

STRATABOUND MINERALS CORP.
INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

June 30, 2009

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, Stratabound Minerals Corp. discloses that its auditors have not reviewed the unaudited financial statements for the six months ended June 30, 2009.

STRATABOUND MINERALS CORP.
(Unaudited – Prepared by Management)
BALANCE SHEET

	June 30, 2009	December 31, 2008
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 70,043	\$ 252,439
Marketable securities	12,000	-
Accounts receivable	37,700	45,764
	119,743	298,203
PROPERTY, PLANT AND EQUIPMENT	7,550	6,513
MINERAL PROPERTIES (note 2)	7,885,901	7,838,366
	\$ 8,013,194	\$ 8,143,082
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 52,325	\$ 110,111
FUTURE INCOME TAXES	727,899	727,899
	780,224	838,010
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 3)	12,883,945	12,883,945
CONTRIBUTED SURPLUS	826,728	826,728
DEFICIT	(6,477,703)	(6,405,601)
	7,232,970	7,305,072
	\$ 8,013,194	\$ 8,143,082

Going concern (note 1)

Approved on behalf of the Board:

“Stan Stricker”
Director

“Keith Macdonald”
Director

STRATABOUND MINERALS CORP.
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STATEMENTS OF OPERATIONS AND DEFICIT

	2009	2008	2009	2008
	Three months ended June 30	Three months ended June 30	Six months ended June 30	Six months ended June 30
REVENUE				
Interest income	\$ 47	\$ 7,520	\$ 294	24,232
EXPENSES				
Wages and benefits	12,908	13,240	23,148	26,481
Professional fees	9,852	4,494	21,670	13,772
Filing fees and investor communications	5,400	14,647	16,422	27,368
Office	4,009	3,925	8,092	17,006
Rent	1,050	1,050	2,100	2,100
Consulting fees	-	19,050	-	38,100
Depletion and amortization	482	1,103	964	1,103
Stock-based compensation (note 3)	-	-	-	118,701
	<u>33,701</u>	<u>57,509</u>	<u>72,396</u>	<u>244,631</u>
LOSS BEFORE INCOME TAXES	<u>33,654</u>	<u>49,989</u>	<u>72,102</u>	<u>220,399</u>
NET AND COMPREHENSIVE LOSS	(33,654)	(49,989)	(72,102)	(220,399)
DEFICIT, beginning of period	<u>(6,444,049)</u>	<u>(6,136,259)</u>	<u>(6,405,601)</u>	<u>(5,965,849)</u>
DEFICIT, end of period	<u>\$ (6,477,703)</u>	<u>\$ (6,186,248)</u>	<u>\$ (6,477,703)</u>	<u>\$ (6,186,248)</u>
BASIC AND DILUTED				
LOSS PER SHARE	<u>\$ (0.001)</u>	<u>\$ (0.001)</u>	<u>\$ (0.002)</u>	<u>\$ (0.006)</u>

STRATABOUND MINERALS CORP.
(Unaudited – Prepared by Management)
STATEMENTS OF CASH FLOWS

	2009	2008	2009	2008
	Three months ended June 30	Three months ended June 30	Six months ended June 30	Six months ended June 30
CASH FLOWS FROM OPERATING ACTIVITIES				
Net and comprehensive loss	\$ (33,654)	\$ (49,989)	\$ (72,102)	\$ (220,399)
Items not involving cash				
Depletion and amortization	482	1,103	964	1,103
Stock-based compensation	-	-	-	118,701
	<u>(33,172)</u>	<u>(48,886)</u>	<u>(71,141)</u>	<u>(100,595)</u>
Change in non-cash working capital items	<u>(85,997)</u>	<u>(153,944)</u>	<u>(49,722)</u>	<u>(187,557)</u>
	<u>(119,169)</u>	<u>(202,830)</u>	<u>(120,863)</u>	<u>(288,152)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on mineral properties	(56,912)	(619,747)	(190,903)	(1,205,065)
Expenditures on property and equipment			(2,000)	
Option payment on mineral property	100,000	-	100,000	-
Government incentives	31,370	65,154	31,370	65,154
	<u>74,458</u>	<u>(554,593)</u>	<u>(61,533)</u>	<u>(1,139,911)</u>
CHANGE IN CASH POSITION	(44,711)	(757,423)	(182,396)	(1,428,063)
CASH, beginning of period	<u>114,754</u>	<u>1,328,959</u>	<u>252,439</u>	<u>1,999,599</u>
CASH, end of period	<u>\$ 70,043</u>	<u>\$ 571,536</u>	<u>\$ 70,043</u>	<u>\$ 571,536</u>

STRATABOUND MINERALS CORP.
(Unaudited – Prepared by Management)
NOTES TO INTERIM FINANCIAL STATEMENTS

Three and Six Month Periods Ended June 30, 2009

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 June 30, 2009 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, 2008. 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, 2008.

