STRATABOUND MINERALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the nine months ended September 30, 2019 and 2018

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 nine months ending September 30, 2019 and 2018.

STRATABOUND MINERALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As At	September 30, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS		
Cash	**$ 193,000**	$ 377,657
Marketable securities (Note 3)	**108,000**	60,000
Prepaid expenses	**79,263**	9,650
GST receivable	**35,026**	47,745
	415,289	495,052
NON-CURRENT ASSETS		
Property, plant and equipment	**1,075**	1,387
Deposit (Note 4)	**15,000**	130,000
Mineral exploration and evaluation assets (Note 5)	**2,643,602**	2,444,800
	$ 3,074,966	$ 3,071,239
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	**$ 178,575**	$ 160,985
Loans payable (Note 6)	**15,000**	128,030
Flow-through share – other liability (Note 8)	**12,111**	277,272
	$ 205,686	$ 566,287
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 8)	**17,336,373**	17,153,280
CONTRIBUTED SURPLUS (Note 8)	**1,218,292**	1,059,261
DEFICIT	**(15,685,385)**	(15,707,589)
	2,869,280	2,504,952
	$ 3,074,966	$ 3,071,239

Subsequent Events (Note 12)

Approved on behalf of the Board

Director *"R. Kim Tyler"*

Director *"Michael Page"*

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

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

	Three months ended		Nine months ended	
	September 30, 2019	September 30, 2018	**September 30, 2019**	September 30, 2018
EXPENSES				
Interest and accretion expense (Notes 6 and 7)	**$ -**	$ 5,681	**$ 1,970**	$ 17,045
General and administrative (Note 8)	**32,718**	83,556	**139,856**	175,795
Stock-based compensation (Note 8)	**112,930**	-	**112,930**	52,741
Amortization	**104**	148	**312**	444
Recovery from renegotiation of accounts payable	**-**	(47,428)	**-**	(47,428)
TOTAL EXPENSES	**$ 145,752**	$ 41,957	**$ 255,068**	$ 198,597
LOSS FROM OPERATIONS	**$ 145,752**	$ 41,957	**$ 255,068**	$ 198,597
OTHER COMPREHENSIVE INCOME OR LOSS				
Flow-through share - income (Note 8)	**$ -**	-	**$ 277,272**	-
Unrealized gain (loss) on available-for-sale investments (Note 3)	**20,000**	$ (10,000)	**-**	$ (10,000)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$ (125,752)**	$ (51,957)	**$ 22,204**	$ (208,597)
BASIC AND DILUTED INCOME (LOSS) PER SHARE	**$ (0.002)**	$ (0.001)	**$ 0.001**	$ (0.001)
Weighted average number of shares:				
Basic and diluted	**37,342,374**	200,359,778	**35,813,960**	183,541,499

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

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

	Number of issued and outstanding shares	Share Capital	Contributed surplus	Deficit	Shareholders' Equity
	#	$	$	$	$
Balance at January 1, 2019	**210,223,178**	**17,153,280**	**1,059,261**	**(15,707,589)**	**2,504,952**
Shares issued in private placements (Note 8)	2,988,611	194,260	44,829	-	239,089
Stock-based compensation expense (Note 8)		-	112,930	-	112,930
Share issue costs		(11,167)	1,272	-	(9,895)
Comprehensive loss for the period	-	-	-	22,204	22,204
Common share consolidation (Note 8)	(175,186,091)	-	-	-	-
Balance at September 30, 2019	**38,025,698**	**17,336,373**	**1,218,292**	**(15,685,385)**	**2,869,280**
Balance at January 1, 2018	**165,491,979**	**15,329,835**	**941,308**	**(15,391,421)**	**879,722**
Shares issued in private placements (Note 8)	32,854,961	1,396,982	205,131	-	1,602,113
Shares Issued upon Exercise of Options (Note 8)	1,733,332	83,720	-	-	83,720
Stock-based compensation expense (Note 8)		-	52,741	-	52,741
Shares Issued in respect of Golden Culvert Option (Notes 5 and 8)	1,355,934	80,000	-	-	80,000
Shares Issued for conversion of note (Notes 6 and 8)	2,400,000	120,000	(2,728)	-	117,272
Shares Issued for extinguishment of debt (Note 8)	1,386,972	76,283	-	-	76,283
Share issue costs	-	(195,731)	-	-	(195,731)
Loss for the period	-	-	-	(208,597)	(208,597)
Balance at September 30, 2018	**205,223,178**	**16,891,089**	**1,196,452**	**(15,600,018)**	**2,487,523**

