

STRATABOUND MINERALS CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)
SEPTEMBER 30, 2013

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, 2013.

STRATABOUND MINERALS CORP.
(Unaudited)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	September 30, 2013	Dec 31, 2012
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 522,427	\$ 119,579
Investments	3,629	13,730
Trade and other receivables	-	99,746
Prepaid expenses and deposits (Note 4)	866,923	3,331
Loan commitment fee	-	83,829
	1,392,979	320,215
NON-CURRENT ASSETS		
Property, plant and equipment (Note 5)	2,579	3,173
Mineral exploration and evaluation assets (Note 6)	5,994,196	7,138,081
	\$ 7,389,754	\$ 7,461,469
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 642,465	\$ 120,765
Short-term loan payable (Note 8)	850,000	188,610
Flow-through share premium (Note 10)	-	192,975
	1,492,465	502,350
NON-CURRENT LIABILITIES		
Decommissioning liability (Note 9)	105,501	-
Deferred taxes	511,272	733,635
	2,109,238	1,235,985
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 12)	15,951,208	15,951,208
CONTRIBUTED SURPLUS	1,656,395	1,463,104
ACCUMULATED OTHER COMPREHENSIVE INCOME	-	3,750
DEFICIT	(12,327,087)	(11,192,578)
	5,280,516	6,225,484
	\$ 7,389,754	\$ 7,461,469

Approved on behalf of the Board

Director "Stan Stricker" Director "Duncan McCowan"

The accompanying notes form an integral part of these condensed interim financial statements.

STRATABOUND MINERALS CORP.

(Unaudited)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	2013 Three months ended September 30	2012 Three months ended September 30	2013 Nine months ended September 30	2012 Nine months ended September 30
REVENUE				
Mining operations	\$ -	\$ -	\$ 10,443,145	\$ -
Interest income	45	244	6,367	587
	<u>45</u>		<u>10,449,512</u>	<u>587</u>
COST OF SALES (NOTE 14)	<u>(36,437)</u>	-	<u>10,363,354</u>	-
EARNINGS (LOSS) FROM OPERATIONS	<u>36,482</u>	244	<u>86,158</u>	587
EXPENSES				
Share-based compensation (Note 12)	-	-	138,476	180,786
General and administrative (Note 15)	45,406	52,216	152,182	142,392
Pre-exploration costs	-	-	4,598	2,516
Impairment (Note 5)	1,333,803	-	1,333,803	-
Amortization	198	267	594	806
	<u>1,379,407</u>	52,483	<u>1,629,653</u>	326,500
LOSS FROM OPERATIONS	<u>(1,342,925)</u>	(52,239)	<u>(1,543,495)</u>	(333,417)
Realized gain on disposal of available-for-sale investments	-	92,277	-	116,627
Other income (Note 10)	-	-	192,975	80,000
Realized gain on disposal of mineral exploration properties	-	5,100	-	398,003
INCOME (LOSS) BEFORE INCOME TAXES	<u>(1,342,925)</u>	45,138	<u>(1,350,520)</u>	268,717
DEFERRED INCOME TAX	<u>-</u>	-	<u>220,392</u>	(89,159)
INCOME (LOSS) FOR THE PERIOD	<u>(1,342,925)</u>	45,138	<u>(1,130,128)</u>	179,558
OTHER COMPREHENSIVE INCOME, NET OF TAX				
Fair value loss on available-for-sale investments, net of tax	(1,528)	(400)	(8,131)	(12,411)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>(1,344,453)</u>	44,738	<u>(1,138,259)</u>	167,147
BASIC AND DILUTED INCOME (LOSS) PER SHARE				
	\$ (0.018)	\$ 0.001	\$ (0.015)	\$ 0.002
Weighted average number of shares:				
Basic and diluted	<u>75,887,611</u>	72,490,763	<u>75,887,611</u>	69,468,884

The accompanying notes form an integral part of these condensed interim financial statements.

