

**STRATABOUND MINERALS CORP.  
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE QUARTER ENDED MARCH 31, 2014**

May 30, 2014

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the Company's annual audited financial statements and related notes for the year ended December 31, 2013, the annual Management Discussion and Analysis dated April 28, 2014, and the Condensed Interim Financial Statements and related notes prepared by management for the period ended March 31, 2014 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

**Description of Business**

Incorporated in March 1986, Stratabound Minerals Corp. is in the business of mineral exploration and evaluation, with base metal, silver and gold properties primarily in the province of New Brunswick. During 2013 the Company completed a mining and milling campaign on its Captain North Extension (CNE) Mining Lease near Bathurst in northeast New Brunswick, with volcanogenic zinc-lead-silver massive sulphide ore trucked to Xstrata Zinc's Brunswick No. 12 mill for production of saleable concentrates.

"In recognition of valuable contributions to the mining and minerals industry of New Brunswick", and for achievements in developing, mining, and reclaiming the CNE within one year, Stratabound was presented the 2013 Developer of the Year Award by the Hon. Craig Leonard, Minister of Natural Resources, following a unanimous vote by the New Brunswick Prospectors and Developers Association.

The Xstrata (now Glencore) mill is no longer operational, and Stratabound's 2014 activities are directed towards discovering a larger massive sulphide deposit on its Captain, CNE, or Commander claims or a gold deposit on its Green Point property, sufficiently large to support a mill of its own.

The company is currently working on raising the necessary funds to achieve its exploration goals.

**Exploration Overview**

***Captain/CNE – 100% owned***

The objectives of the 2014 program on the Captain claims are to discover new ore-grade tonnage on the known copper-cobalt-gold deposit, and to search for a lead-zinc-silver massive sulphide deposit at depth, within or flanking the copper-cobalt vent, which has been followed down-plunge for 400 metres to date (news release dated March 30, 2011).

The deepest hole to date intersected 19.5 metres of massive sulphide mineralization grading 1.12% copper, within which 8.5 metres graded 2.11% copper, 0.052% cobalt, 12.4 g/t silver, and 0.30 g/t gold, including 2.0 metres of 5.46% copper, 0.093% cobalt, 30.5 g/t silver, and 0.65 g/t gold (news release dated March 24, 2010).

Results from a downhole pulse EM geophysical survey completed during the first quarter of 2014 suggest the copper-cobalt vent complex may continue on a northerly trend. Current plans call for 1,500 metres of drilling on Captain, including a deep 600 metre hole.

Extensive trenching will be conducted along low resistivity and high metal factor trends that extend from the Captain deposit to the CNE deposit and northward into Target Area B on the Commander claims (see news release dated May 21, 2014). The trenching will include exploration of the CNE footwall ore horizon along its northeasterly trend to locate satellite deposits similar to the high grade zinc-lead-silver mineralization found at the CNE Mine.

### ***Commander***

The primary objective of the 2014 program on the optioned Commander claims, in which Stratabound can earn up to a 65% interest, is to explore for large massive sulphide deposits within target areas exhibiting favourable and coincident geological, geophysical, geochemical, and mineralogical features that are characteristic of such deposits. These targets are described in some detail in the news release dated May 21, 2014, and include (1) an intriguing, exceptionally large and strong gravity high; and (2) a two-kilometre long, sulphide bearing iron formation along the contact between the Nepisiguit Falls Formation and Flat Landing Brook Formation, which is the ore horizon for Brunswick No. 12 and other major producers in the Bathurst Mining Camp.

Current plans call for 2,000 metres of drilling on Commander, including a deep 600 metre vertical hole to intersect the peak of the gravity anomaly below the previously discovered copper stockwork zones.

### ***Green Point – 100% owned***

A 400 metre long airborne electromagnetic anomaly was detected in 2001 and drill tested in 2003 by a previous owner, intersecting an alteration zone containing 1.17 g/t gold over a 15.5 metre core length. A soil survey by Stratabound in 2011 identified a 600 metre long multi-element soil anomaly trending toward the previously drilled alteration zone.

A detailed grid is being cut and picketed across the airborne EM and soil anomalies northwesterly for 1,200 metres to the property boundary. Geophysical surveying along these lines will cover the airborne EM and soil anomalies.

