

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
June 30, 2017

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, Stratabound Minerals Corp. discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the six months ending June 30, 2017.

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As At	June 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 13,412	\$ 6,164
Marketable securities (Note 3)	40,000	-
Prepaid expenses	740	1,740
GST receivable	11,474	7,572
	<u>65,626</u>	<u>15,476</u>
NON-CURRENT ASSETS		
Property, plant and equipment	1,615	1,861
Deposit (Note 4)	130,000	130,000
Mineral exploration and evaluation assets (Note 5)	404,167	475,467
	<u>\$ 601,408</u>	<u>\$ 622,804</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 434,889	\$ 375,510
Loans payable (Note 6)	230,078	-
	<u>664,967</u>	<u>375,510</u>
NON-CURRENT LIABILITIES		
Loans payable (Note 6)	-	209,162
Decommissioning liabilities (Note 7)	9,898	76,417
	<u>\$ 674,865</u>	<u>\$ 661,089</u>
SHAREHOLDERS' EQUITY (DEFICIT)		
SHARE CAPITAL (Note 10)	14,473,247	\$ 14,473,247
CONTRIBUTED SURPLUS	477,832	335,810
ACCUMULATED OTHER COMPREHENSIVE INCOME	(40,000)	-
DEFICIT	(14,984,536)	(14,847,342)
	<u>(73,457)</u>	<u>(38,285)</u>
	<u>\$ 601,408</u>	<u>\$ 622,804</u>

Approved on behalf of the Board

Director "Terry Byberg"

Director "Michael Page"

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
EXPENSES				
Interest and accretion expense (Notes 6 and 7)	\$ 10,458	\$ 14,796	\$ 27,088	\$ 14,796
General and administrative	97,310	54,293	109,860	58,551
Share-based payment (Note 8)	-	-	-	320,000
Amortization	123	170	246	170
TOTAL EXPENSES	\$ 107,891	\$ 69,259	\$ 137,194	\$ 393,517
LOSS FOR THE PERIOD	\$ 107,891	\$ 69,259	\$ 137,194	\$ 393,517
OTHER COMPREHENSIVE LOSS				
Unrealized loss on available-for-sale investments (Note 3)	\$ 40,000	-	\$ 40,000	-
COMPREHENSIVE LOSS FOR THE PERIOD	\$ 147,891	\$ 69,259	\$ 177,194	\$ 393,517
BASIC AND DILUTED LOSS PER SHARE	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001
Weighted average number of shares:				
Basic and diluted	145,851,539	292,615,409	145,851,539	210,414,052

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

	Number of issued and outstanding shares	Share Capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Shareholders' Equity
	#	\$	\$	\$	\$	\$
Balance at January 1, 2017	145,851,539	14,473,247	335,810	-	(14,847,342)	(38,285)
Subscription deposit (Note 9, Note 11)	-	-	142,022	-	-	142,022
Comprehensive loss for the period	-	-	-	(40,000)	(137,194)	(177,194)
Balance at June 30, 2017	145,851,539	14,473,247	477,832	(40,000)	(14,984,536)	(73,457)
Balance at January 1, 2016	124,696,211	13,749,143	15,810	-	(13,714,435)	50,518
Shares issued in Silver Stream (Note 8, 10)	32,000,000	-	320,000	-	-	320,000
Share restructuring	156,696,211	-	-	-	-	-
Shares issued for acquisition of assets (Note 10)	118,162,611	623,426	-	-	-	623,426
Common share consolidation (Note 10)	(287,703,494)	678	-	-	-	678
Shares issued in private placement (Note 10)	2,000,000	100,000	-	-	-	100,000
Comprehensive loss for the year	-	-	-	-	(1,132,907)	(1,132,907)
Balance at December 31, 2016	145,851,539	14,473,247	335,810	-	(14,847,342)	(38,285)