STRATABOUND MINERALS CORP.
(Unaudited)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Number of issued and outstanding shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Shareholders' Equity
	#	\$	\$	\$	\$	\$
Balance at December 31, 2012	75,887,611	15,951,208	1,463,104	3,750	(11,192,578)	6,225,484
Warrants issued as a commitment fee	-	-	54,815	-	-	54,815
Stock-based compensation (Note 12)	-	-	138,476	-	-	138,476
Comprehensive income (loss) for the period	-	-	-	(3,750)	(1,134,509)	(1,138,259)
Balance at September 30, 2013	75,887,611	15,951,208	1,656,395	-	(12,327,087)	5,280,516
Balance at January 1, 2012	65,195,111	15,416,849	1,147,873	46,286	(8,359,186)	8,251,822
Private placement – common shares	4,200,000	210,000	-	-	-	210,000
Private placement – flow-through shares	6,432,500	321,625	-	-	-	321,625
Share issuance costs Issued for exploration and evaluation assets	-	(1,466)	-	-	-	(1,466)
	60,000	4,200	-	-	-	4,200
Stock-based compensation	-	-	97,800	-	-	97,800
Reclassification of accumulated other comprehensive income*	-	-	-	(22,989)	-	(22,989)
Dividends declared	-	-	-	-	(2,195,464)	(2,195,464)
Comprehensive loss	-	-	-	(19,547)	(637,928)	(657,475)
Balance at December 31, 2012	75,887,611	15,951,208	1,463,104	3,750	(11,192,578)	6,225,484

The accompanying notes form an integral part of these condensed interim financial statements.

STRATABOUND MINERALS CORP.
(Unaudited)
CONDENSED INTERIM STATEMENT OF CASH FLOWS

Three and nine months ended September 30, 2013	2013 Three months ended	2012 Three months ended	2013 Nine months ended	2012 Nine months ended
OPERATING ACTIVITIES				
Net and comprehensive income (loss)	\$ (1,344,453)	\$ 44,738	\$ (1,138,259)	\$ 167,147
Items not affecting cash:				
Amortization, depletion and impairment	1,336,099	267	3,345,162	806
Accretion of loan payable	-	-	150,034	-
Deferred income taxes	-	-	(220,392)	89,159
Share-based compensation	-	-	138,476	180,786
Other income	-	-	(192,975)	(80,000)
Unrealized loss on available-for-sale investments	1,528	400	8,131	12,411
Realized gain on sale of mineral properties	-	(5,100)	-	(398,003)
Realized gain on sale of available-for-sale investments	-	(92,277)	-	(116,627)
	(6,826)	(51,972)	2,090,177	(144,321)
Change in non-cash working capital items (Note 3)	790,409	83,339	607,854	47,185
Net cash from(used in) operations	783,583	31,367	2,698,031	(97,136)
INVESTING ACTIVITIES				
Exploration and evaluation assets	(70,994)	(262,274)	(1,029,154)	(437,210)
Reclamation bond (Note 4)	-	-	(850,000)	-
Reclamation expenditures	(421,773)	-	(1,066,029)	-
Government incentives received	-	-	-	1,123
Non-resident withholding tax paid	-	(7,189)	-	(7,189)
Proceeds from sale of mineral properties	-	-	-	100,000
Proceeds from sale of available-for-sale investments	-	-	-	30,350
Net cash used in investing activities	(492,767)	(269,463)	(2,945,183)	(312,926)
FINANCING ACTIVITIES				
Proceeds from short-term loan	-	-	2,050,000	-
Repayment of short-term loan	-	-	(1,400,000)	-
Proceeds from share issuance	-	300,000	-	724,600
Share issue costs	-	(3,250)	-	(7,373)
Net cash provided by financing	-	296,750	650,000	717,227
Change in cash and equivalents position	290,816	58,564	402,848	307,165
Cash and equivalents – beginning of period	231,611	254,943	119,579	6,432
Cash and equivalents – end of period	\$ 522,427	\$ 313,597	\$ 522,427	\$ 313,597

The accompanying notes form an integral part of these condensed interim financial statements.