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

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Nine months ended	
	September 30, 2019	September 30, 2018	**September, 2019**	September 30, 2018
OPERATING ACTIVITIES				
Net and comprehensive income (loss)	**$ (125,752)**	(51,957)	**$ 22,204**	$ (208,597)
Items not affecting cash:				
Stock-based compensation	**112,930**	-	**112,930**	52,741
Flow-through share – income	**-**	-	**(277,272)**	-
Unrealized (gain) loss on available-for-sale asset (Note 3)	**(20,000)**	10,000	**-**	10,000
Amortization	**104**	148	**312**	444
Interest and accretion expense (Notes 6 and 7)	**-**	5,681	**1,970**	17,045
	(32,718)	(36,128)	**(139,856)**	(128,367)
Change in non-cash working capital items	**(86,857)**	(176,082)	**(63,563)**	(284,963)
Net cash (used in) operations	**(119,575)**	(212,210)	**(203,419)**	(413,330)
INVESTING ACTIVITIES				
Acquisition of option on Golden Culvert property (Note 5)	**-**	(80,000)	**-**	(180,000)
Expenditures on mineral exploration and evaluation assets (Note 5)	**(201,575)**	(518,850)	**(222,802)**	(609,612)
Net cash (used in) investing activities	**(201,575)**	(598,850)	**(222,802)**	(789,612)
FINANCING ACTIVITIES				
Proceeds from private placements and option exercises (Note 8)	**251,200**	-	**251,200**	1,786,951
Share issue costs (Note 8)	**(9,636)**	-	**(9,636)**	(117,717)
Net cash provided by financing activities	**241,564**	-	**241,564**	1,669,234
CHANGE IN CASH	**$ (79,586)**	$ (811,060)	**$ (184,657)**	$ 466,292
CASH, beginning of period	**272,586**	1,323,716	**377,657**	46,364
CASH, end of period	**$ 193,000**	$ 512,656	**$ 193,000**	$ 512,656

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

1. CORPORATE INFORMATION

Stratabound Minerals Corp. ("Stratabound") is in the business of acquiring and exploring mineral properties in Canada. Stratabound was incorporated under the Business Corporations Act (Alberta) 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 optioned Golden Culvert property in the Yukon Territory, and also holds mineral properties in the province of New Brunswick.

Stratabound has a wholly-owned US subsidiary, Silver Stream Mining Corp., (collectively with Stratabound, "the Company").

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

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 26, 2019.

2. BASIS OF PREPARATION

a) Statement of compliance

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") and interpretation made by the International Financial Reporting Standards Interpretation Committee ("IFRIC") as 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, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

b) Basis of measurement and going concern

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 repay its loans, to meet its obligations arising from exploration and development activity and to provide working capital for normal operations is dependent upon the existence of economically recoverable reserves; the ability of the Company to continue to secure financial support from the public market; the ability to complete future equity financing; as well as the ability to generate future profitable production or proceeds from the disposition of its properties. The Company has a history of losses, with an accumulated deficit of $15,685,385 at September 30, 2019. The Company is dependent on its ability to raise additional funds through equity financing in order to meet the Company's current liabilities and continue exploring its mineral resources. As there is no assurance the Company will be successful in these efforts, these conditions result in material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

3. MARKETABLE SECURITIES AND TAYLOR BROOK OPTION

In February 2017, the Company granted Bandera Gold Ltd. (now Jaeger Resources Corp.) ("Jaeger") an option to acquire an 80% interest in the Taylor Brook property (see Note 5) in exchange for 1,000,000 shares of Jaeger at closing and other consideration. The agreement required $500,000 cumulative expenditures by October 27, 2019 in order to continue and exercise the option. Jaeger issued an additional 1,000,000 shares to the Company in February 2018 pursuant to the terms of the agreement. In addition to the share issuances, Jaeger assumed the annual renewal fees and work requirements of the Province of New Brunswick. As at December 31, 2018, Jaeger was $33,292 underspent on the work requirements on the property, and the Company filed for and received from the Province of New Brunswick an extension on these requirements. During the second quarter of 2019 the Company and Jaeger agreed upon an amendment to the agreement, whereby the Company allowed Jaeger an extension of the time to complete the required $500,000 cumulative expenditures until February 2023, in exchange for an additional 1,600,000 shares issued by Jaeger.