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
OPERATING ACTIVITIES				
Net and comprehensive loss	\$ (147,891)	\$ (69,259)	\$ (177,194)	\$ (393,517)
Items not affecting cash:				
Share-based payment (Note 8 and 10)	-	-	-	320,000
Unrealized loss on available-for-sale asset (Note 3)	40,000	-	40,000	-
Amortization	123	170	246	170
Interest and accretion expense (Notes 6 and 7)	10,458	14,796	27,029	14,796
	<u>(97,310)</u>	<u>(54,293)</u>	<u>(109,919)</u>	<u>(58,551)</u>
Change in non-cash working capital items	42,450	50,865	20,121	51,687
Net cash (used in) operations	<u>(54,860)</u>	<u>(3,428)</u>	<u>(89,798)</u>	<u>(6,864)</u>
INVESTING ACTIVITIES				
Expenditures on mineral exploration and evaluation assets (Note 5)	-	(4,736)	(8,700)	(4,736)
Change in cash as a result of Silver Stream Mining Corp. acquisition	-	10,222	-	10,222
Reclamation expenditures (Note 7)	(20,638)	(6,613)	(36,276)	(6,613)
Net cash (used in) investing activities	<u>(20,638)</u>	<u>(1,127)</u>	<u>(44,976)</u>	<u>(1,127)</u>
FINANCING ACTIVITIES				
Subscription deposits (Note 9)	42,022	-	142,022	-
Net cash provided by financing activities	<u>42,022</u>	<u>-</u>	<u>142,022</u>	<u>-</u>
CHANGE IN CASH	\$ (33,476)	\$ (4,555)	\$ 7,248	\$ (7,991)
CASH, beginning of period	46,888	50,392	6,164	53,828
CASH, end of period	<u>\$ 13,412</u>	<u>\$ 45,837</u>	<u>\$ 13,412</u>	<u>\$ 45,837</u>

STRATABOUND MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2017 AND 2016

1. CORPORATE INFORMATION

Stratabound Minerals Corp. (“Stratabound” or the “Company”) is in the business of acquiring and exploring mineral properties in Canada. Stratabound was incorporated under the Canada Business Corporations Act on March 5, 1986, and is listed on the TSX Venture Exchange, having the symbol TSX.V: SB, as a Tier 2 mining issuer and is in the process of exploring its mineral properties in the province of New Brunswick.

Stratabound entered into a Reverse Take-Over (“RTO”) with Silver Stream Mining Corp. (“Silver Stream”) a US corporation situated in Nevada through its wholly owned subsidiary Stratabound Minerals (Nevada) Inc. a US corporation situated in Nevada.

As a result of the Reverse Takeover (“RTO”), Stratabound has a wholly-owned US subsidiary, Silver Stream Mining Corp. (collectively, “the Company”).

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 has a history of losses, with an accumulated deficit of \$14,984,536 and has a working capital deficiency of \$599,341 as at June 30, 2017. 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 that it will be able to do so in the future. These conditions result in material uncertainties that may cast doubt upon the Company’s ability to continue as a going concern.

The address of the Company’s principal office is 100 King Street West, Suite 5700, Toronto, Ontario, Canada, M5X 1C7.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 28, 2017.

2. BASIS OF PREPARATION

These condensed interim consolidated 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 consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

3. MARKETABLE SECURITIES

During February 2017, the Company optioned 80% of its Taylor Brook property to Bandera Gold Ltd., in exchange for 1,000,000 shares of Bandera Gold Ltd. and other consideration. At the time of the transaction these shares were valued at \$0.08/share, for total consideration of \$80,000. At June 30, 2017, the total fair value of these shares is \$40,000. The unrealized loss was not tax-effected at June 30, 2017 as it is not probable that the Company will have sufficient future taxable profit to recover any deferred tax assets.

Balance at January 1, 2016 and 2017	\$	-
Marketable securities received		80,000
Fair value adjustment		(40,000)
Balance at June 30, 2017	\$	40,000

STRATABOUND MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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4. DEPOSIT

The Company has a \$130,000 deposit that is posted with the New Brunswick Department of Energy and Mines for reclamation and environmental security. The Company expects the \$130,000 to be returned in fiscal 2017. Upon return of the deposit, the funds will be paid to Bellport to relieve one of the Bellport notes (Note 6).

5. MINERAL EXPLORATION AND EVALUATION ASSETS

Balance at January 1, 2016	\$ 110,963
Acquisition and renewal costs	3,003
Properties acquired via RTO	487,415
Disposal of properties	(12,138)
E&E assets impaired (Solomon Pillars)	(113,776)
Balance at December 31, 2016	\$ 475,467
Acquisition and renewal costs	8,700
Disposal of properties	(80,000)
Balance at June 30, 2017	\$ 404,167

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 Company, CNE Mining Lease and Taylor Brook claim groups. All are subject to a 1% net smelter return royalty on production, with the exception of the portion of the CNE/Captain Group, formerly known as Captain East, which is royalty free. In February 2017, the Company and Bandera Gold Ltd. (“Bandera”) entered into an option agreement (“the agreement”) whereby Bandera can earn an 80% interest in the Company’s Taylor Brook property. Under the terms of the agreement, Bandera is required to issue 1,000,000 common shares to the Company upon execution of the agreement, an additional 1,000,000 shares to the Company on or before the 12 month anniversary of the agreement and incur cumulative exploration expenditures of \$500,000 over a three year period. As of June 30, 2017, the Company has received the first 1,000,000 of Bandera shares required by the agreement. The consideration received was valued at \$0.08/share, or \$80,000 total (Note 3), and the carrying value of the Company’s Bathurst Group was reduced by the same amount.