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

1. CORPORATE INFORMATION

Stratabound Minerals Corp.'s business activity is the exploration and evaluation of mineral properties in Canada. Stratabound Minerals Corp. (the "Company") was incorporated under the Canada Business Corporations Act on March 5, 1986, and has continued as a company under the Business Corporations Act of Alberta. The Company is listed on the TSX Venture Exchange, having the symbol TSX.V: SB, as a Tier 1 mining issuer and is in the process of exploring its mineral properties in the provinces of New Brunswick and Quebec.

The business of exploring for mineral resources involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable operations. The Company's ability to meet its obligations arising from exploration activity and normal business operations is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing, and future profitable production or proceeds from the disposition of its properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

The address of the Company's registered office is 3700, 400 Third Avenue SW, Calgary, Alberta T2P 4H2.

These condensed interim financial statements were authorized for issue by the Board of Directors on November 29, 2013.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

3. SUPPLEMENTAL CASH FLOW INFORMATION

For the three-month period ended September 30	2013	2012
Changes in non-cash working capital items		
Accounts receivable	\$ 2,281,590	\$ (52,216)
Accounts payable and accrued liabilities	(1,498,311)	127,503
Prepaid expenses	7,130	8,052
	\$ 790,409	\$ 83,339

For the nine-month period ended September 30	2013	2012
Changes in non-cash working capital items		
Accounts receivable	\$ 99,746	\$ (303,709)
Accounts payable and accrued liabilities	521,700	92,908
Prepaid expenses	(863,592)	(8,531)
Receivables related to mineral properties	-	266,517
Reclamation deposit (disclosed separately)	850,000	-
	\$ 607,854	\$ 47,185

4. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits consist of:

	September 30 2013	September 30 2012
Reclamation deposit	\$ 850,000	\$ -
Prepaid insurance	16,923	8,531
Total prepaid expenses and deposits	\$ 866,923	\$ 8,531

During the period, \$850,000 was posted with the New Brunswick Department of Energy and Mines for reclamation and environmental security. Of this deposit, \$720,000 is expected to be returned to the Company during fiscal 2013 upon successful completion of the reclamation work on the mine. The Company expects the remaining \$130,000 to be returned in fiscal 2016.

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

5. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Computer equipment	Mineral properties	Total
Cost				
Balance at January 1, 2012 and December 31, 2012	\$ 23,079	\$ 24,703	\$ -	\$ 47,782
Transfer from Mineral Exploration and Evaluation (Note 6)	-	-	1,322,346	1,322,346
Additions	-	-	2,020,123	2,020,123
Balance at September 30, 2013	\$ 23,079	\$ 24,703	\$ 3,342,469	\$ 3,390,251
Accumulated amortization and depletion				
Balance at January 1, 2012	\$ 21,080	\$ 22,454	\$ -	\$ 43,534
Amortization for the year	400	675	-	1,075
Balance at December 31, 2012	\$ 21,480	\$ 23,129	\$ -	\$ 44,609
Amortization, depletion and impairment*	240	354	3,342,469	3,343,063
Balance at September 30, 2013	\$ 21,720	\$ 23,483	\$ 3,342,469	\$ 3,387,672
Carrying amounts				
At January 1, 2012	\$ 1,999	\$ 2,249	\$ -	\$ 4,248
At December 31, 2012	\$ 1,599	\$ 1,574	\$ -	\$ 3,173
At September 30, 2013	\$ 1,359	\$ 1,220	\$ -	\$ 2,579

*No mining occurred during the three-month period ending September 30, 2013, and as a result no depletion was charged against the property. As a result of the mill purchasing the CNE ore closing, management determined the remaining carrying value of \$1,333,803 to be impaired.

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

6. MINERAL EXPLORATION AND EVALUATION ASSETS

Balance at January 1, 2012	\$ 9,011,203
Acquisition and renewal costs	24,592
Exploration expenditures	684,843
Options issued to exploration consultants	36,645
Mineral property disposals	(2,001,997)
Provincial government incentives	(67,640)
Impairment	(549,565)
	\$ 7,138,081
Balance at December 31, 2012	\$ 7,138,081
Acquisitions and renewals	13,196
Exploration expenditures	98,748
Provincial government incentives reversed	66,517
Transferred to Property, Plant and Equipment (Note 5)	(1,322,346)
	\$ 5,994,196

a) Bathurst, New Brunswick

The Company holds a 100% interest in 6,405 hectares in the Bathurst base metal mining camp in New Brunswick, Canada. The properties include the CNE/Captain Group, CNE Mining Lease, Nepisiguit Brook, and Taylor Brook claim groups. All are subject to a 1% net smelter return on production, other than Nepisiguit Brook and the portion of the CNE/Captain Group formerly known as Captain East which are royalty free.

