

**STRATABOUND MINERALS CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**  
**September 30, 2014**

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, 2014.

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

As At	September 30, 2014	Dec 31, 2013
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 441,635	\$ 38,851
Investments	2,737	8,895
Prepaid expenses	52,726	9,793
Deposit (Note 4)	130,000	130,000
	627,098	187,539
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment (Note 5)	3,809	4,791
Mineral exploration and evaluation assets (Note 6)	6,333,783	5,980,164
	\$ 6,964,690	\$ 6,172,494
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 342,254	\$ 551,319
Short-term loan payable (Note 8)	130,000	130,000
Flow-through share premium (Note 10)	71,500	53,266
	543,754	734,585
<b>NON-CURRENT LIABILITIES</b>		
Decommissioning liabilities (Note 9)	50,928	62,102
Deferred taxes payable	445,562	446,761
	1,040,244	1,243,448
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 12)	16,802,904	16,052,458
CONTRIBUTED SURPLUS	2,199,008	1,753,129
ACCUMULATED OTHER COMPREHENSIVE INCOME	(5,101)	(143)
DEFICIT	(13,072,365)	(12,876,398)
	5,924,446	4,929,046
	\$ 6,964,690	\$ 6,172,494

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)

Three and nine months ended September 30	<b>2014</b> <b>Three months</b> <b>ended</b>	2013 Three months ended	<b>2014</b> <b>Nine months</b> <b>ended</b>	2013 Nine months Ended
<b>REVENUE</b>				
Mining operations	\$ -	\$ -	\$ -	\$10,443,145
<b>COST OF SALES (NOTE 13)</b>	-	(36,437)	-	10,363,354
<b>EARNINGS FROM MINE OPERATIONS</b>	-	36,437	-	79,791
<b>OTHER INCOME AND EXPENSES</b>				
Other income (Note 10)	-	-	53,266	192,975
Interest income	107	45	302	6,367
Share-based compensation (Note 12)	-	-	-	(138,476)
Interest expense	(52,635)	-	(52,635)	-
General and administrative (Note 14)	(74,878)	(45,406)	(195,918)	(152,182)
Pre-exploration costs	-	-	-	(4,598)
Impairment (Note 5)	-	(1,333,803)	-	(1,333,803)
Amortization (Note 5)	(327)	(198)	(982)	(594)
	<b>(127,733)</b>	<b>(1,379,362)</b>	<b>(195,967)</b>	<b>(1,430,311)</b>
<b>LOSS BEFORE TAXES</b>	<b>(127,733)</b>	<b>(1,342,925)</b>	<b>(195,967)</b>	<b>(1,350,520)</b>
<b>DEFERRED INCOME TAX RECOVERY</b>	-	-	-	220,392
<b>LOSS FOR THE PERIOD</b>	<b>(127,733)</b>	<b>(1,342,925)</b>	<b>(195,967)</b>	<b>(1,130,128)</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>				
Fair value loss on available-for-sale investments, net of tax	(1,098)	(1,528)	(4,958)	(8,131)
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(128,831)</b>	<b>(1,344,453)</b>	<b>(200,925)</b>	<b>(1,138,259)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>\$ (0.001)</b>	<b>\$ (0.018)</b>	<b>\$ (0.002)</b>	<b>\$ (0.015)</b>
<b>Weighted average number of shares:</b>				
Basic and diluted	<b>94,558,263</b>	75,887,611	<b>86,830,010</b>	75,887,611

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

**STRATABOUND MINERALS CORP.**  
**(Unaudited)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
For the Nine Month Period Ended September 30, 2014

