

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

June 30, 2008

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, 2008.

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

	June 30, 2008	December 31, 2007
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 571,536	\$ 1,999,599
Accounts receivable	180,851	173,883
Provincial resource tax credit receivable	59,726	-
Prepaid expenses	128,260	18,941
	940,373	2,192,423
PROPERTY, PLANT AND EQUIPMENT	6,386	7,488
MINERAL PROPERTIES (note 2)	7,276,113	6,009,823
	\$ 8,222,872	\$ 8,209,734
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 221,401	\$ 232,944
FUTURE INCOME TAXES	871,177	92,797
	1,092,578	325,741
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 3)	12,586,284	13,344,914
CONTRIBUTED SURPLUS	730,258	504,928
DEFICIT	(6,186,248)	(5,965,849)
	7,130,294	7,883,993
	\$ 8,222,872	\$ 8,209,734

Approved on behalf of the Board:

“Stan Stricker”
 Director

“Peter McKenzie-Brown”
 Director

STRATABOUND MINERALS CORP.
(Unaudited – Prepared by Management)
STATEMENTS OF OPERATIONS AND DEFICIT

	2008	2007	2008	2007
	Three months ended June 30	Three months ended June 30	Six months ended June 30	Six months ended June 30
REVENUE				
Interest income	\$ 7,520	\$ 3,917	\$ 24,232	\$ 4,679
EXPENSES				
Consulting fees	19,050	15,000	38,100	30,000
Wages and benefits	13,240	13,258	26,481	26,516
Filing fees and investor communications	14,647	10,988	27,368	20,909
Professional fees	4,494	5,497	13,772	16,666
Office	3,925	7,646	17,006	16,535
Rent	1,050	1,050	2,100	2,100
Depletion and amortization	1,103	685	1,103	1,370
Stock-based compensation (note 3)	-	-	118,701	-
	<u>57,509</u>	<u>54,124</u>	<u>244,631</u>	<u>114,096</u>
LOSS BEFORE INCOME TAXES	49,989	50,207	220,399	109,417
FUTURE INCOME TAXES	-	9,032	-	41,032
NET AND COMPREHENSIVE LOSS	(49,989)	(59,239)	(220,399)	(150,449)
DEFICIT, beginning of period	<u>(6,136,259)</u>	<u>(5,555,342)</u>	<u>(5,965,849)</u>	<u>(5,464,132)</u>
DEFICIT, end of period	<u>\$ (6,186,248)</u>	<u>\$ (5,614,581)</u>	<u>\$ (6,186,248)</u>	<u>\$ (5,614,581)</u>
BASIC AND DILUTED				
LOSS PER SHARE	\$ (0.001)	\$ (0.005)	\$ (0.006)	\$ (0.005)

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

	2008	2007	2008	2007
	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	\$ (49,989)	\$ (59,239)	\$ (220,399)	\$ (150,449)
Items not involving cash				
Depletion and amortization	1,103	685	1,103	1,370
Stock-based compensation	-	-	118,701	-
Future income taxes (recovery)	-	9,032	-	41,032
	<u>(48,886)</u>	<u>(49,522)</u>	<u>(100,595)</u>	<u>(108,047)</u>
Change in non-cash working capital items	<u>(153,944)</u>	<u>48,509</u>	<u>(187,557)</u>	<u>44,249</u>
	<u>(202,830)</u>	<u>(1,013)</u>	<u>(288,152)</u>	<u>(63,798)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on mineral properties	(619,747)	(209,827)	(1,205,065)	(330,387)
Government incentives	65,154	27,000	65,154	37,000
	<u>(554,593)</u>	<u>(182,827)</u>	<u>(1,139,911)</u>	<u>(293,387)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercised warrants	-	262,118	-	322,118
Proceeds from exercised options	-	7,500	-	7,500
Issuance of share capital	-	576,800	-	576,800
	<u>-</u>	<u>846,418</u>	<u>-</u>	<u>906,418</u>
CHANGE IN CASH POSITION	<u>(757,423)</u>	<u>662,578</u>	<u>(1,428,063)</u>	<u>549,233</u>
CASH, beginning of period	<u>1,328,959</u>	<u>123,342</u>	<u>1,999,599</u>	<u>236,687</u>
CASH, end of period	<u>\$ 571,536</u>	<u>\$ 785,920</u>	<u>\$ 571,536</u>	<u>\$ 785,920</u>

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

Three and Six Month Periods Ended June 30, 2008

The interim financial statements for the period ended June 30, 2008 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, 2007. The interim financial statements should be read in conjunction with the financial statements and the notes therein for the fiscal year ended December 31, 2007.

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, 2008	December 31, 2007
Acquisition costs	\$ 743,870	\$ 671,856
Exploration expenditures	6,532,243	5,337,967
	\$ 7,276,113	\$ 6,009,823
Consists of:		
Bathurst, New Brunswick	\$ 3,884,464	\$ 3,044,860
Loch Lomond, Southern New Brunswick	11,156	7,802
Ramsay Brook, New Brunswick	242,398	242,398
Elmtree, New Brunswick	2,002,980	1,634,718
Highway Properties, Western New Brunswick	245,858	238,508
Enja, Quebec	299,804	336,814
Otish Mountain (Marusia), Quebec	227,414	222,780
Melchett Lake, Ontario	352,645	281,943
Green Point, New Brunswick	9,394	-
	\$ 7,276,113	\$ 6,009,823

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NOTES TO INTERIM FINANCIAL STATEMENTS

Three and Six Month Periods Ended June 30, 2008

2. MINERAL EXPLORATION PROPERTIES, continued

a) Bathurst, New Brunswick

The Company holds a 100% interest, subject to 1% net smelter return royalty, in a major land position 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, Nepisiguit Brook, Taylor Brook and Taylor Brook East Extension claim groups.