During the first quarter of 2013, the Company constructed an open pit mine on the CNE property, commenced mining on March 5, 2013, and completed mining April 12, 2013 when the mill purchasing CNE ore was permanently shut down.

b) Enja, Quebec

The Company has a 100% interest, subject to a 2% net smelter return royalty, in this 47 claim (2,520 hectare) gold and base metal prospect.

c) Commander Option, New Brunswick

In 2010, the Company entered into an agreement with Commander Resources Ltd. ("Commander") whereby the Company has the option to acquire up to a 65% interest in a 1,049 hectare claim group adjoining the Company's CNE/Captain claim group in New Brunswick.

Under the terms of the agreement, the Company can acquire a 60% interest by issuing to Commander 50,000 common shares on signing at a deemed price of \$0.10 per share and spending a minimum of \$150,000 on exploration expenditures in year one; issuing 100,000 common shares to Commander on the first anniversary of the agreement at a deemed price of \$0.10 per share and spending a minimum of \$200,000 on exploration in year two; issuing 50,000 common shares to Commander on the second anniversary of the agreement at a deemed price of

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

6. MINERAL EXPLORATION AND EVALUATION ASSETS (CONTINUED)

\$0.07 per share and spending a minimum of \$300,000 on exploration in year three; issuing 100,000 common shares to Commander on the third anniversary of the agreement and spending a minimum of \$400,000 on exploration in year four; and, issuing 100,000 common shares to Commander on the fourth anniversary of the agreement and spending \$450,000 on exploration in year five. The Company has met the year one and two requirements and incurred \$157,355 of the year three commitment. The five year option term ends on September 30, 2015. The Company can earn a further 5% interest by issuing an additional 100,000 shares and spending an additional \$1 million on the property.

d) Gemini Hills, Quebec

The Company has a 75% interest in a gold prospect in the South Gemini Hills area of Berry Township, Quebec, subject to a 1.5% net smelter return on production. The Company can purchase half the royalty at any time for \$750,000.

e) Green Point, New Brunswick

The Company has a 100% interest, subject to a 2% net smelter return royalty in 118 claims (2,561 hectares) located near Bathurst, NB.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

As at	September 30 2013	September 30 2012
Trade payables	\$ 279,469	\$ 187,648
GST payable	330,308	-
Interest payable	32,688	-
Total accounts payable and accrued liabilities	\$ 642,465	\$ 187,648

8. SHORT-TERM LOANS PAYABLE

In the prior year, the Company entered into an unsecured loan facility with a private company controlled by its largest shareholder in the amount of \$1.4 million. At September 30, 2013, the Company has received, and repaid, \$1.4 million from this facility.

During the period, the Company entered into a second unsecured loan facility with the same lender as above, in the amount of \$850,000. In consideration for this facility, the Company issued 1 million warrants to the lender, with an exercise price of \$0.20 and expiring on June 5, 2014. The fair value of these warrants of \$54,815 was netted against the carrying value of the loan as transaction costs.

Both facilities bear interest at 6% per annum and were repayable on June 30, 2013. At September 30, 2013, the Company owes \$850,000 on the above facilities. The lender has granted an extension to the Company until reclamation has been completed on the CNE Open Pit mine.

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

9. DECOMMISSIONING LIABILITIES

Upon commencement of mining operations during the first quarter of fiscal 2013, the Company accrued an estimated liability related to reclamation and closure costs based on the total expected future remediation cost in the amount of \$850,000.

During the period, the Company has completed all initial reclamation work on the open pit mine. The decommissioning liability estimate has been revised at September 30, 2013, for an additional \$130,000 to be spent on water monitoring costs over the next three years.

The decommissioning liability has been calculated based on estimated future remediation costs, discounted to September 30, 2013 using a 6% discount rate and a 2% inflation rate.

