

CONSOLIDATED FINANCIAL STATEMENTS

STRATABOUND MINERALS CORP.

(Unaudited – Prepared by Management)

September 30, 2002

Stratabound Minerals Corp.
CONSOLIDATED BALANCE SHEETS

(Unaudited – Prepared by Management)

	September 30, 2002	December 31, 2001
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	96,872	5,576
Marketable securities	200	200
Accounts receivable	11,085	10,508
	108,157	16,284
Capital assets	3,778	8,518
Mineral properties [note 2]		
Canada	2,808,481	2,753,284
Mexico	648,274	639,893
	3,456,755	3,393,177
	3,568,690	3,417,979
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	10,234	45,281
Due to officers	45,000	52,821
	55,234	98,102
Reclamation provision	10,800	10,800
	66,034	108,902
Shareholders' equity		
Share capital [note 3]	7,658,080	7,406,911
Deficit	(4,155,424)	(4,097,834)
	3,502,656	3,309,077
	3,568,690	3,417,979

Signed: "Stan Stricker", Director

Signed: "Michael Mann", Director

Stratabound Minerals Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Periods ended September 30

(Unaudited – Prepared by Management)

	Three months 2002 \$	Three months 2001 \$	Nine months 2002 \$	Nine months 2001 \$
Revenues	203	163	384	1,548
Expenses				
Professional fees	5,662	5,192	19,057	19,998
Filing fees and investor communications	6,879	1,736	16,428	10,200
Office and other	3,280	11,237	10,689	44,911
Salaries and benefits	405	24,243	4,810	74,141
Rent	750	3,059	2,250	9,179
Depletion and amortization	1,580	1,570	4,740	4,710
	18,556	47,037	57,974	163,139
Net loss for the period	18,353	46,874	57,590	161,591
Deficit, beginning of period	4,137,071	2,740,165	4,097,834	2,625,448
Deficit, end of period	4,155,424	2,787,039	4,155,424	2,787,039
Basic loss per share	.00	.00	.01	.02
Fully diluted loss per share	.00	.00	.01	.02

Stratabound Minerals Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended September 30

(Unaudited – Prepared by Management)

	Three months 2002 \$	Three months 2001 \$	Nine months 2002 \$	Nine Months 2001 \$
CASH PROVIDED BY (USED IN)				
Operating				
Net loss for the period	(18,353)	(46,874)	(57,590)	(161,591)
Items not involving cash				
Depletion and amortization	1,580	1,570	4,740	4,710
Funds from operations	(16,773)	(45,304)	(52,850)	(156,881)
Net change in non-cash working capital	(19,700)	47,953	(43,445)	82,425
	(36,473)	2,649	(96,295)	(74,456)
Financing				
Issuance of share capital	—	—	251,169	98,250
Investing				
Expenditures on mineral properties – Canada	(24,414)	—	(55,197)	—
Expenditures on mineral properties – Mexico	(3,924)	(5,719)	(8,381)	(111,194)
	(28,338)	(5,719)	(63,578)	(111,194)
Increase (decrease) in cash	(64,812)	(3,070)	91,296	(87,400)
Cash, beginning of period	161,684	24,667	5,576	108,997
Cash, end of period	96,872	21,597	96,872	21,597

Stratabound Minerals Corp.

NOTES TO FINANCIAL STATEMENTS

September 30, 2002 and 2001

(Unaudited – Prepared by Management)

The unaudited interim financial statements for the period ended September 30, 2002 have been prepared by management in accordance with Canadian generally accepted accounting principles and follow the same accounting policies as the consolidated financial statements for the fiscal year ended December 31, 2001, except for the implementation of CICA Section 3870 “Stock based compensation and other stock based payments”. The adoption of CICA Section 3870 had no significant impact. The unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereon for the fiscal year ended December 31, 2001.

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.

2. MINERAL PROPERTIES

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

	Three months 2002	Three months 2001	Nine months 2002	Nine months 2001
	\$	\$	\$	\$
Cost - Beginning of period	2,784,067	2,753,284	2,753,284	2,753,284
Acquisition costs	10,100	—	40,100	—
Geology and geophysics	14,314	—	15,097	—
Cost - End of period	2,808,481	2,753,284	2,808,481	2,753,284

Stratabound Minerals Corp.

NOTES TO FINANCIAL STATEMENTS

September 30, 2002 and 2001

(Unaudited – Prepared by Management)

2. MINERAL PROPERTIES (CONT'D)

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

	Three months 2002	Three months 2001	Nine months 2002	Nine months 2001
	\$	\$	\$	\$
Cost - Beginning of period	644,350	1,914,041	639,893	1,808,566
Acquisition costs	—	366	198	34,287
Claims taxes	1,146	853	13,773	45,521
Geological consulting	—	—	—	14,370
Salaries	—	4,500	—	13,500
Other	2,778	—	(5,590)	3,516
Cost - End of period	648,274	1,919,760	648,274	1,919,760

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 – September 30, 2002	11,028,579	7,658,080

During the period, the Company issued 1,477,447 units for proceeds of \$251,169. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.22. Subsequent to the period-end 37,500 shares were issued at \$0.10 per share as partial consideration for the Ramsay Brook property interest.

Stratabound Minerals Corp.

NOTES TO FINANCIAL STATEMENTS

September 30, 2002 and 2001

(Unaudited – Prepared by Management)

3. SHARE CAPITAL (CONT'D)

Under the current stock option plan, the Company may grant options to purchase common shares to its directors, officers, employees and key consultants up to 10% of its issued and outstanding common shares. Under the plan, the exercise price of each option is at the discretion of the Company's board of directors, subject to the rules of the TSX Venture exchange, and the options have a maximum term of five years. The Company does not recognize compensation expense on options granted to directors, officers or employees. Options granted to consultants are measured at fair value and expensed. Stock options outstanding as of September 30, 2002 are summarized below:

Stock options outstanding

Number of Options	Exercise Price \$	Expiry Date
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
500,000	0.22	Aug. 2, 2007
Total	1,022,000	

During the period, the Company granted 500,000 stock options, 350,000 to employees and directors and 150,000 to consultants at an exercise price of \$0.22 per share. These options have a minimal fair value.

Share purchase warrants outstanding

Number of Warrants	Exercise Price \$	Expiry Date
196,500	0.60	June 28, 2003
1,477,447	0.22	May 17, 2004
440,050	0.22	Oct. 24, 2005
Total	2,113,997	

Subsequent to the period-end, the exercise price on 440,050 warrants was changed from \$0.60 per share to \$0.22 per share and the expiry date was extended from October 24, 2002 to October 24, 2005.