### **Additional Information on Properties**

#### ***Bathurst Base Metal Properties, New Brunswick***

Stratabound owns a 100% interest in the CNE/Captain, Taylor Brook and Nepisiguit Brook claim groups, totaling 158 claims, and a 100% interest in the CNE Mining Lease, within the Bathurst Mining Camp in northeast New Brunswick, Canada, one of the world's greatest zinc-lead-silver districts. In addition, Stratabound holds an option on 55 claims adjoining the northern boundary of the CNE/Captain claim group. The option agreement is with Commander Resources Ltd., and enables Stratabound to acquire up to a 65% interest in Commander's claims.

These 100%-owned and optioned properties are all situated in the heart of the Bathurst camp, with three world-class base metal mines occurring within a 20 kilometre radius of them, namely Brunswick No. 12 (for decades the world's largest underground zinc mine), Brunswick No. 6, and Heath Steele. Stratabound's wholly-owned claims host three known base metal sulphide bodies: the Captain, CNE and Taylor Brook deposits, on properties with potential that has not been fully explored.

### ***Captain North Extension (CNE) Mine***

Stratabound acquired the CNE claims in 1988. Following an accelerated drilling and development program which defined a small but high grade zinc-lead-silver massive sulphide deposit within six metres of surface, the company succeeded in 1990 and 1991 in obtaining contracts with Noranda's Heath Steele Mines for delivery of a bulk sample and two additional shipments of ore totaling 39,622 tonnes. Excellent recoveries were obtained at the mill, and the resulting concentrates were purchased by Noranda.

During the period March 6 to April 12, 2013, an additional 62,720 lead-zinc-silver ore was mined from the CNE deposit, taking advantage of a short-term opportunity to utilize Xstrata Zinc's Brunswick #12 mill to produce concentrates which were purchased by Xstrata.

In total, Stratabound extracted 102,342 tonnes of high-grade mineralization in 1990/91 and 2013, with a weighted-average production grade of 8.84% zinc, 3.68% lead, and 120.18 g/t silver, plus copper and gold credits.

Reclamation of the 2013 open pit was completed in September.

Exploration is ongoing at CNE.

### ***Captain Deposit***

The most recent NI 43-101 compliant Technical Report and Resource Estimate, dated March 4, 2011, which is summarized below, reflects mineralization defined by 30 Stratabound drill holes:

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***At 1.0% CuEq\* cut-off:*** Measured & Indicated 667,000 tonnes @ 1.42% Cu, 0.048% Co, 0.25 g/t Au; plus Inferred 298,000 tonnes @ 1.18% Cu, 0.038% Co, 0.20 g/t Au.

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***At 0.6% CuEq\* cut-off:*** Measured & Indicated 1,006,000 tonnes @ 1.03% Cu, 0.051% Co, 0.20 g/t Au; plus Inferred 960,000 tonnes @ 0.64% Cu, 0.039% Co, 0.12g/t Au.

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*\*Based on total in-situ metal - no recovery factors applied*

A Preliminary Economic Assessment of the Bathurst properties (November 23, 2011) indicated the Captain deposit to be non-economic at that time and recommended additional drilling to further extend and sample the higher grade core of the mineralized zone, which remains open at depth.

The PEA further recommended that bore hole electromagnetic surveying be undertaken, and concluded that strong off-hole anomalies delineated by such work

should be considered high priority drilling targets for lead-zinc mineralization flanking the copper stockwork zone.

Strong off-hole anomalies were indeed delineated by the bore hole PEM survey during the first quarter of 2014, and the proposed program will drill them.

Drilling has followed the zone down-plunge for 400 metres so far, and a deeper hole is planned this year, as stated above in "Exploration Overview".

### ***Commander Option***

Stratabound has the option to acquire up to a 65% interest in the Commander property, a 55-claim group adjoining the northern boundary of the CNE and Captain claims.

Stratabound's initial drilling was encouraging, with the second hole intersecting 89.5 metres of 0.75% copper, 0.11 g/t gold, and 6.26 g/t silver, including an 18 metre section of 1.46% copper, 0.23 g/t gold, and 14.85 g/t silver as disseminations and stringer-type pyrite-chalcopyrite veins (see news release dated February 16, 2011). This mineralization resembles the Captain deposit, located approximately 4.5 kilometres to the south.

The mineralization that was encountered, however, did not explain the very strong electromagnetic responses delineated by Stratabound's initial program of geophysical surveying, and a gravity survey was initiated in mid-2012 to investigate whether massive sulphide mineralization could be present below or along strike from the intersected stringer network.