The carrying value of the Bathurst Company at June 30, 2017 is \$404,167 (December 31, 2016 - \$475,467).

b) Solomon Pillars, Ontario

On November 5, 2013, the Company entered into an option agreement with Sage Gold Inc. (“Sage”) providing the right to acquire an initial 55% undivided interest and ultimately an 80% undivided interest in the Solomon Pillars Gold Property located in the Townships of Walters and Leduc in Beardmore, Ontario.

The Company paid \$25,000 upon signing the option agreement, issued 807,555 Silver Stream shares to Sage on November 5, 2014 (with a fair value of \$24,227) and incurred exploration expenditures of \$50,000 in the period ending November 5, 2014. However, although the Company was granted an extension of the option, no further option payments of expenditures were made. Following the RTO, the Company elected in 2016 to drop the property and allow the option to expire.

An impairment of \$113,776 was recorded during 2016, and the carrying value at June 30, 2017 is \$nil (December 31, 2016 - \$nil).

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6. LOANS PAYABLE

On August 25, 2015 the Company (prior to the RTO with Silver Stream) borrowed \$250,000 from its largest shareholder, Bellport Resources Ltd., under two notes, to fund water sampling/monitoring and reclamation obligations at the CNE mine site, to pay fines related to the Fisheries Act charges brought against the Company in relation to the CNE mine operations, and to provide for ongoing administration of the Company. The notes do not bear interest and mature December 31, 2017 if not repaid sooner. A note for \$130,000 is secured by the CNE leases as well as the environmental bond that has been posted with the Province of New Brunswick. A note for \$120,000 may, at the Company's election, be converted into shares at a conversion price of \$0.06 per share if the Company completes the business combination with Silver Stream and a share consolidation on the basis of 6 old shares for each new share. At June 30, 2017, the Company has not made such an election.

As these notes were issued bearing no interest they have been discounted using an anticipated market rate of interest of 20%. The loans were recorded as follows:

Balance January 1, 2016	\$ -
Loans acquired from RTO	183,017
Accretion expense	<u>26,145</u>
Balance at December 31, 2016	\$ 209,162
Accretion expense	<u>20,916</u>
Balance at June 30, 2017	<u>\$ 230,078</u>

7. DECOMMISSIONING LIABILITIES

During 2013 (prior to the RTO), the Company completed all initial reclamation work on the CNE open pit mine. The decommissioning liability estimate has been revised during the year as necessary to account for additional reclamation costs above the initial liability estimate.

The decommissioning liability has been calculated based on estimated future remediation costs, using 2% inflation and a three year life. This is discounted to June 30, 2017 using a 1.12% risk free discount rate.

The Company's expected decommissioning liabilities are as follows:

Balance January 1, 2016	\$ -
Decommissioning liabilities acquired from RTO	135,516
Payment of obligations	(67,189)
Accretion expense	<u>8,090</u>
Balance at December 31, 2016	\$ 76,417
Payment of obligations	(72,632)
Accretion expense	<u>6,113</u>
Balance at June 30, 2017	<u>\$ 9,898</u>

8. RELATED PARTY TRANSACTIONS

As part of the RTO transaction, the Company issued 10,200,000 common shares to Bellport Resources Ltd. (“Bellport”) completing a share for debt transaction at \$0.02 per share to the extinguishment of \$204,000 owed by the Company to Bellport. Following the 1:3 consolidation in October 2016 the Bellport shares were converted to 3,400,000. In addition, during October 2016, the Company issued an additional 2,000,000 units to Bellport. There were no related party transactions with Bellport during the period ended June 30, 2017.

Compensation awarded to key management included non-cash stock-based compensation of \$Nil (2016 - \$320,000). Key management includes the Company’s officers and directors. There were no salaries or consulting fees paid to key management during the period ended June 30, 2017 (December 31, 2016 - \$nil). Included in accounts payable accrued liabilities at June 30, 2017 is \$66,700 (December 31, 2016 - \$18,400) owing to officers and directors of the Company for expenses paid on behalf of the Company.

