

CONSOLIDATED FINANCIAL STATEMENTS

STRATABOUND MINERALS CORP.

(Unaudited – Prepared by Management)

June 30, 2003

Stratabound Minerals Corp.
CONSOLIDATED BALANCE SHEETS

(Unaudited – Prepared by Management)

	June 30, 2003	December 31, 2002
	\$	\$
ASSETS		
Current		
Cash	32,103	59,408
Marketable securities	200	200
Accounts receivable	253	1,916
	32,556	61,524
Capital assets	2,200	2,514
Mineral properties [note 2]		
Canada	2,802,624	2,814,449
Mexico	993,459	992,427
	3,796,083	3,806,876
	3,830,839	3,870,914
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	16,587	14,858
Due to officers	12,048	31,500
	28,635	46,358
Mineral property taxes payable	336,000	336,000
	364,635	382,358
 Shareholders' equity		
Share capital [note 3]	7,661,830	7,661,830
Deficit	(4,195,626)	(4,173,274)
	3,466,204	3,488,556
	3,830,839	3,870,914

Signed: “Stan Stricker”, Director

Signed: “Michael Mann”, Director

Stratabound Minerals Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Periods ended June 30

(Unaudited – Prepared by Management)

	Three months 2003	Three months 2002	Six months 2003	Six months 2002
	\$	\$	\$	\$
Revenues	2	47	13	181
Expenses				
Filing fees and investor communications	4,714	5,745	9,165	9,549
Professional fees	2,151	11,946	3,661	13,395
Office and other	1,864	6,915	5,768	7,409
Salaries and benefits	978	4,405	1,957	4,405
Rent	750	750	1,500	1,500
Depletion and amortization	157	1,580	314	3,160
	10,614	31,341	22,365	39,418
Net loss for the period	10,612	31,294	22,352	39,237
Deficit, beginning of period	4,185,014	4,105,777	4,173,274	4,097,834
Deficit, end of period	4,195,626	4,137,071	4,195,626	4,137,071
Basic loss per share	.00	.00	.00	.00
Fully diluted loss per share	.00	.00	.00	.00

Stratabound Minerals Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended June 30

(Unaudited – Prepared by Management)

	Three months 2003 \$	Three months 2002 \$	Six months 2003 \$	Six Months 2002 \$
CASH PROVIDED BY (USED IN)				
Operating				
Net loss	(10,612)	(31,294)	(22,352)	(39,237)
Items not involving cash				
Depletion and amortization	157	1,580	314	3,160
Funds from operations	(10,455)	(29,714)	(22,038)	(36,077)
Net change in non-cash working capital	(1,612)	(27,571)	(16,060)	(23,744)
	(12,067)	(57,285)	(38,098)	(59,821)
Financing				
Issuance of share capital	—	251,169	—	251,169
Investing				
Expenditures on mineral properties – Canada	(2,175)	(30,783)	(2,175)	(30,783)
Expenditures on mineral properties – Mexico	—	(7,827)	(1,032)	(4,457)
Government grant received	14,000	—	14,000	—
	11,825	(38,610)	10,793	(35,240)
Increase (decrease) in cash for the period	(242)	155,274	(27,305)	156,108
Cash, beginning of period	32,345	6,410	59,408	5,576
Cash, end of period	32,103	161,684	32,103	161,684

Stratabound Minerals Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2003 and 2002

(Unaudited – Prepared by Management)

The unaudited interim consolidated financial statements for the period ended June 30, 2003 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, 2002. 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, 2002.

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 2003	Three months 2002	Six months 2003	Six months 2002
	\$	\$	\$	\$
Cost - Beginning of period	2,814,449	2,753,284	2,814,449	2,753,284
Acquisition costs	—	30,000	—	30,000
Geological consulting	2,175	783	2,175	783
Government grant	(14,000)	—	(14,000)	—
Cost - End of period	2,802,624	2,784,067	2,802,624	2,784,067

Stratabound Minerals Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2003 and 2002

(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 2003	Three months 2002	Six months 2003	Six months 2002
	\$	\$	\$	\$
Cost - Beginning of period	993,459	636,523	992,427	639,893
Acquisition costs	—	198	—	198
Claims taxes	—	11,949	1,032	12,627
Other	—	(4,320)	—	(8,368)
	993,459	644,350	993,459	644,350
Cost - End of period	993,459	644,350	993,459	644,350

3. SHARE CAPITAL

Authorized

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

Issued

	Number of Shares	Amount \$
Balance – December 31, 2001	9,551,132	7,406,911
Private placement – May 2002	1,477,447	251,169
Issued for mineral properties – October 2002	37,500	3,750
Balance – June 30, 2003 and December 31, 2002	11,066,079	7,661,830

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	

Stratabound Minerals Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2003 and 2002

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3. SHARE CAPITAL (CONT'D)

Share purchase warrants outstanding

	Number of Warrants	Exercise Price \$	Expiry Date
	1,477,447	0.22	May 17, 2004
	440,050	0.22	Oct. 24, 2005
	196,500	0.15	June 28, 2006
Total	<u>2,113,997</u>		

4. SUBSEQUENT EVENTS

Subsequent to the period end, the Company issued 1,606,000 common shares and 1,606,000 common share purchase warrants for proceeds of \$175,000.