3. MARKETABLE SECURITIES AND TAYLOR BROOK OPTION (Continued)

Upon acquisition by Jaeger of its 80% interest in the property when all requirements are met, the Company could elect within 90 days to continue in a joint venture with Jaeger, buy back 40% ownership from Jaeger for an amount of 150% of the exploration expenditures and renewal payments incurred by Jaeger, or transfer the remaining interest in exchange for a 3% net smelter return royalty.

Balance at January 1, 2018	$ 35,000
Marketable securities received	**35,000**
Impairment based on decline in fair value	**(10,000)**
Balance at December 31, 2018	**$ 60,000**
Marketable securities received	**48,000**
Impairment based on decline in fair value	**-**
Balance at September 30, 2019	**$ 108,000**

4. DEPOSITS

The Company had posted $130,000 in deposits with the New Brunswick Department of Environment and Local Government for reclamation and environmental security in relation to the CNE operation undertaken in 2013. Upon return of the deposit, the funds are paid directly to Bellport to relieve the remaining Bellport note (Note 6). All required reclamation work has been completed, and in the first quarter of 2019, $115,000 was paid to Bellport leaving a balance of $15,000.

5. MINERAL EXPLORATION AND EVALUATION ASSETS

Balance at January 1, 2018	**$ 1,364,024**
Acquisition, renewal, and exploration costs	**730,776**
Option payments	**180,000**
Shares issued for exploration costs	**205,000**
Disposal of properties (Note 3)	**(35,000)**
Balance at December 31, 2018	**$ 2,444,800**
Acquisition, renewal, and exploration costs	**246,802**
Disposal of properties (Note 3)	**(48,000)**
Balance at September 30, 2019	**2,643,602**

a) Golden Culvert, Yukon Territory

On December 15, 2017 the Company completed the purchase from South Shore Partnership Inc. (South Shore) of an option to acquire the Golden Culvert and Little Hyland properties comprising 431 mineral claims in the Little Hyland Valley District of the Southeastern Yukon Territory, approximately 205 kilometres north of the town of Watson Lake. At closing the Company paid South Shore $100,000 cash and issued South Shore’s nominees 12,000,000 common shares and 6,000,000 common share purchase warrants, each warrant exercisable at $0.075 and expiring

5. MINERAL EXPLORATION AND EVALUATION ASSETS (Continued)

December 15, 2019. An additional $100,000 cash payment due April 15, 2018 was made in March 2018, and a required additional share issuance of 5,000,000 shares was made at December 15, 2018 and recorded at the market price for $125,000. A further share issuance of 833,333 post-consolidation shares at December 15, 2019 is required.

The Golden Culvert option consists of two individual option agreements, one for the Golden Culvert claims, with a sub-option on the Rubus claims; and one for the Little Hyland claims. Stratabound and the Optionors have agreed upon an amended payment schedule, and maintenance and exercise of the options will require the following payments to the Optionors:

Payment Date	Golden Culvert	Rubus	Little Hyland	Total
September 27, 2018	$100,000 (paid)	-	$60,000 (paid)	$160,000 (paid)
December 12, 2019	$60,000	-	$45,000	$105,000
December 12, 2020	$100,000	$75,000	$130,000	$305,000
December 12, 2021	$200,000	$45,000	$150,000	$395,000
December 12, 2022	$350,000	-	$200,000	$550,000
Total	$810,000	$120,000	$585,000	$1,515,000

Upon completion of the December 2021 payments, Stratabound will have earned a 40% interest in the Golden Culvert and Little Hyland claims and a 100% interest in the Rubus claims. Except for the 2019 Little Hyland payment, the above payments may be made in cash or at Stratabound's election, up to 50% in Stratabound common shares based on the 30-day weighted average price of Stratabound shares at the date of issuance.

Exercise of the options will also require fulfillment of work requirements of $350,000 exploration expenditures at each of the Golden Culvert and Little Hyland properties during the period ending September 27, 2022. The Golden Culvert work commitment was fulfilled during 2018 and at September 30, 2019 the Little Hyland work commitment has not yet been fulfilled. The claims are subject to net smelter return (NSR) royalties aggregating to 2.5% to South Shore and the Optionors.

The carrying value of the Golden Culvert property at September 30, 2019 is $2,302,936 (2018 - $2,062,594).

b) 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 (see Note 3) claim groups. All are subject to 1% net smelter return on production, with the exception of the portion of the CNE/Captain Group, which is royalty free. The carrying value of the Bathurst properties at September 30, 2019 is $340,666 (2018 - $382,206).

