

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

**September 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 nine months ended September 30, 2008.

**STRATABOUND MINERALS CORP.**  
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**BALANCE SHEET**

	September 30, 2008	December 31, 2007
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 170,781	\$ 1,999,599
Accounts receivable	101,810	173,883
Prepaid expenses	-	18,941
	272,591	2,192,423
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
<b>MINERAL PROPERTIES (note 2)</b>		
	6,295	7,489
	8,018,107	6,009,823
	\$ 8,296,993	\$ 8,209,735
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 336,601	\$ 232,945
Taxes payable	41,620	-
<b>FUTURE INCOME TAXES</b>		
	871,177	92,797
	1,249,398	325,742
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (note 3)	12,586,284	13,344,914
CONTRIBUTED SURPLUS	730,258	504,928
DEFICIT	(6,268,949)	(5,965,849)
	7,047,595	7,883,993
	\$ 8,296,993	\$ 8,209,735

Approved on behalf of the Board:

“Stan Stricker”  
 Director

“Keith Macdonald”  
 Director

**STRATABOUND MINERALS CORP.**  
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**STATEMENTS OF OPERATIONS AND DEFICIT**

	2008	2007	2008	2007
	Three months ended September 30	Three months ended September 30	Nine months ended September 30	Nine months ended September 30
<b>REVENUE</b>				
Interest income	\$ 2,657	\$ 5,506	\$ 26,889	\$ 10,185
<b>EXPENSES</b>				
Part XII.6 tax on flow-through expenditures	41,620	-	41,620	-
Consulting fees	-	18,300	38,100	48,300
Wages and benefits	10,260	13,258	36,741	39,774
Filing fees and investor communications	16,907	7,406	44,275	28,315
Professional fees	10,491	6,219	24,264	22,885
Office	3,921	9,582	20,926	26,117
Rent	1,050	1,050	3,150	3,150
Depletion and amortization	1,108	685	2,211	2,055
Stock-based compensation (note 3)	-	112,119	118,701	112,119
	85,357	168,619	329,988	282,715
<b>LOSS BEFORE INCOME TAXES</b>	82,700	163,113	303,099	272,530
<b>INCOME TAXES</b>				
Future	-	-	-	41,032
<b>NET AND COMPREHENSIVE LOSS</b>	(82,700)	(163,113)	(303,099)	(313,562)
<b>DEFICIT, beginning of period</b>	(6,186,248)	(5,614,581)	(5,965,849)	(5,464,132)
<b>DEFICIT, end of period</b>	\$ (6,268,948)	\$ (5,777,694)	\$ (6,268,948)	\$ (5,777,694)
<b>BASIC AND DILUTED</b>				
<b>LOSS PER SHARE</b>	\$ (0.002)	\$ (0.005)	\$ (0.008)	\$ (0.010)

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**STATEMENTS OF CASH FLOWS**

	2008	2007	2008	2007
	Three months ended September 30	Three months ended September 30	Nine months ended September 30	Nine months ended September 30
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net and comprehensive loss	\$ (82,700)	\$ (163,113)	\$ (303,099)	\$ (313,562)
Items not involving cash				
Depletion and amortization	1,108	685	2,211	2,055
Stock-based compensation	-	112,119	118,701	112,119
Future income taxes	-	-	-	41,032
	(81,592)	(50,309)	(182,187)	(158,356)
Change in non-cash working capital items	423,847	(61,479)	236,292	(17,230)
	342,255	(111,788)	54,105	(175,586)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Expenditures on mineral properties	(793,010)	(437,201)	(1,998,077)	(767,588)
Government incentives	50,000	60,000	115,154	97,000
	(743,010)	(377,201)	(1,882,923)	(670,588)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from exercised warrants	-	66,000	-	388,118
Proceeds from exercised options	-	55,500	-	63,000
Issuance of share capital	-	-	-	576,800
	-	121,500	-	1,027,918
<b>CHANGE IN CASH POSITION</b>	(400,755)	(367,489)	(1,828,818)	118,744
CASH, beginning of period	571,536	785,920	1,999,599	236,687
<b>CASH, end of period</b>	\$ 170,781	\$ 481,431	\$ 170,781	\$ 481,431

**STRATABOUND MINERALS CORP.**  
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**NOTES TO INTERIM FINANCIAL STATEMENTS**

Three and Nine Month Periods Ended September 30, 2008

The interim financial statements for the period ended September 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**

	September 30, 2008	December 31, 2007
Acquisition costs	\$ 750,747	\$ 671,856
Exploration expenditures	7,267,361	5,337,967
	<b>\$ 8,018,108</b>	<b>\$ 6,009,823</b>
Consists of:		
Bathurst, New Brunswick	\$ 4,133,733	\$ 3,044,860
Loch Lomond, Southern New Brunswick	11,156	7,802
Ramsay Brook, New Brunswick	243,778	242,398
Elmtree, New Brunswick	2,105,482	1,634,718
Highway Properties, Western New Brunswick	246,170	238,508
Enja, Quebec	299,804	336,814
Otish Mountain (Marusia), Quebec	227,414	222,780
Melchett Lake, Ontario	737,948	281,943
Green Point, New Brunswick	12,623	-
	<b>\$ 8,018,108</b>	<b>\$ 6,009,823</b>

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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 over 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 69 claim (3,700 hectares) gold and base metal prospect by making a final payment of 50,000 shares at \$0.28 per share.

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**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 Mountains 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.

As of September 30, 2008, \$684,810 has been spent on exploration.

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 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 September 30, 2008	37,124,702	\$ 12,586,284

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**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%).

The stock-based compensation expense as at September 30, 2008 was \$118,701 (2007 - \$112,119).

	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 September 30, 2008	3,390,000	\$ 0.26

All the options outstanding vest immediately and are all exercisable at September 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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**3. SHARE CAPITAL, continued**

The Company is committed to spend \$2,061,779 for the flow-through common shares by December 31, 2008. As at September 30, 2008 the Company had \$19,205 remaining to be spent on applicable expenditures.

Warrants

The following is a summary of the warrants outstanding.

	September 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	(150,000)	\$ 0.20	(678,000)	0.22
Balance, end of period	-	-	150,000	\$ 0.20

**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 directs as much of its available capital as possible towards its exploration/development activities. 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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**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.

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**6. SUBSEQUENT EVENT**

On November 24, 2008, Stratabound accepted an offer from an investor group to purchase 6,497,945 flow-through units at \$0.07 per unit for gross proceeds of \$454,856 subject to regulatory approval. Each unit consists of one flow-through share and one non-flow-through share purchase warrant exercisable on or before 24 months from closing at an exercise price of \$0.15 per common share in the first 12 months and at \$0.20 per common share for the next 12 months. An agent will receive a finder's fee in the form of 389,876 units with each unit consisting of a common share and a common share purchase warrant on the same terms and conditions noted for the flow-through unit warrants, and a 2-year option to acquire 454,857 common share units at an exercise price of \$0.07 per unit with each unit consisting of one common share and a common share purchase warrant, also exercisable on the same terms and conditions as the flow-through unit warrants. The offering is expected to close on or before mid-December and proceeds of the offering will be used to advance the Company's current mining projects.