	Number of issued and outstanding shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Shareholders' Equity
	#	\$	\$	\$	\$	\$
<b>Balance at December 31, 2013</b>	<b>78,412,611</b>	<b>16,052,458</b>	<b>1,753,129</b>	<b>(143)</b>	<b>(12,876,398)</b>	<b>4,929,046</b>
Common shares and warrants issued in private placement (Note 12)	24,000,000	725,069	403,431	-	-	1,128,500
Common shares and warrants issued for payment of net smelter royalty (Note 12)	950,000	28,500	42,448	-	-	70,948
Commander shares (Note 12)	100,000	5,000	-	-	-	5,000
Share issuance costs	-	(8,123)	-	-	-	(8,123)
Comprehensive loss for the period	-	-	-	(4,958)	(195,967)	(200,925)
<b>Balance at September 30, 2014</b>	<b>103,462,611</b>	<b>16,802,904</b>	<b>2,199,008</b>	<b>(5,101)</b>	<b>(13,072,365)</b>	<b>5,924,446</b>
Balance at January 1, 2013	75,887,611	15,951,208	1,463,104	3,750	(11,192,578)	6,225,484
Private placement – common shares (Note 12)	2,500,000	100,000	-	-	-	100,000
Commander shares (Note 12)	25,000	1,250	-	-	-	1,250
Stock-based compensation (Note 12)	-	-	138,476	-	-	138,476
Warrants issued in connection with flow-through shares (Note 12)	-	-	96,734	-	-	96,734
Warrants issued (Note 12)	-	-	54,815	-	-	54,815
Comprehensive and net loss	-	-	-	(3,893)	(1,683,820)	(1,687,713)
Balance at December 31, 2013	78,412,611	16,052,458	1,753,129	(143)	(12,876,398)	4,929,046

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	<b>2014</b> <b>Three months</b> <b>ended</b>	2013 Three months ended	<b>2014</b> <b>Nine months</b> <b>ended</b>	2013 Nine months ended
<b>OPERATING ACTIVITIES</b>				
Net and comprehensive loss	\$ (128,831)	\$ (1,344,453)	\$ (200,925)	\$ (1,138,259)
Items not affecting cash:				
Amortization, depletion and impairment	327	1,336,099	982	3,345,162
Accretion of decommissioning liability	1,312	-	3,845	-
Accretion of loan payable	-	-	-	150,034
Deferred income taxes	-	-	-	(220,392)
Share-based compensation	-	-	-	138,476
Payment of net smelter royalty with share issuance	-	-	70,948	-
Other income	-	-	(53,266)	(192,975)
Unrealized loss on available-for- sale investments	1,098	1,528	4,958	8,131
	<b>(126,094)</b>	<b>(6,826)</b>	<b>(173,458)</b>	<b>2,090,177</b>
Change in non-cash working capital items (Note 3)	74,024	790,409	(251,998)	607,854
<b>Net cash from(used in) operations</b>	<b>(52,070)</b>	<b>783,583</b>	<b>(425,456)</b>	<b>2,698,031</b>
<b>INVESTING ACTIVITIES</b>				
Exploration and evaluation assets	(246,934)	(70,994)	(319,570)	(1,029,154)
Reclamation bond (Note 4)	-	-	-	(850,000)
Reclamation expenditures	(36,743)	(421,773)	(44,070)	(1,066,029)
<b>Net cash used in investing activities</b>	<b>(283,677)</b>	<b>(492,767)</b>	<b>(363,640)</b>	<b>(2,945,183)</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from short-term loan	-	-	-	2,050,000
Repayment of short-term loan	-	-	-	(1,400,000)
Proceeds from share issuance, net of transaction cost	670,972	-	1,191,880	-
<b>Net cash provided by financing</b>	<b>670,972</b>	<b>-</b>	<b>1,191,880</b>	<b>650,000</b>
Change in cash and equivalents position	335,225	290,816	402,784	402,848
Cash and equivalents – beginning of period	106,410	231,611	38,851	119,579
<b>Cash and equivalents – end of period</b>	<b>\$ 441,635</b>	<b>\$ 522,427</b>	<b>\$ 441,635</b>	<b>\$ 522,427</b>

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 MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013

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**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 December 1, 2014.

**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, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

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**3. SUPPLEMENTAL CASH FLOW INFORMATION**

For the three month period ended September 30	2014	2013
<b>Changes in non-cash working capital items</b>		
Accounts receivable	\$ -	\$ 2,281,590
Accounts payable and accrued liabilities	<b>54,039</b>	(1,498,311)
Prepaid expenses	<b>19,985</b>	7,130
	<b>\$ 74,024</b>	<b>\$ 790,409</b>

For the nine month period ended September 30	2014	2013
<b>Changes in non-cash working capital items</b>		
Accounts receivable	\$ -	\$ 99,746
Accounts payable and accrued liabilities	<b>(209,065)</b>	521,700
Prepaid expenses	<b>(42,933)</b>	(863,592)
Reclamation deposit	-	850,000
	<b>\$ (251,998)</b>	<b>\$ 607,854</b>

**4. DEPOSIT**

During the prior year, \$850,000 was posted with the New Brunswick Department of Energy and Mines for reclamation and environmental security. Of this deposit, \$720,000 was returned to the Company during the prior year upon successful completion of the reclamation work on the mine. The Company expects the remaining \$130,000 to be returned in fiscal 2017.