Initial gravity surveying covering a small area detected a significant gravity high, following which another hole was drilled in October, 2012, intersecting several copper-bearing stringer zones, including one grading 2.0% copper, 0.5 g/t gold and 7.5 g/t silver across 11 metres, in chloritic pyroclastic rocks resembling the footwall at the Brunswick No. 12 and No. 6 massive sulphide deposits (news release dated November 1, 2012).

In 2013 the gravity survey was continued southward, extending the anomaly considerably, delineating a large, subcircular (1.5 km x 1.0 km), strong (0.6 to 0.8 milligal) gravity high.

In 2014 drilling and trenching are planned to determine whether this prominent feature is caused by a buried massive sulphide deposit of base and precious metals.

### ***Green Point***

Stratabound has a 100% interest, subject to a 2% net smelter return royalty, in 41 claims located 2.5 kilometres north of the Bathurst Camp.

Nine holes were drilled by a previous owner. A major alteration zone was reportedly intersected in the drilling. The best intersection was in Hole 3 where 1.17 g/t was reported over a 15.5 metre core length.

Stratabound's 2013 program consisted of prospecting, following up its initial 2011 exploration program, which collected and assayed 149 soil samples west of the gold occurrence. Prominent soil anomalies were outlined.

This grass-roots property contains ten known sulphide occurrences, most of which are irregular veins less than one metre wide, carrying base metal and gold values.

For 2014 plans see "Exploration Overview" above.

### ***Taylor Brook Deposit***

An extensive blanket of pyritic massive sulphides carrying low-grade lead-zinc-silver is present on this property, located 11 kilometres northwest of the CNE Mine and 6 kilometres northeast of the 25 million tonne Heath Steele Mine.

As currently known this deposit has a strike length of approximately 650 m and a down-dip extent of greater than 600 m. It comprises one to four stratabound horizons of heavily disseminated to semi-massive and massive sulphides.

Width and grades of the base metal mineralization are highly variable within the sulphide zone. Most of the intersections grade less than 3% lead and zinc although several narrow high grade intervals (e.g. 1.0 m. of 10.7% Zn, 2.2% Pb and 5.2 oz/ton Ag in Hole TB95-2) have been encountered. The lead, zinc, and copper ratios are consistent with the same ratios from other deposits in the Bathurst Mining Camp.

The renowned Brunswick No.12 Mine contained perhaps 100 million tonnes of similar non-economic pyritic massive sulphides adjoining the 136 million tonnes of extremely rich ore grading roughly 12% (lead+zinc), 0.3% copper, and 100 g/t silver. Inasmuch as Taylor Brook is open along strike and down dip, additional drilling in search of high-grade mineralization continues to be warranted.

A previous drill program by Stratabound located a "channel" containing 3% – 8% lead-zinc, indicating good exploration potential for Taylor Brook.

Stratabound is seeking a joint-venture partner to further explore this potential.

### ***Enja Property, Quebec***

This wholly-owned property is drill-ready following detailed airborne magnetic and VTEM surveys and an MMI-M soil geochemical survey. Recent discoveries by junior exploration companies have resulted in heightened activity and interest in the area.

Stratabound has been engaged in discussions with potential joint venture partners for a drilling program, but no agreement has been reached to date with any party.

Enja comprises 47 claims covering 2,520 hectares located in terrain with potential for both precious and base metals. It is situated in Enjalran and Massicotte Townships, northwest Quebec, between the Detour Lake and Casa Berardi gold camps, and 35 kilometres west of the Selbaie Mine, a major past producer of copper, zinc, gold and silver. The Company's ground extends from the Ontario border eastward beyond the Turgeon River, and includes a portion of a pronounced circular structure resembling the metals-rich Selbaie Caldera.

A gold-bearing sulphide to oxide iron formation over 1-kilometre in length has been identified in the western portion of the property, and a volcanogenic massive sulphide setting containing zinc has been identified within a separate fault block on the eastern claims.

### **Overall Performance**

During the first quarter of 2014 the Company incurred \$54,049 of expenditures on exploration and evaluation of its mineral properties, compared with \$73,779 on exploration and \$840,657 in development costs on the CNE Mine in the first quarter of 2013.

