

CONSOLIDATED FINANCIAL STATEMENTS

STRATABOUND MINERALS CORP.

(Unaudited)

June 30, 2002

Stratabound Minerals Corp.
CONSOLIDATED BALANCE SHEETS

As at June 30

(Unaudited – Prepared by Management)

	2002	2001
	\$	\$
ASSETS		
Current		
Cash	161,684	24,667
Marketable securities	200	19,200
Accounts receivable	9,403	23,406
	<u>171,287</u>	<u>67,273</u>
Capital assets	5,357	14,053
Mineral properties [note 2]		
Canada	2,784,067	2,753,284
Mexico	644,350	1,914,041
	<u>3,428,417</u>	<u>4,667,325</u>
	<u>3,605,061</u>	<u>4,748,651</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	22,252	71,105
Due to officers	51,000	—
	<u>73,252</u>	<u>71,105</u>
Reclamation provision	10,800	10,800
	<u>84,052</u>	<u>81,905</u>
 Shareholders' equity		
Share capital [note 3]	7,658,080	7,406,911
Deficit	(4,137,071)	(2,740,165)
	<u>3,521,009</u>	<u>4,666,746</u>
	<u>3,605,061</u>	<u>4,748,651</u>

Stratabound Minerals Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Six months ended June 30

(Unaudited – Prepared by Management)

	Three months	Three months	Six months	Six months
	2002	2001	2002	2001
	\$	\$	\$	\$
Revenues	47	516	181	1,385
Expenses				
Professional fees	11,946	8,011	13,395	14,806
Filing fees and investor communications	5,745	4,318	9,549	8,464
Office and other	6,915	16,220	7,409	33,674
Salaries and benefits	4,405	24,324	4,405	49,898
Rent	750	3,060	1,500	6,120
Depletion and amortization	1,580	1,570	3,160	3,140
	31,341	57,503	39,418	116,102
Net loss for the period	31,294	56,987	39,237	114,717
Deficit, beginning of period	4,105,777	2,683,178	4,097,834	2,625,448
Deficit, end of period	4,137,071	2,740,165	4,137,071	2,740,165
Basic loss per share	.00	.01	.00	.01
Fully diluted loss per share	.00	.01	.00	.01

Stratabound Minerals Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Six months ended June 30

(Unaudited – Prepared by Management)

	Three months 2002 \$	Three months 2001 \$	Six months 2002 \$	Six Months 2001 \$
CASH PROVIDED BY (USED IN)				
Operating				
Net loss	(31,294)	(56,987)	(39,237)	(114,717)
Items not involving cash				
Depletion and amortization	1,580	1,570	3,160	3,140
Funds from operations	(29,714)	(55,417)	(36,077)	(111,577)
Net change in non-cash working capital	(27,571)	19,585	(23,744)	34,472
	(57,285)	(35,832)	(59,821)	(77,105)
Financing				
Issuance of share capital	251,169	98,250	251,169	98,250
Share subscriptions	—	(58,500)	—	—
	251,169	39,750	251,169	98,250
Investing				
Expenditures on mineral properties – Canada	(30,783)	—	(30,783)	—
Expenditures on mineral properties – Mexico	(7,827)	(81,853)	(4,457)	(105,475)
	(38,610)	(81,853)	(35,240)	(105,475)
Increase (decrease) in cash for the period	155,274	(77,935)	156,108	(84,330)
Cash, beginning of period	6,410	102,602	5,576	108,997
Cash, end of period	161,684	24,667	161,684	24,667

Stratabound Minerals Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2002 and 2001

(Unaudited – Prepared by Management)

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 Canadian mineral properties summarized as follows:

	Three months 2002	Three months 2001	Six months 2002	Six months 2001
	\$	\$	\$	\$
Cost - Beginning of period	2,753,284	2,753,284	2,753,284	2,753,284
Acquisition costs	30,000	—	30,000	—
Geological consulting	783	—	783	—
Cost - End of period	2,784,067	2,753,284	2,784,067	2,753,284

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

	Three months 2002	Three months 2001	Six months 2002	Six months 2001
	\$	\$	\$	\$
Cost - Beginning of period	636,523	1,832,188	639,893	1,808,566
Acquisition costs	198	23,422	198	32,675
Claims taxes	11,949	44,668	12,627	46,041
Geological consulting	—	9,263	—	17,759
Salaries	—	4,500	—	9,000
Other	(4,320)	—	(8,368)	—
Cost - End of period	644,350	1,914,041	644,350	1,914,041

Stratabound Minerals Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2002 and 2001

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3. SHARE CAPITAL

Authorized

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

Issued

	Number of Shares	Amount \$
Balance – December 31, 2000	9,354,632	7,308,661
Private placement – June 2001	196,500	98,250
Balance – December 31, 2001	9,551,132	7,406,911
Private placement – May 2002	1,477,447	251,169
Balance – June 30, 2002	11,028,579	7,658,080

During the six-month period ended June 30, 2002, the Company issued 1,477,447 units, each unit consisting of one common share and one common share purchase warrant exercisable for \$0.22, for proceeds of \$251,169.

Stock options outstanding

	Number of Options	Exercise Price \$	Expiry Date
	75,000	0.75	July 16, 2002
	247,000	0.55	Feb. 24, 2004
	40,000	0.55	Dec. 15, 2004
	35,000	0.60	July 26, 2005
	200,000	0.50	April 17, 2006
Total	597,000		

Share purchase warrants outstanding

	Number of Warrants	Exercise Price \$	Expiry Date
	440,050	0.60	Oct. 24, 2002
	196,500	0.60	June 28, 2003
	1,477,447	0.22	May 17, 2004
Total	2,113,997		