6. LOANS PAYABLE AND TRANSACTIONS WITH LARGEST SHAREHOLDER

On August 25, 2015 the Company borrowed $250,000 from its largest shareholder, Bellport Resources Ltd., under two non-interest bearing 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. A note for $130,000 is secured by the CNE leases as well as the environmental deposit that has been posted with the Province of New Brunswick. A note for $120,000 was, at the Company's election, convertible into common shares of the Company. During September 2017 the Company and Bellport agreed to extend the maturity of the notes from December 31, 2017 to December 31, 2018 in exchange for a reduction in the conversion price of the $120,000 note from $0.06 to $0.05 per share. During September 2018, the Company elected to convert the $120,000 note and issued 2,400,000 common shares to Bellport in exchange for extinguishment of the note. At the same time, the Company and Bellport agreed to extend the maturity of the $130,000 note to June 30, 2019. As a result, the Company realized a debt restructuring charge in interest and accretion expense of $4,172. During the first quarter of 2019, $115,000 of this note was repaid. Bellport has agreed to extend the term of the remaining $15,000 until the deposit is returned and the loan is repaid.

6. LOANS PAYABLE AND TRANSACTIONS WITH LARGEST SHAREHOLDER (Continued)

As these notes were issued bearing no interest they have been discounted using an anticipated market rate of interest of 10%. The loans were recorded as follows:

Balance at December 31, 2017	$	**227,273**
Accretion expense		**18,030**
Conversion of $120,000 note		**(117,273)**
Balance at December 31, 2018	$	**128,030**
Accretion expense		**1,970**
Repayment of $115,000 against $130,000 note		**(115,000)**
Balance at September 30, 2019	$	**15,000**

Additional equity transactions with Bellport Resources Ltd:

Bellport subscribed for $20,000 for 363,636 units in a private placement during March 2018. (See Note 8).

7. ACCOUNTS PAYABLE, ACCRUED LIABILITIES AND RELATED PARTY TRANSACTIONS

Compensation awarded to key management included non-cash stock-based compensation of $98,200 (2018 - $52,741) along with consulting fees of $72,000 (2018 - $54,000). Key management includes the Company's officers and directors. Also included in accounts payable and accrued liabilities at September 30, 2019 is $72,119 (December 31, 2018 - $7,673) owing to officers and directors of the Company primarily for expenses incurred on behalf of the Company.

Payables that are incurred in the current normal course of business are kept current through the use of funds raised in private placements.

8. SHARE CAPITAL

a) Authorized

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

b) Issuance of securities

i) During March 2018, the Company issued 3,830,036 units valued at $0.055 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 $0.08 for 24 months from the date of issue. Of these units, 363,636 were issued to Bellport Resources Ltd. The Company issued 86,100 finder's warrants exercisable at $0.055 for 18 months from the date of issue in connection with the private placement for $477. The fair value of each finders warrant granted estimated using the Black-Scholes pricing model for the issuance of warrants was $0.0055, using the following assumptions: weighted average life of 1.5 years; risk-free rate of 2.19%; expected volatility of 251%; and, a dividend yield of 0%. All warrants granted vest immediately, and therefore a forfeiture rate of 0% was used.

ii) During April 2018, the Company issued 1,793,954 units valued at $0.055 per unit in a private placement, completing the private placement that was begun in March 2018. Each unit consisted of one common share and ½ common share purchase warrant. Each warrant is exercisable for one common share at $0.08 for 24 months from the date of issue. Of these units, 1,393,636 were issued to officers and directors and 1,612,136 were issued to settle accounts payable.

iii) During May 2018, the Company issued 6,546,908 units valued at $0.055 per unit and 11,681,800 flow-through shares valued at $0.055 per share and per unit in a private placement. Each unit consisted of one common share and ½ common share purchase

8. SHARE CAPITAL (Continued)

warrant. Each warrant is exercisable for one common share at $0.08 for 24 months from the date of issue. The Company issued 1,276,009 finder's warrants exercisable at $0.055 for 18 months from the date of issue in connection with the private placement for $44,371. The fair value of each finder's warrant granted estimated using the Black-Scholes pricing model for the issuance of warrants was $0.0348, using the following assumptions: weighted average life of 1.5 years; risk-free rate of 2.32%; expected volatility of 258%; and a dividend yield of 0%. All warrants granted vest immediately, and therefore a forfeiture rate of 0% was used. The flow through share issuance included a premium of $233,636, recorded as a liability of the Company.