Qualifying exploration expenditures of \$250,000 were renounced in February 2014 relating to the 2,500,000 units at \$0.10 issued on a flow-through basis during the fourth quarter of 2013. All exploration expenditures have now been incurred.

In 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.

In 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 of \$70,948 payable following production from the CNE open pit mine.

### **Selected Financial Information**

The financial data are presented in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar.

#### ***Summary of Quarterly Results***

<b>2014/2013</b>	<b>March 31/14</b>	<b>Dec 31/13</b>	<b>Sept 30/13</b>	<b>June 30/13</b>
Revenue – mining operations	\$ -	\$ (209,034)	\$ -	\$5,343,145
Revenue – interest income	125	368	45	1,117
Loss before income taxes (income)	9,248	650,588	1,342,925	1,528,988
Comprehensive loss (income)	11,964	576,359	1,344,453	1,422,397
Basic and diluted loss per share (income)	0.0002	0.007	0.018	0.019

<b>2013/2012</b>	<b>March 31/13</b>	<b>Dec 31/12</b>	<b>Sept 30/12</b>	<b>June 30/12</b>
Revenue – mining operations	\$5,100,000	\$ -	\$ -	\$ -
Revenue – interest income	5,205	188	244	294
Loss before income taxes (income)	(1,631,589)	76,208	45,138	392,903
Comprehensive loss (income)	(1,628,591)	(490,326)	(44,738)	95,981
Basic and diluted loss per share (income)	(0.022)	0.008	0.001	0.001

## **Results of Operations**

Stratabound incurred a comprehensive loss of \$11,964 during the period ended March 31, 2014 compared to comprehensive income of \$1,631,589 during the corresponding period in 2013. Income in the previous year resulted from the sale of concentrates produced at Xstrata Zinc's Brunswick No.12 mill from ore delivered from Stratabound's CNE Mine. Cost of sales at March 31, 2013 were \$3,635,163 including accumulated depletion and amortization.

### ***Cost of Sales***

<b>Three month period ended</b>	<b>March 31, 2014</b>	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

At March 31, 2014 the Company had a working capital deficit of \$322,048 compared with a working capital deficit of \$576,359 at December 31, 2013 and working capital of \$630,443 at March 31, 2013.

Expenses relating to exploration and evaluation of mineral properties and their acquisition are capitalized as Mineral Exploration and Evaluation Assets on the interim statements of financial position. Details of expenditures incurred on the Company's projects during the first quarter of 2014 and 2013 are listed under "Additional Disclosure" in this Management Discussion and Analysis.

General and administrative expenses in the first three months of 2014 were \$62,312 compared with \$141,426 for the corresponding period in 2013 (see Table below). The decrease is mainly due to a finance expense of \$90,963 the previous year attributable to interest on loans payable and amortization of the loan commitment fee.

### ***General and Administrative Expenses***

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

## **Liquidity**

At March 31, 2014 the Company had a working capital deficit of \$322,048 compared with a working capital deficit of \$576,359 at December 31, 2013 and working capital of \$630,443 at March 31, 2013.

Future exploration is dependent on continued equity financing and/or joint ventures with other companies. The Company has no long-term debt, purchase obligations or off-balance sheet arrangements.

## **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.

## **Additional Disclosure**

Detailed capitalized exploration and evaluation costs for the first quarter of 2014 and 2013 are broken-down by project as follows:

### ***Capitalized Exploration and Evaluation Expenses***

<b>THREE MONTHS ENDED MARCH 31, 2014</b>					
	<b>Bathurst Properties, NB</b>	<b>Green Point, NB</b>	<b>Enja Que.</b>	<b>Commander Option, NB</b>	<b>TOTALS</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost – Jan 01, 2014</b>	<b>5,225,747</b>	<b>65,108</b>	<b>135,346</b>	<b>553,962</b>	<b>5,980,164</b>
Acquisition & renewals	5,486			0	5,486
Assays and analyses				1,392	1,392
Core shack	8,267			3,300	11,567
Drilling					0
Geochemistry					0
Geology and supervision	10,654			1,000	11,654
Geophysics	20,950				20,950
Insurance					0
Line-cutting					0
Salaries	2,000			1,000	3,000
<b>Cost - March 31, 2014</b>	<b>5,273,104</b>	<b>65,108</b>	<b>135,346</b>	<b>560,654</b>	<b>6,034,213</b>
Government incentives	-25,000				-25,000
<b>Cost - March 31, 2014</b>	<b>5,248,104</b>	<b>65,108</b>	<b>135,346</b>	<b>560,654</b>	<b>6,009,213</b>