1. GOING CONCERN

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 a 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 recovery 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 EXPLORATION PROPERTIES

	June 30, 2009	December 31, 2008
Costs incurred to end of period		
Acquisition and renewal costs	\$ 720,393	\$ 710,658
Exploration expenditures	7,308,878	7,470,472
Government incentives received	(31,370)	(125,341)
Property option payment received	(112,000)	-
Write-off of mineral properties	-	(217,423)
	\$ 7,885,901	\$ 7,838,366
 Consists of:		
Bathurst, New Brunswick	\$ 4,257,596	\$ 4,178,521
Elmtree, New Brunswick	2,076,030	2,102,521
Melchett Lake, Ontario	742,503	741,603
Enja, Quebec	282,751	291,343
Highway Properties, Western New Brunswick	30,008	29,032
Ramsay Brook, New Brunswick	243,778	243,778
Otish Mountain (Marusia), Quebec	227,589	227,414
Loch Lomond, Southern New Brunswick	11,228	11,156
Green Point, New Brunswick	14,418	12,998
	\$ 7,885,901	\$ 7,838,366

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Three and Six Month Periods Ended June 30, 2009

2. MINERAL EXPLORATION PROPERTIES, continued

- a) Bathurst, New Brunswick
The Company holds a 100% interest, subject to 1% net smelter return royalty of 4,000 hectares in the Bathurst base metal mining camp in New Brunswick, Canada. The properties include the CNE/Captain Group, CNE Mining Lease, Captain East Extension, Nepisiguit Brook, Taylor Brook and Taylor Brook East Extension claim groups.
- b) Elmtree, New Brunswick
The Company has a 100% interest, subject to a 2% net smelter return royalty, in 69 claims (1,104 hectares), hosting gold and polymetallic prospects in Gloucester County, New Brunswick. An additional 16 claims (not subject to net smelter return royalties) were acquired by staking, bringing the total to 85 claims (1,360 hectares). In June 2009 Stratabound entered into an option agreement with Castle Resources Ltd. whereby Castle can earn a 60% interest in the Elmtree claims by spending \$2,700,000 on exploration and staged payments to Stratabound by June 1, 2012, including minimum annual exploration expenditures of \$750,000.
- c) Melchett Lake, Ontario
In 2007 the Company entered into an option agreement whereby it can acquire a 60% interest in a 105 unit (subsequently expanded to 209 units, 3,344 hectares) base and precious metals prospect 60 kilometres north of Nakina, Ontario. To earn the 60% interest Stratabound must spend \$1,000,000 on exploration prior to November 1, 2010. As at June 30, 2009, \$709,365 had been spent on exploration.
- d) Enja, Quebec
The Company has a 100% interest, subject to a 2% net smelter return royalty, in this 69 claim (3,700 hectares) gold and base metal prospect.
- e) Highway Properties, Western New Brunswick
St. Thomas, Lamoreaux Corner, Beechwood/Upper Guisiguit, Aroostook and Four Falls
The Company has a 100% interest in 73 claims (1,168 hectares) covering gold prospects along a 60 kilometre portion of a new section of the Trans-Canada Highway.
- f) Ramsay Brook, New Brunswick
The Company holds a 100% interest in 68 claims (1,088 hectares) covering gold prospects in Restigouche County, New Brunswick.
- g) Otish Mountains (Marusia), Quebec
The Company holds a 100% interest in the 2,630-hectare Marusia diamond/gold prospect in the Otish mountain area of Central Quebec, subject to a 2% net smelter return royalty.
- h) Green Point, New Brunswick
The Company has a 100% interest, subject to a 2% net smelter return royalty in 71 claims located 2.5 kilometres northeast of the Company's Elmtree Extension claims.
- i) Loch Lomond Area, Southern New Brunswick
The Company acquired by staking a 100% interest in the Shanklin Road and Grassy Lake claim groups (18 claims, 288 hectares) near the former Cape Spencer gold mine.