iv) During June 2018, the Company issued 275,000 units valued at $0.055 per unit and 8,727,272 flow-through shares valued at $0.055 per share and 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 $0.08 for 24 months from the date of issue. The units were issued to an officer and director and 275,000 were issued to settle accounts payable. The Company issued 654,544 finder's warrants exercisable at $0.055 for 18 months from the date of issue in connection with the private placement for $27,512. The fair value of each finder's warrant granted estimated using the Black-Scholes pricing model for the issuance of warrants was $0.0348, using the following assumptions: weighted average life of 1.5 years; risk-free rate of 2.32%; expected volatility of 258%; and, a dividend yield of 0%. All warrants granted vest immediately, and therefore a forfeiture rate of 0% was used. The flow through share issuance included a premium of $43,636, recorded as a liability of the Company.

v) During September 2018, the Company issued 1,355,934 common shares to the optionors of the Golden Culvert and Little Hyland options (see note 5) as part of the consideration for the continuation of the options to September 27, 2019.

vi) During September 2018, the Company issued 1,386,972 common shares to certain creditors of the Company in exchange for the extinguishment of $76,283 of accounts payable liabilities.

vii) During September 2018, the Company issued 2,400,000 common shares to Bellport Resources Ltd. to extinguish the $120,000 note owed to Bellport (see note 6).

viii) During December 2018, the Company issued 5,000,000 common shares to nominees of South Shore Partnership Inc. (see note 5).

ix) During June 2019, the Company completed a common share consolidation on the basis of six old shares per one new share. Subsequent to the consolidation, the Company has a total of 35,037,087 outstanding common shares.

x) During July 2019, the Company issued 1,777,500 units at a price of $0.08 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one share of the Company for a period of 24 months from the closing at an exercise price of $0.10 per share. Additionally, the Company issued 1,211,111 flow-through units at a price of $0.09 per flow-through unit. Each flow-through unit consisted of one common share issued on a flow-through basis and one common share purchase warrant. Each warrant entitles the holder to purchase one share of the Company for a period of 12 months from the closing at an exercise price of $0.12 per share. The Company issued 84,777 finder's warrants exercisable at $0.09 for 18 months from the date of issue in connection with the private placement for $1,272. The flow through share issuance included a premium of $12,111, recorded as a liability of the Company.

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, for the most recent option grant, estimated using the Black-Scholes option pricing model for the issuance of options was $0.0491, using the following assumptions: weighted average life of 5 years; risk-free rate of 2.20%; expected volatility of 349%; and, a dividend yield of 0%. All options granted vest immediately, and therefore a forfeiture rate of 0% was used. The Company granted 2,300,000 options during July 2019, including 2,000,000 options to officers and directors.

8. SHARE CAPITAL (Continued)

The following table summarizes the stock option transactions:

	Number	Weighted average exercise price
Outstanding at December 31, 2017	**9,691,666**	**$ 0.062**
Exercised	**(1,733,332)**	**0.0483**
Expired or cancelled during the year	**(2,291,670)**	**0.1023**
Granted	**1,066,666**	**0.055**
Outstanding at December 31, 2018	**6,733,330**	**$ 0.0501**
Consolidation of Options	**(5,611,109)**	
Granted	**2,300,000**	**0.10**
Outstanding at September 30, 2019	**3,422,221**	**$ 0.166**

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 September 30, 2019:

Options outstanding	Exercise price	Expiry date
555,555	$ 0.298	April 30, 2020
33,333	0.330	April 30, 2021
500,000	0.300	October 13, 2022
33,333	0.330	June 18, 2023
2,300,000	0.100	July 16, 2024
3,422,221	$ 0.166	

d) Warrants

The following table summarizes the warrant transactions:

	Number	Weighted Average Exercise price
Outstanding at December 31, 2017	**16,933,752**	**0.109**
Private placement	**8,239,601**	**0.074**
Expired during the year	**(6,796,867)**	**0.155**
Outstanding at December 31, 2018	**18,376,486**	**0.076**
Expired during the year (pre consolidation)	**(316,666)**	**0.15**
Consolidation of Warrants	**(15,049,858)**	
Private placement	**3,073,388**	**0.104**
Expired during the year (post consolidation)	**(276,052)**	**.443**
Outstanding at September 30, 2019	**5,807,298**	**$ 0.379**

8. SHARE CAPITAL (Continued)

The following table summarizes the warrants outstanding and exercisable at September 30, 2019:

Warrants outstanding	Exercise price	Expiry date
125,000	0.450	October 20, 2019
212,668	0.330	November 7, 2019
250,000	0.450	November 27, 2019
1,000,000	0.450	December 15, 2019
109,090	0.330	December 28, 2019
319,166	0.480	March 26, 2020
149,496	0.480	April 12, 2020
545,574	0.480	May 7, 2020
22,916	0.480	June 28, 2020
1,211,111	0.110	July 22,2020
84,777	0.090	January 22, 2021
1,762,500	0.100	July 22, 2021
15,000	0.100	July 29, 2021
5,807,298	**$ 0.379**	

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.

