

**INTERIM FINANCIAL STATEMENTS**

**STRATABOUND MINERALS CORP.**  
(Unaudited – Prepared by Management)

**September 30, 2006**

# Stratabound Minerals Corp.

## BALANCE SHEET

(Unaudited – Prepared by Management)

	September 30, 2006 \$	December 31, 2005 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	659,042	325,874
Marketable securities, at cost	329	329
Accounts receivable	27,788	8,069
Provincial resource tax credits	—	24,512
	<u>687,159</u>	<u>358,784</u>
<b>Property and equipment</b>	<b>10,565</b>	4,684
<b>Mineral properties [note 2]</b>	<b>3,880,291</b>	<b>3,532,383</b>
	<u>4,578,015</u>	<u>3,895,851</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	68,870	52,135
	<u>39,000</u>	<u>34,500</u>
<b>Future income taxes</b>		
<b>Shareholders' equity</b>		
Share capital [note 3]	9,674,600	8,887,025
Contributed surplus	109,975	85,475
Deficit	(5,314,430)	(5,163,284)
	<u>4,470,145</u>	<u>3,809,216</u>
	<u>4,578,015</u>	<u>3,895,851</u>

*See accompanying notes*

Approved on behalf of the Board of Directors:

“Stan Stricker” \_\_\_\_\_ Director “Michael Mann” \_\_\_\_\_ Director

# Stratabound Minerals Corp.

## STATEMENT OF OPERATIONS AND DEFICIT

Periods ended September 30

(Unaudited – Prepared by Management)

	<b>Three months 2006</b>	<b>Three months 2005</b>	<b>Nine months 2006</b>	<b>Nine months 2005</b>
	\$	\$	\$	\$
<b>Revenues</b>	<b>1,423</b>	622	<b>3,235</b>	1,417
<b>Expenses</b>				
Salaries and benefits	14,776	11,065	41,927	33,196
Filing fees and shareholder communications	7,677	6,062	25,260	24,992
Professional fees	8,124	4,152	24,455	14,382
Office and other	6,931	1,958	14,581	16,433
Consulting fees	15,000	—	15,000	—
Rent	1,050	900	3,150	2,700
Stock-based compensation <i>[note 3]</i>	—	—	24,500	28,533
Depletion and amortization	336	290	1,008	870
	<b>53,894</b>	24,427	<b>149,881</b>	121,106
<b>Net loss before taxes</b>	<b>52,471</b>	23,805	<b>146,646</b>	119,689
Future income taxes	—	105,080	<b>4,500</b>	105,080
<b>Net income (loss) for the period</b>	<b>(52,471)</b>	81,275	<b>(151,146)</b>	(14,609)
Deficit, beginning of period	<b>5,261,959</b>	5,257,994	<b>5,163,284</b>	5,162,110
<b>Deficit, end of period</b>	<b>5,314,430</b>	5,176,719	<b>5,314,430</b>	5,176,719
<b>Basic income (loss) per share</b>	<b>(.002)</b>	.004	<b>(.007)</b>	(.001)
<b>Diluted income (loss) per share</b>	<b>(.002)</b>	.004	<b>(.007)</b>	(.001)

*See accompanying notes*

# Stratabound Minerals Corp.

## STATEMENT OF CASH FLOWS

Periods ended September 30

(Unaudited – Prepared by Management)

	<b>Three months 2006</b>	<b>Three months 2005</b>	<b>Nine months 2006</b>	<b>Nine Months 2005</b>
	\$	\$	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>				
<b>Operating</b>				
Net income (loss) for the period	(52,471)	81,275	(151,146)	(14,609)
Items not involving cash				
Depletion and amortization	336	290	1,008	870
Future income tax recovery	—	(105,080)	4,500	(105,080)
Stock-based compensation	—	—	24,500	28,533
<b>Funds from operations</b>	<b>(52,135)</b>	<b>(23,515)</b>	<b>(121,138)</b>	<b>(90,286)</b>
<b>Net change in non-cash working capital</b>	<b>74,439</b>	<b>51,795</b>	<b>21,528</b>	<b>84,700</b>
	<b>22,304</b>	<b>28,280</b>	<b>(99,610)</b>	<b>(5,586)</b>
<b>Financing</b>				
Issuance of share capital	470,000	140,750	470,000	348,250
Proceeds from exercised warrants	203,400	—	310,075	1,500
Proceeds from exercised options	—	—	7,500	—
	<b>673,400</b>	<b>140,750</b>	<b>787,575</b>	<b>349,750</b>
<b>Investing</b>				
Expenditures on mineral properties	(119,246)	(147,962)	(387,908)	(416,834)
Government incentives	—	—	40,000	—
Expenditures on property and equipment	(6,889)	—	(6,889)	—
	<b>(126,135)</b>	<b>(147,962)</b>	<b>(354,797)</b>	<b>(416,834)</b>
<b>Increase (decrease) in cash</b>	<b>569,569</b>	<b>21,068</b>	<b>333,168</b>	<b>(72,670)</b>
Cash, beginning of period	89,473	125,340	325,874	219,078
<b>Cash, end of period</b>	<b>659,042</b>	<b>146,408</b>	<b>659,042</b>	<b>146,408</b>

*See accompanying notes*

# Stratabound Minerals Corp.

## NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2006 and 2005

(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, 2006 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, 2005. 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, 2005.

