

**STRATABOUND MINERALS CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**  
**March 31, 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 condensed interim financial statements for the three months ended March 31, 2014.

**STRATABOUND MINERALS CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

As at	March 31, 2014	Dec 31, 2013
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 3)	\$ 85,460	\$ 38,851
Investments	5,520	8,895
Trade and other receivables	25,000	-
Prepaid expenses	2,817	9,793
Deposit (Note 4)	130,000	130,000
	248,797	187,539
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment (Note 5)	4,464	4,791
Mineral exploration and evaluation assets (Note 6)	6,009,213	5,980,164
	\$ 6,262,474	\$ 6,172,494
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 440,845	\$ 551,319
Short-term loan payable (Note 8)	130,000	130,000
Flow-through share premium (Note 9)	-	53,266
	570,845	734,585
<b>NON-CURRENT LIABILITIES</b>		
Decommissioning liabilities (Note 10)	60,222	62,102
Deferred taxes payable	446,102	446,761
	1,077,169	1,243,448
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 12)	16,198,233	16,052,458
Contributed surplus	1,875,577	1,753,129
Accumulated other comprehensive income	(2,859)	(143)
Deficit	(12,885,646)	(12,876,398)
	5,185,305	4,929,046
	\$ 6,262,474	\$ 6,172,494

Approved on behalf of the Board

Director "Stan Stricker"

Director "Michael L. Page"

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

**STRATABOUND MINERALS CORP.**  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

For the three month period ended March 31	<b>2014</b>	2013
<b>REVENUE</b>		
Mining operations	\$ -	\$ 5,100,000
	-	5,100,000
<b>COST OF SALES</b> (Note 13)	-	3,635,163
<b>EARNINGS FROM MINE OPERATIONS</b>	-	1,464,837
<b>OTHER INCOME AND EXPENSES</b>		
Other income (Note 9)	53,266	192,975
Interest income	125	5,205
General and administrative (Note 14)	(62,312)	(141,426)
Amortization (Note 5)	(327)	(198)
	(9,248)	56,556
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	(9,248)	1,521,393
<b>DEFERRED INCOME TAX RECOVERY</b>	-	110,196
<b>INCOME (LOSS) FOR THE PERIOD</b>	(9,248)	1,631,589
<b>OTHER COMPREHENSIVE LOSS</b>		
Unrealized loss on available-for-sale investments, net of tax	(2,716)	(2,998)
<b>COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	\$ (11,964)	\$ 1,628,591
<b>BASIC AND DILUTED</b>		
<b>INCOME (LOSS) PER SHARE</b>	\$ (0.0002)	\$ 0.022
<b>Weighted average number of shares:</b>		
Basic and diluted	81,738,167	75,887,611

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

**STRATABOUND MINERALS CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
For the Three Month Period Ended March 31, 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)	4,000,000	120,000	80,000	-	-	200,000
Common shares and warrants issued for payment of net smelter royalty (Note 12)	950,000	28,500	42,448	-	-	70,948
Share issuance costs	-	(2,725)	-	-	-	(2,725)
Comprehensive loss for the period	-	-	-	(2,716)	(9,248)	(11,964)
<b>Balance at March 31, 2014</b>	<b>83,362,611</b>	<b>16,198,233</b>	<b>1,875,577</b>	<b>(2,859)</b>	<b>(12,885,646)</b>	<b>5,185,305</b>
	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
Comprehensive income (loss) for the period	-	-	-	(2,998)	1,631,589	1,628,591
<b>Balance at March 31, 2013</b>	<b>75,887,611</b>	<b>15,951,208</b>	<b>1,517,919</b>	<b>752</b>	<b>(9,560,989)</b>	<b>7,908,890</b>