The liability is subject to revision based on future mine resource realization and other factors which could affect the costs incurred at future dates.

The Company's expected decommissioning liabilities are as follows:

Balance at January 1, 2013	\$ -
Obligations acquired	850,000
Changes in estimates*	319,433
Payment of obligations	(1,066,031)
Accretion expense	2,099
Balance at September 30, 2013	\$ 105,501

*Changes due to revisions of cost estimates for reclamation of CNE open pit mining operation.

10. FLOW-THROUGH SHARE PREMIUM

Other liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

Flow-through shares

Balance at January 1, 2012	\$ 80,000
Liability incurred on flow-through shares issued	192,975
Settlement of flow-through share liability on renouncement	(80,000)
Balance at December 31, 2012	\$ 192,975
Liability incurred on flow-through shares issued	-
Settlement of flow-through share liability on renouncement	(192,975)
Balance at September 30, 2013	\$ -

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

10. FLOW-THROUGH SHARE PREMIUM (CONTINUED)

During 2012, the Company completed two non-brokered private placements, issuing 6,432,500 flow-through shares for gross proceeds of \$514,600. Total premiums of \$192,975 were recognized as liabilities related to the issuance of the flow-through shares. These flow-through shares were renounced for tax purposes during the period, and as a result, \$192,975 has been recognized in profit and loss during the period as “other income.”

There were no flow-through share issuances completed during the nine month period ended September 30, 2013, and as a result, there were no additions to flow-through share premiums.

11. RELATED PARTY TRANSACTIONS

During the period, the Company paid rent of \$5,400 (2012 - \$5,400) for office space owned by officers of the Company.

During the period, the Company paid project management and administrative fees of \$nil (2012 - \$16,000) to a corporation owned by officers of the Company. Of these fees paid, \$nil (2012 - \$7,000) were capitalized as mineral exploration and evaluation assets during the period.

Of total salaries and benefits paid to key management \$8,000 (2012 - \$20,000) were capitalized as mineral exploration and evaluation assets during the period, and \$8,000 (2012 - \$nil) were classified as a mining expense.

Key Management Compensation

Key Management personnel compensation comprised:

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	\$	\$
Salaries and benefits	64,000	56,000

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

12. SHARE CAPITAL

a) Authorized

Unlimited number of common shares, without nominal or par value.

b) Issuance of securities

- i) In April, 2012, 4,200,000 common shares were issued for total proceeds of \$210,000;
- ii) In April, 2012, 2,682,500 common flow-through shares were issued for total proceeds of \$214,600, \$134,125 of which was allocated to share capital and \$80,475 of which was allocated to the flow-through share premium;
- iii) In September, 2012, 3,750,000 common flow-through shares were issued for total proceeds of \$300,000, of \$187,500 was allocated to share capital and \$112,500 was allocated to flow-through share premium;
- iv) During 2012, 60,000 common shares were issued for mineral properties. The fair value of these transactions was \$4,200.
- v) There were no share issuances during the 9 month period ended September 30, 2013.

c) Stock options

The Company has a stock-based compensation 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 fair value of each option granted estimated using the Black-Scholes option pricing model for the last issuance of options was \$0.078 using the following assumptions: weighted average life of 5 years; risk-free rate of 4.00%; expected volatility of 201%; and, a dividend yield of 0%. All options granted vest immediately, and therefore a forfeiture rate of 0% was used. During the period, the Company granted stock options with a value of \$138,476.

The following table summarizes the stock option transactions:

	Number	Weighted average exercise price
Outstanding January 1, 2012	5,335,555	\$ 0.18
Issued during the year	2,225,000	0.10
Expired and cancelled during the year	(1,245,555)	0.26
Outstanding at December 31, 2012	6,315,000	\$ 0.13
Expired and cancelled during the period	(550,000)	0.40
Issued during the period	1,775,000	0.10
Outstanding at September 30, 2013	7,540,000	\$ 0.10

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

12. SHARE CAPITAL (CONTINUED)

The following table summarizes the options outstanding and exercisable as at September 30, 2013:

Options outstanding	Exercise price	Expiry date
2,125,000	0.10	August 17, 2014
50,000	0.12	August 17, 2014
950,000	0.10	September 2, 2015
415,000	0.13	July 12, 2016
2,225,000	0.10	May 17, 2017
1,775,000	0.10	April 8, 2018
7,540,000	\$ 0.10	

d) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's Interim statement of financial position included 'Contributed Surplus,' Accumulated Other Comprehensive Income,' and 'Deficit.'