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**5. PROPERTY, PLANT AND EQUIPMENT**

	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Mineral properties</b>	<b>Total</b>
<b>Cost</b>				
Balance at January 1, 2013	\$ 23,079	\$ 24,703	\$ -	\$ 47,782
Transfer from Mineral Exploration and Evaluation	-	-	1,322,346	1,322,346
Additions	-	2,835	2,061,314	2,064,149
<b>Balance at December 31, 2013 and September 30, 2014</b>	<b>\$ 23,079</b>	<b>\$ 27,538</b>	<b>\$ 3,383,660</b>	<b>\$ 3,434,277</b>
<b>Accumulated amortization</b>				
Balance at January 1, 2013	\$ 21,480	\$ 23,129	\$ -	\$ 44,609
Amortization and depletion for the year	319	898	2,008,668	2,009,885
Impairment	-	-	1,374,992	1,374,992
Balance at December 31, 2013	\$ 21,799	\$ 24,027	\$ 3,383,660	\$ 3,429,486
Amortization	192	790	-	982
<b>Balance at September 30, 2014</b>	<b>\$ 21,991</b>	<b>\$ 24,817</b>	<b>\$ 3,383,660</b>	<b>\$ 3,430,468</b>
<b>Carrying amounts</b>				
At January 1, 2013	\$ 1,599	\$ 1,574	\$ -	\$ 3,173
At December 31, 2013	\$ 1,280	\$ 3,511	\$ -	\$ 4,791
<b>At September 30, 2014</b>	<b>\$ 1,088</b>	<b>\$ 2,721</b>	<b>\$ -</b>	<b>\$ 3,809</b>

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**6. MINERAL EXPLORATION AND EVALUATION ASSETS**

Balance at January 1, 2013	\$ 7,138,081
Acquisition and renewal costs	18,984
Exploration expenditures	336,869
Options issued to exploration consultants	51,478
E&E assets impaired	(242,902)
Transferred to Property, Plant and Equipment	(1,322,346)
Balance at December 31, 2013	\$ 5,980,164
Acquisitions and renewals	14,733
Exploration expenditures	387,886
Provincial government incentives	(49,000)
<b>Balance at September 30, 2014</b>	<b>\$ 6,333,783</b>

**a) Bathurst, New Brunswick**

The Company holds a 100% interest in 158 units and one mining lease in the Bathurst base metal mining camp in New Brunswick, Canada. The properties include the CNE/Captain Group, CNE Mining Lease, and Taylor Brook claim groups. All are subject to a 1% net smelter return on production, other than the portion of the CNE/Captain Group formerly known as Captain East which is royalty-free. The carrying value of the Bathurst Group at September 30, 2014 is \$5,323,291 (December 31, 2013 - \$5,225,747).

**b) Enja, Quebec**

The Company has a 100% interest, subject to a 2% net smelter return royalty, in this gold and base metal prospect. The carrying value at September 30, 2014 is \$135,346 (December 31, 2013 - \$135,346).

**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, Canada. The carrying value at September 30, 2014 is \$686,152 (December 31, 2013 - \$553,962).

**d) Green Point, New Brunswick**

The Company has a 100% interest, subject to a 2% net smelter return royalty in 41 units located near Bathurst, New Brunswick, Canada. The carrying value at September 30, 2014 is \$87,400 (December 31, 2013 - \$65,108).

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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of:

As at	September 30 2014	December 31 2013
Trade payables	\$ 136,215	\$ 247,885
GST payable	106,985	262,507
Interest payable	99,054	40,927
Total accounts payable and accrued liabilities	<u>\$ 342,254</u>	<u>\$ 551,319</u>

**8. SHORT-TERM LOAN PAYABLE**

During the prior year, the Company entered into an unsecured loan facility with a private company controlled by its largest shareholder in the amount of \$850,000, subsequently repaid \$720,000 of the loan.

The remaining balance of \$130,000 bears interest at 6% per annum and is due at such time as the water monitoring is completed on the CNE open pit mine.

