

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 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 three months ending March 31, 2017.

STRATABOUND MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As At	March 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 46,888	\$ 6,164
Marketable securities (Note 3)	80,000	-
Prepaid expenses	1,669	1,740
GST receivable	6,322	7,572
	134,879	15,476
NON-CURRENT ASSETS		
Property, plant and equipment	1,738	1,861
Deposit (Note 4)	130,000	130,000
Mineral exploration and evaluation assets (Note 5)	404,167	475,467
	\$ 670,784	\$ 622,804
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 367,260	\$ 375,510
Loans payable (Note 6)	219,620	-
	586,880	375,510
NON-CURRENT LIABILITIES		
Loans payable (Note 6)	-	209,162
Decommissioning liabilities (Note 7)	51,492	76,417
	\$ 638,372	\$ 661,089
SHAREHOLDERS' EQUITY (DEFICIT)		
SHARE CAPITAL (Note 10)	14,473,247	\$ 14,473,247
CONTRIBUTED SURPLUS	435,810	335,810
DEFICIT	(14,876,645)	(14,847,342)
	32,412	(38,285)
	\$ 670,784	\$ 622,804

Subsequent events (Note 11)

Approved on behalf of the Board

Director "Terry Byberg"

Director "Michael Page"

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

For the three months ended March 31	2017	2016
EXPENSES		
Interest and accretion expense (Notes 6 and 7)	\$ 16,630	\$ -
General and administrative	12,550	4,258
Share-based payment (Note 8)	-	320,000
Amortization	123	-
TOTAL EXPENSES	29,303	324,258
LOSS FOR THE PERIOD	29,303	324,258
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BASIC AND DILUTED LOSS PER SHARE	\$0.001	\$0.003
Weighted average number of shares:		
Basic and diluted	145,851,539	128,212,695

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

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

	Number of issued and outstanding shares	Share Capital	Contributed surplus	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)	-	-	100,000	-	100,000
Loss for the period				(29,303)	(29,303)
Balance at March 31, 2017	145,851,539	14,473,247	435,810	(14,876,645)	32,412
Balance at January 1, 2016	124,696,211	13,749,143	15,810	(13,714,435)	50,518
Shares issued in Silver Stream (Notes 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
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

For the three months ended March 31	2017	2016
OPERATING ACTIVITIES		
Net and comprehensive loss	\$ (29,303)	\$ (324,258)
Items not affecting cash:		
Share-based payment (Notes 8 and 10)	-	320,000
Amortization	123	
Interest and accretion expense (Notes 6 and 7)	16,630	-
	<u>(12,550)</u>	<u>(4,258)</u>
Change in non-cash working capital items	<u>(22,388)</u>	<u>822</u>
Net cash (used in) operations	<u>(34,938)</u>	<u>(3,436)</u>
INVESTING ACTIVITIES		
Expenditures on mineral exploration and evaluation assets (Note 5)	(8,700)	-
Reclamation expenditures (Note 7)	(15,638)	-
Net cash (used in) investing activities	<u>(24,338)</u>	<u>-</u>
FINANCING ACTIVITIES		
Subscription deposits (Note 9)	100,000	-
Net cash provided by financing activities	<u>100,000</u>	<u>-</u>
CHANGE IN CASH	40,724	\$ (3,436)
CASH, beginning of period	<u>6,164</u>	<u>53,828</u>
CASH, end of period	<u>\$ 46,888</u>	<u>\$ 50,392</u>

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

STRATABOUND MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

1. CORPORATE INFORMATION

Stratabound Minerals Corp. (“Stratabound”) 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 Takeover (“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 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 \$14,876,645 and has a working capital deficiency of \$452,001 as at March 31, 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 May 29, 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 March 31, 2017, the total fair value of these shares is \$80,000.

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 with respect to the mining operation conducted at the CNE property conducted in 2013. 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).

STRATABOUND MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

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 March 31, 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 March 31, 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 March 31, 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 March 31, 2017 is \$nil (December 31, 2016 - \$nil).

STRATABOUND MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

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 March 31, 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		26,145
Balance at December 31, 2016	\$	209,162
Accretion expense		10,458
Balance at March 31, 2017	\$	219,620

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 March 31, 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		8,090
Balance at December 31, 2016	\$	76,417
Payment of obligations		(31,038)
Accretion expense		6,113
Balance at March 31, 2017	\$	51,492

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 March 31, 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 March 31, 2017 (December 31, 2016 - \$nil). Included in accounts payable accrued liabilities at March 31, 2017 is \$22,600 (December 31, 2016 - \$18,400) owing to the chairman and the CFO of the Company for expenses paid on behalf of the Company.

9. SUBSCRIPTION DEPOSIT

During the period, the Company received \$100,000 from investors with respect to a private placement unit issuance. Each unit is priced at \$0.05 and consists of one 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 March 31, 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 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 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.

STRATABOUND MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

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	-	-
Outstanding at March 31, 2017	7,266,666	\$ 0.085

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
575,000	\$ 0.30	May 17, 2017
491,666	0.30	April 8, 2018
6,200,000	0.0483	April 30, 2020
7,266,666	\$ 0.085	

STRATABOUND MINERALS CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2017 AND 2016

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 March 31, 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 March 31, 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 April 3, 2017, the Company announced that it had agreed to terms on a potential acquisition and that it was conducting due diligence and seeking debt and equity financing to complete the transaction. Because of confidentiality commitments nothing further could be disclosed. In response to the announcement, the TSX Venture Exchange has halted trading in the Company's shares until more information can be disclosed.

During April 2017, the Company received additional subscription deposits of \$30,000 with respect to the private placement unit offering. Each unit is priced at \$0.05 and consists of one 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.