Contributed surplus is used to recognize the value of stock option grants and share warrants prior to exercise. Any proceeds received prior to the issuance of shares will be recorded as contributed surplus until the shares are issued, at which time the amount will be recognized as share capital.

Accumulated Other Comprehensive Income is an available-for-sale reserve. This reserve is used to recognize fair value changes on available-for-sale investments.

Deficit is used to record the Company's change in deficit from its income or losses from period to period.

e) Warrants

The following table summarizes the warrants transactions:

	Number	Weighted average exercise price
Outstanding January 1, 2012	3,405,970	\$ 0.40
Issued during the year	2,000,000	\$ 0.20
Expired during the year	(3,405,970)	\$ 0.40
Outstanding at December 31, 2012	2,000,000	\$ 0.20
Issued during the period	1,000,000	\$ 0.20
Outstanding at September 30, 2013	3,000,000	\$ 0.20

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

12. SHARE CAPITAL (CONTINUED)

The following table summarizes the warrants outstanding and exercisable as at September 30, 2013:

Warrants outstanding	Exercise price	Expiry date
2,000,000	\$ 0.20	June 5, 2014
1,000,000	\$ 0.20	June 5, 2014

The warrants were issued in connection with the short-term loans payable (Note 8).

13. COMMITMENTS

At September 30, 2013, the Company has committed to spending \$300,000 on exploration to complete the requirement under the option agreement with Commander Resources (Note 6 (c)). To date, the Company has completed \$157,510 of this obligation; therefore, \$142,490 is remaining to be spent in 2013.

14. COST OF SALES

For the three-month period ended September 30	2013	2012
Water treatment	\$ 176,103	-
Blasting, mining and delivery	49,145	-
Exchange loss	14,791	-
Finance charges (recovery)	(10,756)	-
Blasting, mining and delivery (recovery)*	(265,720)	-
Depletion and amortization	-	-
	\$ (36,437)	-

*An expense recovery was recognized as the Company's realized cost of mining was lower than estimated.

For the nine-month period ended September 30	2013	2012
Blasting, mining and delivery	\$ 2,962,653	-
Smelting	2,411,185	-
Milling	2,226,984	-
Water treatment	379,316	-
Finance charges	204,834	-
Refining	103,387	-
Exchange loss	63,529	-
Insurance	2,800	-
Depletion and amortization (Note 5)	2,008,666	-
	\$ 10,363,354	-

STRATABOUND MINERALS CORP.
(Unaudited)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

15. GENERAL AND ADMINISTRATIVE EXPENSES

For the three-month period ended September 30	2013	2012
Salaries and benefits	\$ 17,733	\$ 16,716
Office and other	11,131	11,892
Professional fees	8,945	16,847
Filing fees and investor communications	5,797	4,961
Rent	1,800	1,800
	\$ 45,406	\$ 52,216

For the nine-month period ended September 30	2013	2012
Salaries and benefits	\$ 53,479	\$ 39,583
Professional fees	41,615	47,228
Office and other	28,185	29,359
Filing fees and investor communications	23,503	20,743
Rent	5,400	5,400
Reassessment	-	79
	\$ 152,182	\$ 142,392

16. SUBSEQUENT EVENTS

On October 10, 2013, the Company closed a private placement financing arrangement by issuing 2,500,000 Units for gross proceeds of \$250,000. Each Unit consists of one common share of the Company and one share purchase warrant entitling the holder to subscribe for one additional common share of the Company at \$0.20 for 5 years from the private placement closing date.

On October 10, 2013, the Company issued 25,000 shares at a price of \$0.05 per share to Commander Resources Ltd. in consideration for an extension of its spending commitments (see Note 6(c)).