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**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.

The Company's expected decommissioning liabilities are as follows:

Balance at January 1, 2013	\$ -
Obligations acquired	850,000
Changes in estimates	360,621
Payment of obligations	(1,150,966)
Accretion expense	2,447
<b>Balance at December 31, 2013</b>	<b>\$ 62,102</b>
Changes in estimates	21,725
Payment of obligations	(36,744)
Accretion expense	3,845
<b>Balance at September 30, 2014</b>	<b>\$ 50,928</b>

**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, 2013	\$ 192,975
Liability incurred on flow-through shares issued	53,266
Settlement of flow-through share liability on renouncement	(192,975)
Balance at December 31, 2013	\$ 53,266
Liability incurred on flow-through shares issued	71,500
Settlement of flow-through share liability on renouncement	(53,266)
<b>Balance at September 30, 2014</b>	<b>\$ 71,500</b>

STRATABOUND MINERALS CORP.

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**10. FLOW-THROUGH SHARE PREMIUM (CONTINUED)**

On October 10, 2013, the Company completed a non-brokered private placement of 2.5 million flow-through shares plus 2.5 million warrants. The aggregate gross proceeds raised from this transaction were \$250,000. A premium of \$53,266 was recognized as a liability related to the issuance of the flow-through shares. These flow-through shares were renounced for tax purposes on February 24, 2014, at which time the liability was recognized in profit or loss as “other income”.

On June 16, 2014, the Company completed a non-brokered private placement of 5.2 million flow-through shares, 1.3 million common shares and 3.25 million warrants. The gross proceeds related to flow-through shares related to this transaction were \$227,500. A premium of \$71,500 was recognized as a liability related to the issuance of the flow-through shares. These flow-through shares will be renounced for tax purposes in fiscal 2015, at which time the liability will be recognized in profit or loss as “other income”.

**11. RELATED PARTY TRANSACTIONS**

During the period, the Company paid rent of \$5,400 (2013 - \$5,400) for office space owned by officers of the Company.

Of total salaries and benefits paid to key management \$15,000 (2013 - \$8,000) were capitalized as mineral exploration and evaluation assets during the period. During the period ended September 30, 2013, an additional \$8,000 of the total salaries and benefits paid to key management was classified as a mining expense.

**Key Management Compensation**

Key Management personnel compensation comprised:

For the nine month period ended September 30	2014	2013
Salaries and benefits	\$ 72,000	\$ 72,000

STRATABOUND MINERALS CORP.

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**12. SHARE CAPITAL**

**a) Authorized**

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

**b) Issuance of securities**

- i) During October 2013, 2.5 million common flow-through shares were issued for total proceeds of \$250,000. Included in this issuance were 2.5 million warrants with a strike price of \$0.20, and expiring 5 years from the date of issue. Of the \$250,000 raised, \$100,000 was allocated to share capital, \$53,266 was allocated to the flow-through share premium, and \$96,734 was allocated to contributed surplus in respect of the warrants issued.
- ii) During October 2013, 25,000 common shares were issued for an extension of the Commander agreement. The fair value of this transaction was \$1,250.
- iii) During January 2014, the Company closed a non-brokered private placement of 4 million units priced at \$0.05 per unit for total proceeds of \$200,000. Each unit consisted of one common share of the Company and one half-warrant exercisable for three years at a strike price of \$0.05. Of the \$200,000 raised, \$120,000 was allocated to share capital, and \$80,000 was allocated to contributed surplus in respect of the warrants issued.
- iv) During February 2014, the Company issued 950,000 units, each unit consisting of one share and one warrant exercisable for 5 years at \$0.05, in full settlement of an arms-length 1% net smelter return royalty debt of \$70,948 payable following production from the CNE open pit mine. Of the total value of the units, \$28,500 was allocated to share capital and \$42,448 was allocated to contributed surplus in respect of the warrants issued.
- v) During June 2014, the Company issued 1.3 million units priced at \$0.25 per unit for total proceeds raised of \$325,000. Each unit consisted of 1 common share, four flow-through shares and 2.5 warrants exercisable for two years with a strike price of \$0.10. Of the \$325,000 raised, \$195,072 was allocated to share capital, \$71,500 was allocated to the flow-through share premium, and \$58,428 was allocated to contributed surplus in respect of the warrants issued.
- vi) During June 2014, 100,000 common shares were issued with respect to the Commander agreement at \$0.05 per share.
- vii) During August 2014, the Company issued 2.7 million units priced at \$0.25 per unit for total proceeds raised of \$675,000. Each unit consisted of 4 flow-through common shares, one non-flow through common share, and 2.5 warrants, with each whole warrant entitling the holder to subscribe for one additional share for two years for \$0.10 per share. Of the \$675,000 raised, \$409,997 was allocated to share capital and \$265,003 was allocated to contributed surplus in respect of the warrants issued.

