

**STRATABOUND MINERALS CORP.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008 AND 2007**

## AUDITORS' REPORT

To: The Shareholders of  
**Stratabound Minerals Corp.**

We have audited the balance sheets of **Stratabound Minerals Corp.** (the "Company") as at December 31, 2008 and 2007 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



Calgary, Alberta  
April 29, 2009

HUDSON LLP  
Chartered Accountants

**STRATABOUND MINERALS CORP.**  
**BALANCE SHEETS**

DECEMBER 31 2008 2007

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**ASSETS**

**CURRENT**

Cash and cash equivalents	\$ 252,439	\$ 1,999,599
Accounts receivable (note 12)	45,764	173,883
Prepaid expenses	-	18,941

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298,203 2,192,423

PROPERTY, PLANT AND EQUIPMENT (note 5)	6,513	7,489
MINERAL EXPLORATION PROPERTIES (note 6)	7,838,366	6,009,823

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\$ 8,143,082 \$ 8,209,735

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**LIABILITIES**

**CURRENT**

Accounts payable	\$ 110,111	\$ 232,945
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FUTURE INCOME TAXES (note 11)	727,899	92,797
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838,010 325,742

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**SHAREHOLDERS' EQUITY**

SHARE CAPITAL (note 8)	12,883,945	13,344,914
CONTRIBUTED SURPLUS (note 9)	826,728	504,928
DEFICIT	(6,405,601)	(5,965,849)

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7,305,072 7,883,993

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\$ 8,143,082 \$ 8,209,735

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Going concern (note 2)

Approved on behalf of the Board

Director (Stan Stricker)

Director (Jerry Blackwell)

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

YEAR ENDED DECEMBER 31	2008	2007
<b>REVENUE</b>	<b>\$ 27,037</b>	<b>\$ 13,890</b>
<b>EXPENSES</b>		
Stock-based compensation expense	118,701	225,518
Professional fees	70,871	54,097
Wages and benefits	49,961	65,234
Filing fees and investor communications	48,435	35,710
Consulting fees (note 7)	38,100	68,500
Part XII.6 tax on flow-through expenditures	35,426	2,914
Office	25,610	33,897
Rent (note 7)	4,200	4,200
Amortization	1,992	2,740
	393,296	492,810
<b>LOSS BEFORE THE FOLLOWING ITEMS</b>	<b>(366,259)</b>	<b>(478,920)</b>
<b>OTHER EXPENSES (INCOME)</b>		
Write-up of marketable securities to market value	(652)	-
Mineral property costs written off (note 5 (e) (ii))	217,423	-
	216,771	-
<b>LOSS BEFORE INCOME TAXES</b>	<b>(583,030)</b>	<b>(478,920)</b>
<b>FUTURE INCOME TAX (RECOVERY) (note 11)</b>	<b>(143,278)</b>	<b>(39,703)</b>
<b>NET AND COMPREHENSIVE LOSS</b>	<b>(439,752)</b>	<b>(439,217)</b>
<b>DEFICIT, beginning of years</b>	<b>(5,965,849)</b>	<b>(5,526,632)</b>
<b>DEFICIT, end of years</b>	<b>\$ (6,405,601)</b>	<b>\$ (5,965,849)</b>
<b>BASIC AND DILUTED LOSS PER SHARE (note 10)</b>	<b>\$ (0.012)</b>	<b>\$ (0.015)</b>

**STRATABOUND MINERALS CORP.**  
**STATEMENTS OF CASH FLOWS**

YEAR ENDED DECEMBER 31	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net and comprehensive loss	\$ (439,752)	\$ (439,217)
Items not affecting cash		
Amortization	1,992	2,740
Future income taxes	(143,278)	(39,703)
Stock-based compensation	118,701	225,518
Mineral property costs written off	217,423	-
	(244,914)	(250,662)
Change in non-cash working capital items		
Accounts receivable	128,119	(105,382)
Prepaid expenses	18,941	(18,941)
Accounts payable	(122,833)	129,290
	(220,687)	(245,695)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,016)	-
Expenditures on mineral properties	(2,044,930)	(1,569,040)
Government incentives	125,343	200,102
	(1,920,603)	(1,368,938)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share issue costs	(7,830)	(251,884)
Issuance of share capital	401,960	3,629,100
	394,130	3,377,216
<b>CHANGE IN CASH POSITION</b>	(1,747,160)	1,762,583
<b>CASH, beginning of years</b>	1,999,599	237,016
<b>CASH, end of years</b>	\$ 252,439	\$ 1,999,599

**Non-cash transactions**

The Company issued 50,000 common shares as consideration for the Enja property in Quebec at \$0.28 per common share.

The Company issued 25,000 common shares as consideration for the Green Point property in New Brunswick at \$0.23 per common share.

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

DECEMBER 31, 2008 AND 2007

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**1. NATURE OF OPERATIONS**

Stratabound Minerals Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on March 5, 1986. The Company is a Canadian natural resources company exploring for base and precious metals in the provinces of New Brunswick, Ontario and Quebec.

**2. 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 business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Consistent with other companies in the mining/exploration industry, the Company has no ongoing source of revenue, and has cash requirements to meet its administrative overhead and maintain its mineral interests. The ability of the Company to continue as a going concern is dependent upon its ability to obtain the necessary financing to complete the development of these properties and for future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

The amounts shown as mineral properties 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.

**3. CHANGE IN ACCOUNTING POLICY**

Effective January 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") standards; Section 3862 Financial Instruments – Disclosures; and Section 3863 Financial Instruments – Presentation, which replaced Section 3861 Financial Instruments – Disclosure and Presentation. The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements.

Effective January 1, 2008, the Company adopted CICA Section 1535, Capital Disclosures, which requires disclosure of the Company's objectives, policies and processes for managing capital. In addition, disclosures will include whether companies have complied with externally imposed capital requirements. The adoption of these requirements had no material impact on the Company's financial statements.