b) 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.

c) Ramsay Brook, New Brunswick

The Company holds a 100% interest in 68 claims (1,088 hectares) covering gold prospects in Restigouche County, New Brunswick.

d) Elmtree, New Brunswick

The Company has earned a 100% interest, subject to a 2% net smelter return royalty, in 10 claims (160 hectares), hosting gold and polymetallic prospects in Gloucester County, New Brunswick. A 100% interest in 59 adjacent claims (Elmtree Extension), subject to a 2% net smelter return royalty, was acquired in 2007 in exchange for 50,000 shares, and 16 additional claims were acquired by staking, bringing the total to 85 claims (1,360 hectares).

e) Highway Properties, Western New Brunswick

(i) Big Presque Isle

The Company has the option to earn a 100% interest, subject to a 1% net smelter return royalty, in this 78 claim (1,248 hectares) gold prospect near Florenceville. The exercise of the option is dependent on future annual payments of \$10,000 and 50,000 common shares of the Company in 2008 and 2009 and a final payment of \$160,000 in 2010.

(ii) St. Thomas, Lamoreaux Corner, Beechwood Upper Guisiguit, Aroostook and Four Falls

The Company acquired by staking a 100% interest in 73 additional claims (1,168 hectares) along a 60 kilometer portion of a new section of the Trans-Canada Highway.

f) Enja, Quebec

The Company has earned a 100% interest, subject to a 2% net smelter return royalty, in this 28 claim (1,569 hectares) gold and base metal prospect by making a final payment of 50,000 common shares at \$0.28 per share. An additional 41 claims (2,131 hectares) were acquired by staking.

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NOTES TO INTERIM FINANCIAL STATEMENTS

Three and Six Month Periods Ended June 30, 2008

2. MINERAL EXPLORATION PROPERTIES, continued

- 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% royalty.
- h) 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 kilometers north of Nakina, Ontario. To earn the 60% interest Stratabound must spend \$1,000,000 on exploration prior to November 1, 2010.
- i) Green Point, New Brunswick
The Company has acquired a 100% interest, subject to a 2% net smelter return royalty in 71 claims located 2.5 kilometers northeast of the Company's Elmtree Extension claims for 25,000 shares of Stratabound at \$0.23 per share (subject to regulatory approval) and \$1,400.

3. SHARE CAPITAL

Authorized

Unlimited number of common shares, without nominal or par value

Issued

	Number	Amount
Balance December 31, 2006	27,099,162	\$ 9,908,168
Issued on exercise of warrants	2,016,322	248,733
Issued on exercise of options	400,000	79,250
Issued for mineral properties	50,000	17,500
Issued for mineral properties	68,000	17,000
Private placement	1,648,000	576,800
Private placement	1,136,466	426,175
Private placement	4,581,752	2,061,788
Issued for mineral properties	50,000	9,500
Balance December 31, 2007	37,049,702	13,344,914
Issued for mineral properties (see note 2(f))	50,000	14,000
Issued for mineral properties (see note 2 (i))	25,000	5,750
Future income tax on renounced flow-through expenditures	-	(778,380)
Balance June 30, 2008	37,124,702	\$ 12,586,284

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NOTES TO INTERIM FINANCIAL STATEMENTS

Three and Six Month Periods Ended June 30, 2008

3. **SHARE CAPITAL, continued**

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 (2007 - five years), risk free rate of 4.0% (2007 - 4.0%), expected volatility of 331% (2007 - 326%), vesting immediately and dividend yield of 0% (2007 - 0%).

	Number	Weighted average exercise price
Outstanding December 31, 2006	2,400,000	\$ 0.20
Issued during the year	1,090,000	0.28
Exercised during the year	(400,000)	0.18
Expired during the year	(400,000)	0.22
Outstanding December 31, 2007	2,690,000	0.22
Issued during the period	700,000	0.40
Outstanding June 30, 2008	3,390,000	\$ 0.26

All the options outstanding vest immediately and are all exercisable at June 30, 2008.

Options outstanding	Exercise price	Expiry date
250,000	\$ 0.20	March 5, 2009
175,000	0.20	June 27, 2009
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
3,390,000		

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NOTES TO INTERIM FINANCIAL STATEMENTS

Three and Six Month Periods Ended June 30, 2008

3. **SHARE CAPITAL, continued**

Warrants

The following is a summary of the warrants outstanding.

	June 30, 2008		December 31, 2007	
	Warrants outstanding	Weighted Average Exercise price	Warrants outstanding	Weighted Average Exercise price
Balance, beginning of period	150,000 \$	0.20	2,844,322 \$	0.22
Granted during the period	-	-	-	-
Exercised during the period	-	-	(2,016,322)	0.22
Expired during the period	-	-	(678,000)	0.22
Balance, end of period	150,000 \$	0.20	150,000 \$	0.20

The 150,000 warrants outstanding at June 30, 2008 expire on August 25, 2008.

4. **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 2007.

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

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Three and Six Month Periods Ended June 30, 2008

5. 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) Fair value

In management's opinion, the carrying values of the financial instruments noted above approximate their fair values due to the short term nature of the instruments.

(b) Credit risk

The Company is exposed to credit risk through its cash balances and accounts receivable. The Company has deposited that cash with its bank from which management believes the risk of loss is remote.

(c) Interest rate risk

The Company has cash balances and currently does not carry interest bearing-debt.

(d) Currency risk

The Company is not exposed to foreign currency risk.

(e) Price risk

The Company is not exposed to price risk.

(f) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has sufficient cash balance to settle current liabilities.