses	32,883	—
	<u>901,131</u>	<u>345,517</u>
Property and equipment	8,859	10,229
Mineral properties [note 3]	4,854,807	4,544,420
	<u>5,764,797</u>	<u>4,900,166</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	154,285	103,655
Future income taxes	296,300	70,000
	<u>450,585</u>	<u>173,655</u>
Shareholders' equity		
Share capital [note 4]	10,646,318	9,908,168
Contributed surplus [note 4]	282,475	282,475
Deficit	<u>(5,614,581)</u>	<u>(5,464,132)</u>
	<u>5,314,212</u>	<u>4,726,511</u>
	<u>5,764,797</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 June 30

(Unaudited – Prepared by Management)

	Three months 2007	Three months 2006	Six months 2007	Six months 2006
	\$	\$	\$	\$
Revenues	3,917	604	4,679	1,812
Expenses				
Consulting fees	15,000	—	30,000	—
Salaries and benefits	13,258	13,875	26,516	27,151
Filing fees and investor communications	10,988	11,776	20,909	17,583
Professional fees	5,497	8,750	16,666	16,331
Office and other	7,646	2,323	16,535	7,650
Rent	1,050	1,050	2,100	2,100
Stock-based compensation	—	24,500	—	24,500
Depletion and amortization	685	336	1,370	672
	54,124	62,610	114,096	95,987
Net loss before income taxes	50,207	62,006	109,417	94,175
Income taxes				
Future income taxes (recovery)	9,032	(2,000)	41,032	4,500
Net loss for the period	59,239	60,006	150,449	98,675
Deficit, beginning of period	5,555,342	5,201,953	5,464,132	5,163,284
Deficit, end of period	5,614,581	5,261,959	5,614,581	5,261,959
Basic loss per share	0.005	0.005	0.005	0.005
Diluted loss per share	0.005	0.004	0.005	0.004

See accompanying notes

Stratabound Minerals Corp.

STATEMENTS OF CASH FLOWS

Periods ended June 30

(Unaudited – Prepared by Management)

	Three months 2007	Three months 2006	Six months 2007	Six months 2006
	\$	\$	\$	\$
CASH PROVIDED BY (USED IN)				
Operating				
Net loss for the period	(59,239)	(60,006)	(150,449)	(98,675)
Items not involving cash				
Depletion and amortization	685	336	1,370	672
Stock-based compensation	—	24,500	—	24,500
Future income taxes (recovery)	9,032	(2,000)	41,032	4,500
Funds from operations	(49,522)	(37,170)	(108,047)	(69,003)
Net change in non-cash working capital	48,509	(4,602)	44,249	(52,911)
	(1,013)	(41,772)	(63,798)	(121,914)
Financing				
Proceeds from exercised warrants	262,118	106,675	322,118	106,675
Proceeds from exercised options	7,500	7,500	7,500	7,500
Issuance of share capital	576,800	—	576,800	—
	846,418	114,175	906,418	114,175
Investing				
Expenditures on mineral properties	(209,827)	(188,350)	(330,387)	(268,662)
Government incentives	27,000	20,000	37,000	40,000
	(182,827)	(168,350)	(293,387)	(228,662)
Increase (decrease) in cash for the period	662,578	(95,947)	549,233	(236,401)
Cash, beginning of period	123,342	185,420	236,687	325,874
Cash, end of period	785,920	89,473	785,920	89,473

See accompanying notes

Stratabound Minerals Corp.

NOTES TO INTERIM FINANCIAL STATEMENTS

June 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 June 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 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.