

**CONSOLIDATED FINANCIAL STATEMENTS**

**STRATABOUND MINERALS CORP.**

(Unaudited)

**September 30, 2001**

**Stratabound Minerals Corp.**  
**CONSOLIDATED BALANCE SHEETS**

As at September 30	(Unaudited)	
	<b>2001</b>	<b>2000</b>
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	21,597	198,947
Marketable securities	3,950	26,000
Accounts receivable	10,056	43,690
	35,603	268,637
<b>Capital assets</b>	<b>12,483</b>	<b>18,777</b>
<b>Mineral properties [note 2]</b>		
Canada	2,753,284	3,275,622
Mexico	1,919,760	1,708,547
	4,673,044	4,984,169
	4,721,130	5,271,583
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	90,458	47,999
<b>Reclamation provision</b>	<b>10,800</b>	<b>10,800</b>
	101,258	58,799
 <b>Shareholders' equity</b>		
Share capital [note 3]	7,406,911	7,097,437
Share subscriptions	—	151,608
Deficit	(2,787,039)	(2,036,261)
	4,619,872	5,212,784
	4,721,130	5,271,583

## Stratabound Minerals Corp.

### CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Periods ended September 30

(Unaudited)

	<b>Three months 2001</b>	<b>Three months 2000</b>	<b>Nine months 2001</b>	<b>Nine months 2000</b>
	\$	\$	\$	\$
<b>Revenues</b>	<b>163</b>	932	<b>1,548</b>	3,811
<b>Expenses</b>				
Salaries and benefits	24,243	25,956	74,141	77,622
Office and other	11,237	(2,070)	44,911	51,557
Professional fees	5,192	11,235	19,998	32,098
Filing fees and investor communications	1,736	3,990	10,200	11,442
Rent	3,059	3,059	9,179	9,179
Depletion and amortization	1,570	1,770	4,710	5,310
Abandoned properties	—	—	—	135,779
	<b>47,037</b>	43,940	<b>163,139</b>	322,987
<b>Net loss for the period</b>	<b>46,874</b>	43,008	<b>161,591</b>	319,176
Deficit, beginning of period	<b>2,740,165</b>	1,993,253	<b>2,625,448</b>	1,717,085
<b>Deficit, end of period</b>	<b>2,787,039</b>	2,036,261	<b>2,787,039</b>	2,036,261
<b>Loss per share</b>	<b>.00</b>	.00	<b>.02</b>	.04

## Stratabound Minerals Corp.

### CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended September 30

(Unaudited)

	<b>Three months 2001</b>	<b>Three months 2000</b>	<b>Nine months 2001</b>	<b>Nine months 2000</b>
	\$	\$	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>				
<b>Operating</b>				
Net loss	(46,874)	(43,008)	(161,591)	(319,176)
Items not involving cash				
Depletion and amortization	1,570	1,770	4,710	5,310
Abandoned properties	—	—	—	135,779
<b>Funds from operations</b>	<b>(45,304)</b>	<b>(41,238)</b>	<b>(156,881)</b>	<b>(178,087)</b>
<b>Net change in non-cash working capital</b>	<b>47,953</b>	<b>47,131</b>	<b>82,425</b>	<b>20,786</b>
	<b>2,649</b>	<b>5,893</b>	<b>(74,456)</b>	<b>(157,301)</b>
<b>Financing</b>				
Issuance of share capital	—	—	98,250	349,510
Share subscriptions	—	151,608	—	151,608
	—	151,608	98,250	501,118
<b>Investing</b>				
Expenditures on mineral properties – Canada	—	—	—	(4,097)
Expenditures on mineral properties – Mexico	(5,719)	(122,658)	(111,194)	(214,528)
Proceeds on option of property	—	—	—	24,300
	<b>(5,719)</b>	<b>(122,658)</b>	<b>(111,194)</b>	<b>(194,325)</b>
<b>Increase (decrease) in cash</b>	<b>(3,070)</b>	<b>34,843</b>	<b>(87,400)</b>	<b>149,492</b>
Cash and cash equivalents, beginning of period	<b>24,667</b>	<b>164,104</b>	<b>108,997</b>	<b>49,455</b>
<b>Cash and cash equivalents, end of period</b>	<b>21,597</b>	<b>198,947</b>	<b>21,597</b>	<b>198,947</b>

# Stratabound Minerals Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001 and 2000

(Unaudited)

### 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 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.

The Company is in arrears with respect to its option and tax payments on the Mexican mineral properties. The Company must pay option payments of US\$100,000 and tax payments of US\$72,300 by December 10, 2001 in order to maintain its interest in these properties. Should the Company be unable to make these payments and the leases allowed to lapse, the costs of these properties will be written off.

### 2. MINERAL PROPERTIES

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

	<b>Three months 2001</b>	<b>Three months 2000</b>	<b>Nine months 2001</b>	<b>Nine months 2000</b>
	\$	\$	\$	\$
<b>Cost - Beginning of period</b>	<b>2,753,284</b>	3,275,622	<b>2,753,284</b>	3,457,644
Abandoned properties	—	—	—	(135,779)
Proceeds on option of property	—	—	—	(50,300)
Other	—	—	—	4,057
<b>Cost - End of period</b>	<b>2,753,284</b>	3,275,622	<b>2,753,284</b>	3,275,622

# Stratabound Minerals Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001 and 2000

(Unaudited)

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

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

	<b>Three months 2001</b>	<b>Three months 2000</b>	<b>Nine months 2001</b>	<b>Nine months 2000</b>
	\$	\$	\$	\$
<b>Cost - Beginning of period</b>	<b>1,914,041</b>	1,585,889	<b>1,808,566</b>	1,494,020
Acquisition costs	<b>366</b>	62,575	<b>34,287</b>	85,482
Claims taxes	<b>853</b>	39,693	<b>45,521</b>	65,122
Geological consulting	—	14,092	<b>14,370</b>	47,964
Salaries	<b>4,500</b>	4,500	<b>13,500</b>	13,500
Other	—	1,798	<b>3,516</b>	2,459
<b>Cost - End of period</b>	<b>1,919,760</b>	1,708,547	<b>1,919,760</b>	1,708,547

### 3. SHARE CAPITAL

#### Authorized

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

#### Issued

	<b>Number of Shares</b>	<b>Amount \$</b>
September 30, 2001	9,551,132	7,406,911

# Stratabound Minerals Corp.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001 and 2000

(Unaudited)

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

#### Stock options outstanding

	<b>Number of Options</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
	75,000	0.75	July 16, 2002
	247,000	0.55	Feb. 24, 2004
	40,000	0.55	Dec. 15, 2004
	60,000	0.60	July 26, 2005
	7,500	0.60	June 12, 2005
	200,000	0.50	April 17, 2006
<b>Total</b>	<u>629,500</u>		

#### Share purchase warrants outstanding

	<b>Number of Warrants</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
	133,400	0.80	Nov. 5, 2001
	87,100	0.80	Dec. 15, 2001
	52,985	0.80	Feb. 7, 2002
	496,084	0.80	Mar. 31, 2002
	440,050	0.60	Oct. 24, 2002
	196,500	0.60	June 28, 2003
<b>Total</b>	<u>1,406,119</u>		