9. COMMITMENTS AND CONTINGENCIES

The Company is committed to make the payments as described in Note 6 in order to exercise the options on the Golden Culvert, Rubus and Little Hyland properties.

As a result of the flow-through private placements closed on May 7, 2018 and June 28, 2018, the Company is committed to incur qualifying exploration expenditures of $1,122,499 before December 31, 2019. At September 30, 2019, the remaining expenditure obligation is $142,059.

As a result of the flow-through private placement closed on July 22, 2019, the Company is committed to incur qualifying exploration expenditures of $109,000 before December 31, 2020. At September 30, 2019, the remaining expenditure obligation is $109,000.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's Finance function. The Board of Directors receive reports from the Company's financial controller through which it reviews the effectiveness of the processes and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk:

i) Foreign currency risk;
ii) Interest rate risk;
iii) Commodity price risk; and,
iv) Equity price risk.

The Company is exposed to foreign currency risk in that some of its accounts payables are denominated in a foreign currency. Management believes that the Company is not exposed to significant foreign currency risk. In addition, the Company is exposed to equity price risk as a result of its marketable securities (Note 3). Management monitors the equity price of the investment to manage its exposure to the equity price risk.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk include cash and other receivables. Cash is maintained with financial institutions and may be redeemed upon demand; and other receivables are amounts due from the government. Both the financial and government institutions are considered reputable and creditworthy.

The carrying amount of cash represents the maximum credit exposure. The Company has gross credit exposure at September 30, 2019 and December 31, 2018 of $272,586 and $377,657, respectively. Management considers that all financial assets held are of good credit quality, and therefore credit risk is not considered significant.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing accounts payable and accrued liabilities in conjunction with its daily cash position.

Determination of fair value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, accounts payable and accrued liabilities and short-term loan payable approximate fair value due to their short-term nature. Marketable securities are measured at fair value as the balance is derived from quoted prices in an active market. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair value hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of the marketable securities is based on quoted prices and is therefore considered to be Level 1.

11. CAPITAL MANAGEMENT

The Company considers its capital to comprise share capital, contributed surplus, and accumulated other comprehensive income and deficit. The Company's objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investors' confidence required to sustain future development of the business.

The Company is not exposed to any externally imposed capital requirements.

12. SUBSEQUENT EVENTS

Subsequent to September 30, 2019 the Company received notice that the New Brunswick Department of Environment and Local Government had accepted the Company's application for release of the remaining $15,000 that had been deposited for reclamation and environmental security in relation to the CNE operation. The refunded deposit has been paid to Bellport Resources Ltd. to extinguish the remaining balance on the Bellport note (see Notes 3 and 6).

In November 2019, the Company acquired an option on the McIntyre Brook and McIntyre Brook North mining claims 80 kilometres west of Bathurst, New Brunswick. The claims comprise 330 hectares with significant gold and copper values as derived from samplings from trenching on the properties. The Company has issued 300,000 common shares to the Optionor, and agreed to complete a $50,000 exploration work program by the first anniversary. Payments on the first, second, third and fourth anniversaries of signing of $15,000, $15,000, $30,000 and $40,000 respectively, are required to maintain the option, and upon completion of the fourth anniversary payment Stratabound will have earned 100% ownership in the claims. Stratabound may make these payments in cash or at its option up to 50% in shares. A 2% net smelter return royalty is being retained by the Optionor. Stratabound also holds a right of first refusal on two additional claim blocks of the Optionor.

In November 2019, the Company completed an amendment to restructure the payment schedule for the Golden Culvert and Little Hyland options (Note 5). The principal changes were to defer payments from 2019 to later years, provide for Stratabound to receive a 40% interest in the property after the 2021 payments, and to adjust the annual payment date to December 12 of each year. The schedule of payments shown in Note 5 depicts the amended agreement with the Optionors.