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

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

For the three month period ended March 31	<b>2014</b>	2013
<b>OPERATING ACTIVITIES</b>		
Comprehensive income (loss)	\$ (11,964)	\$ 1,628,591
Items not affecting cash:		
Amortization and depletion	327	1,004,531
Accretion of decommissioning liability (Note 10)	1,261	72,914
Deferred income taxes	-	(110,196)
Payment of net smelter royalty with share issuance	70,948	-
Other income (Note 9)	(53,266)	(192,975)
Unrealized loss on available-for-sale investments	2,716	2,998
	<b>10,022</b>	2,405,863
Change in non-cash working capital items (Note 3)	(103,498)	(2,492,570)
<b>Net cash used in operating activities</b>	<b>(93,476)</b>	(86,707)
<b>INVESTING ACTIVITIES</b>		
Exploration and development expenditures	(54,051)	(912,740)
Reclamation deposit	-	(850,000)
Reclamation expenditures	(3,142)	-
<b>Net cash used in investing activities</b>	<b>(57,193)</b>	(1,762,740)
<b>FINANCING ACTIVITIES</b>		
Proceeds from share issuance, net of transaction cost	197,278	-
Proceeds from short-term loan payable	-	1,850,000
<b>Net cash provided by financing activities</b>	<b>197,278</b>	1,850,000
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>46,609</b>	553
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>38,851</b>	119,579
<b>CASH AND CASH EQUIVALENTS, end of period</b> (Note 3)	<b>\$ 85,460</b>	\$ 120,132

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

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 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 May 30, 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.

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**3. SUPPLEMENTAL CASH FLOW INFORMATION**

For the three month period ended March 31	2014	2013
<b>Changes in non-cash working capital items</b>		
Accounts receivable	\$ (25,000)	\$ (5,729,771)
Adjustment for accounts receivable related to E&E assets	25,000	-
Prepaid expense	6,976	-
Accounts payable and accrued liabilities	(110,474)	3,237,201
	<b>\$ (103,498)</b>	<b>\$ (2,492,570)</b>

Cash and cash equivalents consist of:

As at	March 31, 2014	March 31, 2013
Cash	\$ 85,460	\$ 120,132
Total cash and cash equivalents	<b>\$ 85,460</b>	<b>\$ 120,132</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 2016.

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**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 (Note 6)	-	-	1,322,346	1,322,346
Additions	-	2,835	2,061,314	2,064,149
<b>Balance at December 31, 2013 and March 31, 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 for the period	63	264	-	327
<b>Balance at March 31, 2014</b>	<b>\$ 21,862</b>	<b>\$ 24,291</b>	<b>\$ 3,383,660</b>	<b>\$ 3,429,813</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 March 31, 2014</b>	<b>\$ 1,217</b>	<b>\$ 3,247</b>	<b>\$ -</b>	<b>\$ 4,464</b>



**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**6. MINERAL EXPLORATION AND EVALUATION ASSETS**

Balance at January 1, 2013	\$ 7,138,081
Acquisition and renewal costs	18,984
Exploration expenditures	336,869
Provincial government incentive reversed	51,478
E&E assets impaired (Gemini)	(242,902)
Transferred to Property, Plant and Equipment (Note 5)	(1,322,346)
	\$ 5,980,164
Balance at December 31, 2013	\$ 5,980,164
Acquisitions and renewals	5,486
Exploration expenditures	48,563
Provincial government incentive	(25,000)
<b>Balance at March 31, 2014</b>	<b>\$ 6,009,213</b>

**a) Bathurst, New Brunswick**

The Company holds a 100% interest in 158 units and one mining lease in the Bathurst base metal 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 1% net smelter return on production, with the exception of Nepisiguit Brook and the portion of the CNE/Captain Group, formerly known as Captain East, which are royalty free. The carrying value of the Bathurst Group at March 31, 2014 is \$5,248,104 (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 project. The carrying value at March 31, 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 March 31, 2014 is \$560,655 (December 31, 2013 - \$554,141).

**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. The carrying value at March 31, 2014 is \$65,108 (December 31, 2013 - \$65,108).