### 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. 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 \$	Three months ended Sept. 30, 2006 \$	Three months ended Sept. 30, 2005 \$
<b>Cost – July 1, 2006</b>	<b>2,622,066</b>	<b>211,123</b>	<b>244,210</b>	<b>613,832</b>	<b>69,814</b>	<b>3,761,045</b>	3,309,274
Acquisition & renewal costs	—	(660)	312	—	—	(348)	8,390
Assays and analyses	—	—	—	3,025	—	3,025	38,182
Drilling	—	—	—	25,168	—	25,168	—
Geochemistry	—	—	—	—	—	—	14,093
Geology and prospecting	28,537	—	2,690	38,060	1,097	70,384	31,874
Geophysics	—	—	—	—	—	—	25,051
Line-cutting	—	—	—	—	—	—	17,608
Surveys	—	—	—	—	—	—	3,575
Trenching	16,517	—	—	—	—	16,517	7,939
Salaries and benefits	500	—	500	3,500	—	4,500	5,000
<b>Cost – September 30, 2006</b>	<b>2,667,620</b>	<b>210,463</b>	<b>247,712</b>	<b>683,585</b>	<b>70,911</b>	<b>3,880,291</b>	3,460,986

# Stratabound Minerals Corp.

## NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2006 and 2005

(Unaudited – Prepared by Management)

### 2. MINERAL PROPERTIES (CONT'D)

	Bathurst, N.B. \$	Otish Mountains, Que. \$	Ramsay Brook, N.B. \$	Elmtree, N.B. \$	Enja, Que \$	Nine months ended Sept. 30, 2006 \$	Nine months Ended Sept. 30, 2005 \$
<b>Cost – January 1, 2006</b>	2,623,484	198,012	241,460	406,263	63,164	3,532,383	3,023,460
Acquisition & renewal costs	2,889	5,916	312	15,056	273	24,446	38,136
Claims taxes	—	—	—	—	—	—	—
Assays and analyses	—	1,740	—	3,025	—	4,765	85,506
Drilling	—	—	—	159,500	—	159,500	92,712
Geochemistry	—	—	—	—	—	—	14,093
Geology and prospecting	43,630	4,195	5,140	73,197	6,874	133,036	99,247
Geophysics	—	—	—	28,165	—	28,165	46,768
Line-cutting	—	—	—	5,579	—	5,579	17,608
Trenching	16,517	—	—	—	—	16,517	7,939
Surveys	—	—	—	—	—	—	3,575
Salaries and benefits	1,100	600	800	12,800	600	15,900	15,000
Stock-based compensation	—	—	—	—	—	—	16,942
Government grant	(20,000)	—	—	(20,000)	—	(40,000)	—
<b>Cost – September 30, 2006</b>	<b>2,667,620</b>	<b>210,463</b>	<b>247,712</b>	<b>683,585</b>	<b>70,911</b>	<b>3,880,291</b>	<b>3,460,986</b>

### 3. SHARE CAPITAL

#### Authorized

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

#### Issued

	Number of Shares	Amount \$
<b>December 31, 2005</b>	<b>21,221,162</b>	<b>8,887,025</b>
Issued on exercise of options	50,000	7,500
Issued on exercise of warrants	1,967,500	310,075
Private placement	2,500,000	500,000
Share issue costs	—	(30,000)
<b>September 30, 2006</b>	<b>25,738,662</b>	<b>9,674,600</b>

# Stratabound Minerals Corp.

## NOTES TO INTERIM FINANCIAL STATEMENTS

September 30, 2006 and 2005

(Unaudited – Prepared by Management)

### 3. SHARE CAPITAL (CONT'D)

#### Stock options outstanding

	<b>Number of Options</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
	450,000	0.22	Aug. 2, 2007
	425,000	0.20	Mar. 5, 2009
	375,000	0.15	Apr. 21, 2010
<b>Total</b>	<b>1,250,000</b>		

#### Share purchase warrants outstanding

	<b>Number of Warrants</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
	210,000	0.20	Oct. 14, 2006
	185,000	0.30	Dec. 10, 2006
	57,500	0.20	Dec. 23, 2006
	1,467,447	0.22	May 17, 2007
	930,000	0.20	July 28, 2007
	14,875	0.18/0.25	Nov. 7, 2006/ Nov. 7, 2007
	200,000	0.18/0.25	Dec. 22, 2006/ Dec. 22, 2007
	150,000	0.20	Aug. 25, 2008
<b>Total</b>	<b>3,214,822</b>		

### 4. SUBSEQUENT EVENTS

Subsequent to September 30, 2006, the Company has issued 50,000 shares for an extension of the Ramsay Brook option to December 31, 2006.

On October 12, 2006, the Company exercised its option and acquired a 100% interest in the Elmtree Gold claims by making a final payment of \$125,000 and issuing 50,000 shares.

On November 13, 2006, the Company granted 1,150,000 options to directors, officers, and geological consultants. The options are exercisable at \$0.20 for a period of 5 years and vest immediately.

On November 23, 2006, the Company closed a private placement of 1,100,000 flow-through shares at \$0.25 per share for total proceeds of \$275,000.