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**12. SHARE CAPITAL (CONTINUED)**

**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. There were no options granted during the nine month period ended September 30, 2014.

The following table summarizes the stock option transactions:

	Number	Weighted average exercise price
<b>Outstanding January 1, 2013</b>	6,315,000	\$ 0.13
Issued during the year	1,775,000	0.10
Expired and cancelled during the year	(550,000)	0.40
<b>Outstanding at December 31, 2013</b>	7,540,000	\$ 0.13
Expired and cancelled during the period	(2,925,000)	0.10
<b>Outstanding at September 30, 2014</b>	4,615,000	\$ 0.10

The following table summarizes the options outstanding and exercisable as at September 30, 2014:

Options outstanding	Exercise price	Expiry date
650,000	0.10	September 2, 2015
365,000	0.13	July 12, 2016
1,975,000	0.10	May 17, 2017
1,625,000	0.10	April 8, 2018
4,615,000	\$ 0.10	

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**12. SHARE CAPITAL (CONTINUED)**

**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
<b>Outstanding January 1, 2013</b>	2,000,000	\$ 0.20
Issued during the year	3,500,000	\$ 0.20
<b>Outstanding at December 31, 2013</b>	5,500,000	\$ 0.20
Issued during the period	12,950,000	\$ 0.09
Expired during the period	(3,000,000)	\$ 0.20
<b>Outstanding at September 30, 2014</b>	<b>15,450,000</b>	<b>\$ 0.11</b>

The following table summarizes the warrants outstanding and exercisable as at September 30, 2014:

Warrants outstanding	Exercise price	Expiry date
3,250,000	\$ 0.10	June 16, 2016
6,750,000	\$ 0.10	August 29, 2016
2,500,000	\$ 0.20	October 9, 2018
2,000,000	\$ 0.05	January 28, 2019
950,000	\$ 0.05	February 5, 2019

## STRATABOUND MINERALS CORP.

(Unaudited)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013**13. COST OF SALES**

Three month period ended September 30	2014	2013
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)
	\$ -	\$ (36,437)

For the nine month period ended September 30	2014	2013
Blasting, mining and delivery	\$ -	\$ 2,962,653
Smelting	-	2,411,185
Milling	-	2,226,984
Finance charges	-	204,834
Water treatment	-	379,316
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 MONTH PERIODS ENDED SEPTEMBER 30, 2014 AND 2013

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**14. GENERAL AND ADMINISTRATIVE EXPENSES**

For the three month period ended September 30	2014	2013
Filing fees and investor communications	\$ 28,924	\$ 5,797
Salaries and benefits	17,287	17,733
Professional fees	12,819	8,945
Office and other	10,770	11,131
Finance charges	3,278	-
Rent	1,800	1,800
	<b>\$ 48,778</b>	<b>\$ 45,406</b>

For the nine month period ended September 30	2014	2013
Salaries and benefits	\$ 61,753	\$ 53,479
Filing fees and investor communications	47,397	23,503
Professional fees	39,725	41,615
Office and other	31,964	28,185
Finance expense	9,679	-
Rent	5,400	5,400
	<b>\$ 195,918</b>	<b>\$152,182</b>

**15. COMMITMENTS**

At September 30, 2014, the Company has committed to incurring qualifying exploration expenditures of \$800,000 before December 31, 2015. At September 30, 2014, the remaining expenditure obligation is \$481,895. This obligation relates to the flow-through share offerings closed during fiscal 2014.

At September 30, 2014, the Company has committed to spending an additional \$214,000 on exploration to complete the year 4 requirements under the option agreement with Commander Resources.

**16. SUBSEQUENT EVENTS**

On October 2, 2014, 4.5 million share purchase warrants of the Company were exercised by the Company's largest shareholder, resulting in gross proceeds received by the Company of \$350,000.