THREE MONTHS ENDED MARCH 31, 2013						
	Bathurst Properties, NB	Green Point, NB	Enja Que.	Commander Option, NB	Gemini Hills, Que.	TOTALS
	\$	\$	\$	\$	\$	\$
<b>Cost – Jan 01, 2013</b>	<b>6,317,233</b>	<b>45,028</b>	<b>169,266</b>	<b>467,287</b>	<b>139,268</b>	<b>7,138,082</b>
Acquisition & renewals	6,200		2,992			<b>9,192</b>
Assays and analyses				339		339
Core shack	1,350			2,382		3,732
Drilling						0
Geochemistry						0
Geology and supervision				11,786		11,786
Geophysics				38,976		38,976
Insurance						0
Line-cutting				1,753		1,753
Salaries	7,200			800		8,000
<b>Cost - March 31, 2013</b>	<b>6,331,983</b>	<b>45,028</b>	<b>172,258</b>	<b>523,324</b>	<b>139,268</b>	<b>7,211,860</b>
Transferred to PP&E	(1,322,346)	0		0	0	(1,322,346)
<b>Cost - March 31, 2013</b>	<b>5,009,637</b>	<b>45,028</b>	<b>172,258</b>	<b>523,324</b>	<b>139,268</b>	<b>5,889,514</b>

### **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.

Of the total salaries and benefits (\$24,000) paid to key management during the period ended March 31, 2014, \$3,000 (2013 - \$8,000) was capitalized as mineral exploration and evaluation assets.

### **Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares without par value. At March 31, 2014 the number of issued common shares was 83,362,611 (fully diluted 99,352,611). As at May 30, 2014 the number of common shares issued remains the same.

### ***Options outstanding at May 30, 2014***

<b>Options outstanding</b>	<b>Exercise price</b>	<b>Expiry date</b>
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
<b>7,540,000</b>	<b>\$ 0.10</b>	

### ***Warrants outstanding at May 30, 2014***

<b>Warrants outstanding</b>	<b>Exercise price</b>	<b>Expiry date</b>
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
<b>8,450,000</b>		

### **Risks and Uncertainties**

The business of exploration and mining is full of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations to be conducted by the Company will be subject to all of the operating risks normally attendant upon mineral exploration and development. Failure to obtain financing can result in delay or indefinite postponement of exploration and development projects with the possible loss of such properties. While the Company has been successful in the past at raising funds, there can be no assurance that it will continue to do so. Equity financing opportunities require favorable market conditions and commodity prices that cannot be assured.

Whether a mineral deposit once discovered will be commercially viable depends on a number of factors, some of which depend on the particular attributes of the deposit, such as size, grade and proximity to infrastructure. These factors are beyond the control of the Company. The Company must also compete with a number of companies that may have greater technical or financial resources. The Company is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery.

The exploration and development of mineral properties and the marketability of any minerals contained in such properties can be affected by many other factors beyond the control of the corporation, such as metal prices, availability of adequate refining facilities, or the imposition of new government regulation affecting existing taxes and royalties or environmental and pollution controls.

The directors of the Company are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts of interest, if any, which arise will be

subject to and governed by procedures prescribed by the *Business Corporations Act* (Alberta) which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act* (Alberta).

The Company's publicly filed documents are available on SEDAR at [www.sedar.com](http://www.sedar.com)

Additional information on the Company's projects including news releases, maps and photos can be viewed on the Company's website [www.stratabound.com](http://www.stratabound.com).

All scientific and technical data disclosed in this report has been reviewed and verified by Stan Stricker, P.Geol., a Qualified Person within the meaning of National Instrument 43-101.

John Duncan, P.Geo. is the Qualified Person for the Company's New Brunswick projects and John Charlton, P.Geo. is the qualified person for the Enja project in Quebec.

*Certain information regarding the Company contained herein may constitute forward looking statements. Forward looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward looking statements. The Company does not plan to update or alter any forward looking statement except where required by law. Specific statements include plans for further drilling and raising additional equity, specific risks include operational and geological risks and the ability of the Company to raise necessary funds for exploration. The Company's forward looking statements are expressly qualified in their entirety by this cautionary statement.*