9. SUBSCRIPTION DEPOSIT

During the period, the Company received \$142,022 from investors with respect to a private placement unit issuance. Each unit is priced at \$0.05 and consists of 1 common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. The private placement has not closed at June 30, 2017, and as a result, the consideration received has been recorded as an increase to the Company’s contributed surplus. When the private placement closes and shares are issued, this balance will be re-allocated between share capital and contributed surplus, as necessary.

10. SHARE CAPITAL

a) Authorized

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

b) Issuance of securities

- i) On March 21, 2016, Silver Stream Mining Corp. (“Silver Stream”) issued 32,000,000 shares to directors under a consulting agreement at a price of \$0.010 per share. Fair value of these shares was based on most recent trades.
- ii) On May 17, 2016, Stratabound Minerals Corp. (“Stratabound”) issued 313,392,422 common shares to acquire a 100% interest in Silver Stream. At that date the existing shareholders held 118,162,611 common shares in the combined entity. This transaction was measured at its transaction value of \$623,426, which corresponded to the proportionate market value for the shares held by the existing shareholders of Stratabound on the TSX Venture exchange.
- iii) During October 2016, the Company consolidated its share capital on a 1:3 basis, with 1 new share issued for 3 existing shares, reducing the number of outstanding common shares by 287,703,494.
- iv) During October 2016, subsequent to the share consolidation, the Company issued 2,000,000 units valued at \$0.05 per unit in a private placement. Each unit consisted of one common share and ½ common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. These units were issued to a related Company, see Note 8.

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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 \$15,810, using the following assumptions: weighted average life of 5 years; risk-free rate of 0.98%; expected volatility of 269%; and, a dividend yield of 0%. All options granted vest immediately, and therefore a forfeiture rate of 0% was used.

As a result of the RTO the Company assumed 3,505,000 options issued to the pre-RTO shareholders of Stratabound. The options were reduced as a result of the 1:3 share consolidation.

The following table summarizes the stock option transactions:

	Number	Weighted average exercise price
Outstanding at January 1, 2016	9,300,000	\$ 0.016
Expired or cancelled during the year	(305,000)	0.100
Options issued as a result of RTO	9,300,000	0.0161
Options assumed from former Stratabound shareholders RTO	3,505,000	0.100
Consolidation of options	(14,533,334)	-
Outstanding at December 31, 2016	7,266,666	\$ 0.085
Expired or cancelled during the period	(575,000)	0.30
Outstanding at June 30, 2017	6,691,666	\$ 0.067

The weighted average exercise prices were modified to reflect the revised exercise prices after the share consolidation.

The following table summarizes the options outstanding and exercisable as at March 31, 2017:

Options outstanding	Exercise price	Expiry date
491,666	0.30	April 8, 2018
6,200,000	0.0483	April 30, 2020
6,691,666	\$ 0.067	

STRATABOUND MINERALS CORP.
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d) Warrants

The following table summarizes the warrant transactions:

	Number	Weighted Average Exercise price
Outstanding at January 1, 2016	12,660,925	\$ 0.354
Warrants as a result of RTO	8,250,300	0.0932
Warrants assumed from former Stratabound shareholders on RTO	10,950,000	0.0932
Private placement	1,000,000	0.075
Expired during the year	(11,635,625)	0.30
Consolidation of Warrants	(13,392,267)	-
Outstanding at December 31, 2016	7,833,333	\$ 0.152
Expired during the period	(719,800)	0.0966
Outstanding at June 30, 2017	7,113,533	\$ 0.155

As a result of the RTO the Company assumed 10,950,000 warrants issued to the pre-RTO shareholders of Stratabound. The warrants were reduced as a result of the 1:3 share consolidation in October 2016.

The following table summarizes the warrants outstanding and exercisable as at June 30, 2017:

Warrants outstanding	Exercise price	Expiry date
4,963,533	\$ 0.0966	July 2, 2018
833,333	0.60	October 9, 2018
1,000,000	0.075	October 14, 2018
316,667	0.15	February 5, 2019
7,113,533	\$ 0.155	

e) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include contributed surplus, and accumulated 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 deficit is used to record the Company's change in deficit from earnings from year to year.

11. SUBSEQUENT EVENTS

On July 7, 2017, the Company closed the private placement unit offering with a total subscription of \$157,022. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share with an exercise price of \$0.075 for 24 months from the date of issue. The Company issued 3,140,440 common shares and 1,570,220 warrants in connection with this private placement.