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3. **SHARE CAPITAL**

a) Authorized

Unlimited number of common shares, without nominal or par value

Issued

	Number	Amount
Balance December 31, 2007	37,049,702	13,344,914
Private placement	2,709,733	189,832
Flow through shares	2,649,733	198,730
Assigned value of warrants	-	13,399
Issued for mineral properties	50,000	14,000
Issued for mineral properties	25,000	5,750
Fair value adjustment of warrant value	-	(96,470)
Share issue costs	-	(7,830)
Future income tax on renounced flow-through expenditures	-	(778,380)
	42,484,168	\$ 12,883,945
Balance December 31, 2008 and June 30, 2009		

The Company is obligated to incur qualifying exploration expenditures ("CEE") of \$198,730 by December 31, 2009. The full amount was renounced effective December 31, 2008. As at June 30, 2009 \$181,170 had been spent.

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Three and Six Month Periods Ended June 30, 2009

3. **SHARE CAPITAL, continued**

b) Stock options

The Company has a stock option plan for its key officers, directors, employees and consultants. Up to 10% of the issued and outstanding shares may be reserved for issuance under the plan. The weighted average fair value of each option granted is estimated using the Black-Scholes option-pricing model using the following assumptions for options: weighted average life of five years (2008 - five years), risk free rate of 4.0% (2008 - 4.0%), expected volatility of 331% (2008 - 331%), vesting immediately and dividend yield of 0% (2008 - 0%).

	Number	Exercise Price	Weighted Average Price
Outstanding December 31, 2007	2,690,000	\$	\$ 0.26
Issued during the period	700,000	0.40	
Outstanding December 31, 2008	3,390,000		0.29
Expired during the period	(250,000)	0.20	
Outstanding March 31, 2009	3,140,000		0.27
Expired during the period	(175,000)	0.20	
Outstanding June 30, 2009	2,965,000		0.27

All the options outstanding vest immediately and are exercisable at June 30, 2009.

Options outstanding	Exercise price	Expiry date
200,000	0.15	April 21, 2010
1,075,000	0.20	November 13, 2011
940,000	0.27	August 30, 2012
50,000	0.42	October 2, 2012
700,000	0.40	January 9, 2013
2,965,000		

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3. SHARE CAPITAL, continued

c) Warrants

The following is a summary of the warrants outstanding.

	June 30, 2009		December 31, 2008	
	Warrants outstanding	Exercise price	Warrants outstanding	Exercise price
Balance, beginning of year	2,679,733 \$	0.15	150,000 \$	0.22
Issued for cash	-	-	2,679,733	0.15
Expired			(150,000)	0.22
	2,679,733 \$	0.15	2,679,733 \$	0.15

The 2,679,733 warrants outstanding at June 30, 2009 expire on December 31, 2010.

4. SUBSEQUENT EVENTS

On August 14, 2009, the Company closed a non-brokered private placement of 6,527,000 flow-through shares at a price of \$0.10 per share, and 5,675,000 non-flow-through shares at a price of \$0.075 per share. Total proceeds amounted to \$1,059,050. No commissions or finder's fees were paid. The shares are subject to a hold period under applicable securities laws of four months, which will expire on December 15, 2009.

Subsequent to the period, a total of 2.5 million share options were granted to directors, officers and consultants of the Company. The options are exercisable at \$0.10 each for a period of five years.

5. CAPITAL DISCLOSURE

The capital structure of the Company consists of equity attributable to common shareholders and includes share capital, contributed surplus, warrants, stock options and comprehensive income and deficit.

The Company manages its capital to maximize its ability to be able to continue as a going concern and have sufficient capital to develop its mining projects and take them to production. The Company's present overall capital risk management strategy remains unchanged from 2008.

The Company is not subject to any externally imposed capital requirements.

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6. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash and cash equivalents and accounts receivable which will result in future cash receipts, as well as accounts payable which will result in future cash outlays.

The Company is exposed to the following risks in respect of certain of the financial instruments held:

(a) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal.

Financial instruments included in accounts receivable consist of amounts due from government incentive programs and sales tax receivable from government authorities in Canada. Accounts receivable are in good standing as of June 30, 2009. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

(b) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

i) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term GICs issued by banks with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. The Company regularly monitors its cash management policy.

ii) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and precious metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

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6. **FINANCIAL INSTRUMENTS, continued**

(c) Property risk

Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the projects currently held by the Company. If no additional mineral properties are acquired by the Company, any adverse development affecting these projects would have a material adverse effect on the Company's financial conditions and results of operations.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

(e) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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6. FINANCIAL INSTRUMENTS, continued

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and marketable securities as held for trading, which is measured at fair value. Accounts receivable are classified for accounting purposes as receivables, which are measured at amortized cost which equals fair market value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair market value.

As of June 30, 2009 both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a year:

i) Interest rate risk is minimal as cash and cash equivalents include investment-grade short-term GICs with fixed interest rates.

ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of base and precious metals. Base and precious metal prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of base and precious metals may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As a result, commodity price risk may affect the completion of future equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.