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of:

As at	March 31, 2014	December 31, 2013
Trade payables	173,840	247,885
GST payable	224,155	262,507
Interest payable	42,850	40,927
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 440,845</b>	<b>\$ 551,319</b>

**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, and 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.

**9. 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 renoucement	(192,975)
<b>Balance at December 31, 2013</b>	<b>\$ 53,266</b>
Liability incurred on flow-through shares issued	-
Settlement of flow-through share liability on renoucement	(53,266)
<b>Balance at March 31, 2014</b>	<b>\$ -</b>

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”.

There were no flow-through share issuances completed during the three month period ended March 31, 2014, and as a result, there were no additions to flow-through share premiums.

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**10. 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 incurred		850,000
Increase in decommissioning costs		360,621
Settlement of decommissioning liabilities		(1,150,966)
Accretion expense		2,447
<b>Balance at December 31, 2013</b>	<b>\$</b>	<b>62,102</b>
Settlement of decommissioning liabilities		(3,141)
Accretion expense		1,261
<b>Balance at March 31, 2014</b>	<b>\$</b>	<b>60,222</b>

**11. RELATED PARTY TRANSACTIONS**

During the period, the Company paid rent of \$1,800 (2013 - \$1,800) for office space owned by officers of the Company.

**Key Management Compensation**

Key Management personnel compensation comprised:

For the three month period ended March 31	2014	2013
Salaries and benefits	\$ 24,000	\$ 24,000

Of the total salaries and benefits paid to key management \$3,000 (2013 - \$8,000) was capitalized as mineral exploration and evaluation assets during the period.

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**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 of 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.

**c) Stock options**

The Company has a share-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 three month period ended March 31, 2014.

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**12. SHARE CAPITAL (CONTINUED)**

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	\$ 0.10
No option transactions occurred during the three-month period ending March 31, 2014	-	-
<b>Outstanding at March 31, 2014</b>	7,540,000	\$ 0.10

The following table summarizes the options outstanding and exercisable as at March 31, 2014:

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 include '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 includes 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 losses from period to period.

**STRATABOUND MINERALS CORP.**  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**12. SHARE CAPITAL (CONTINUED)**

**e) Warrants**

The following table summarizes the warrant 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>	<b>5,500,000</b>	<b>0.20</b>
Issued during the period	2,950,000	0.05
<b>Outstanding at March 31, 2014</b>	<b>8,450,000</b>	<b>0.15</b>

The following table summarizes the warrants outstanding and exercisable as at March 31, 2014:

Warrants outstanding	Exercise price	Expiry date
2,000,000	\$ 0.20	June 5, 2014
1,000,000	0.20	June 5, 2014
2,000,000	0.05	January 24, 2017
2,500,000	0.20	October 10, 2018
950,000	0.05	February 5, 2019

**13. COST OF SALES**

Three month period ended	March 31, 2014	March 31, 2013
	\$	\$
Blasting, mining and delivery	-	1,282,771
Milling	-	1,232,082
Water treatment	-	113,779
Insurance	-	2,198
Depletion and amortization	-	1,004,333
	-	3,635,163

**STRATABOUND MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

---

**14. GENERAL AND ADMINISTRATIVE EXPENSES**

Three month period ended	March 31, 2014	March 31, 2013
	\$	\$
Salaries and benefits	20,521	17,829
Professional fees	14,636	11,944
Office and other	12,798	8,652
Filing fees and investor communications	9,373	10,238
Finance expense	3,184	90,963
Rent	1,800	1,800
	<b>62,312</b>	141,426

**15. SUBSEQUENT EVENTS**

On May 21, 2014, and subject to regulatory approval, the Company has extended the term of its option agreement with Commander Resources Ltd. by an additional year, to December 31, 2016. Expenditures required in year four have been reduced from \$400,000 to \$250,000; year five expenditures are reduced from \$450,000 to \$300,000; and, year 6 is added on with a required expenditure of \$400,000 and additional consideration of 65,000 shares of the Company.