STRATABOUND MINERALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

APRIL 29, 2016

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, 2015 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Description of Business

Incorporated in March 1986, Stratabound is in the business of mineral exploration and evaluation, currently with base metal, silver and gold properties in New Brunswick. During 2013 the Company completed a bulk mining project and reclamation campaign on its Captain North Extension (CNE) Mining Lease near Bathurst, New Brunswick, with ore being trucked to Xstrata Zinc's mill for production of saleable concentrates. Stratabound's 2014 and 2015 activities were focused on maintenance and, to a lesser extent, exploration of its mineral properties.

Overview

Recent Developments

Business Combination with Silver Stream Mining Corp.

On April 26, 2016 the TSX Venture Exchange conditionally approved the combination of Stratabound with Silver Stream Mining Corp. ("Silver Stream") through the Company's acquisition of Silver Stream's outstanding shares in a merger of Silver Stream into Stratabound Nevada Corp., a newly formed subsidiary of the Company.

The Company expects to complete the transaction during May 2016. In order to complete the transaction, the Company will issue 313,392,422 common shares to the Silver Stream shareholders, at an exchange ratio of two Stratabound shares for each Silver Stream share. Following the issuance of these shares and the issuance of 4,080,000 common shares to complete a "shares for debt" transaction as described below, the Company expects to have 425,435,033 common shares outstanding. The Company's fully diluted shares would be 475,540,633.

Following the completion of the transaction, the Company plans, subject to approval of the Company's shareholders, a share consolidation. At the proposed consolidation ratio of six old shares for one new share, the Company will have approximately 72 million shares outstanding after the consolidation, a much more manageable number.

During the period from the signing of the Letter of Intent between Stratabound and Silver Stream on May 19, 2015 and the completion of the business combination, by agreement of the parties, Margaret Kent, Terrence Byberg and Richard Meschke of Silver Stream assisted Stratabound in the management of many of Stratabound's critical issues, including those associated with the CNE mine and financial management of the Company, including obtaining revocations of the Company's cease trade orders. In addition, the Silver Stream staff, together with Company Interim CEO and Director, Michael Page, have been working to explore project acquisition and growth opportunities to carry out the mandate of the two companies' boards of directors to acquire and develop a "keystone" project. As there has been no cash compensation paid, these four individuals have each been awarded 8,000,000 shares of Silver Stream in recognition of their efforts.

As part of the business combination transaction, Margaret Kent will become the chairman of the Company; Terrence Byberg will assume the role of President and CEO; Mike Page will be named Vice President, Exploration; and Richard Meschke will be named CFO. Directors of Stratabound following completion of the combination will be Michael Page, FAusIMM; Terrence Byberg; Margaret Kent; Dr. Peter N. Calder, P. Eng.; and R. Michael Robb, P.E.

The preliminary business plan for the combined company includes: (1) evaluation of the exploration properties now held by each of Stratabound and Silver Stream; (2) completion of the water sampling/monitoring and remaining reclamation obligations at the CNE mine site; (3) payment of the fines assessed for the environmental violations at the CNE mine; and (4) pursuit of new business acquisitions or potential development projects. Initial funding for the combined company consists of $250,000 in loans from Stratabound's majority shareholder. Based on the preliminary budget for the combined company, these funds are sufficient to support the combined company through the third quarter of 2016 including payment of the previously mentioned fines. Support beyond that point is anticipated to be provided by additional investments from the current Stratabound and Silver Stream shareholders.

Shares for Debt Transaction with Major Creditor

On April 26, 2016 the TSX Venture Exchange conditionally approved a "shares for debt" transaction with Bellport Resources Ltd. (William Bell) to convert the amounts owed to Bellport, together with interest thereon, to equity at $0.05 per share. Such amounts owing approximated $204,000, and the Company plans to issue 4,080,000 common shares in order to complete the transaction.

Cease Trade Order, Revocation and Reinstatement of Trading

A cease-trade order halting the trading in the common shares of Stratabound was issued on May 6, 2015 by the Alberta Securities Commission for failure to file the Company's December 31, 2014 audited financial statements and was followed by a similar order from the British Columbia Securities Commission. These statements, and the accompanying Management's Discussion & Analysis, were filed on September 15, 2015 along with the interim reports as of March 31, 2015 and June 30, 2015. On November 27, 2015 the Company received notice of revocation of the cease trade orders by the Alberta Securities Commission and the British Columbia Securities Commission. The TSX Venture Exchange has reviewed the transaction with Silver Stream Mining Corp. discussed above and has reinstated trading of the Company's shares effective April 21, 2016.

Fisheries Act Violations

On September 9, 2015 the Company entered guilty pleas to one count for violations of the Fisheries Act and one count for violations of the Metal Mining Effluent Regulations MMER) related to the Company's operation of the CNE mine project in Bathurst, New Brunswick during 2013. On October 14, 2015 the New Brunswick Provincial Court issued an order mandating fines against the Company for violations of the Fisheries

Act and the Metal Mining Effluent Regulations. The fines totaled $75,000 of which $25,000 was paid on January 29, 2016 and the remaining $50,000 is payable on or before October 14, 2016.

Change in Executive Management

On August 12, 2015 Stan Stricker resigned as President and CEO of the Company, and Michael Page was appointed Interim CEO. Also on that date, Susan Stricker resigned as Secretary Treasurer and Acting CFO; on September 12, 2015 Susan Stricker was appointed Interim CFO. Stan Stricker and Michael Page and Lindsay Bottomer continued as directors of the Company.

Additional Loans from Majority Shareholder

On August 25, 2015 the Company's majority shareholder, William A. Bell, agreed to lend the Company an additional $250,000 via two promissory notes. The loans do not bear interest, mature December 31, 2017 if not repaid sooner, and are secured by the CNE leases as well as the environmental bond that has been posted with the Province of New Brunswick.

Exploration Activities and Exploration Property Holdings

Exploration Activities -- General Comments

Stratabound's 2015 exploration activities were curtailed because of the Company's lack of cash and its focus on its future existence, including the proposed transaction with Silver Stream. Stratabound's 2015 exploration activities have been limited to maintaining the property positions at the Company's priority properties in the Bathurst, New Brunswick mining camp, CNE, Captain and Taylor Brook. Other properties have been dropped as required lease expenditures came due. No physical exploration work was conducted in 2015.

Various geophysical, geochemical, trenching, and drilling programs were conducted during 2014, and Stratabound's 2014 exploration activities were directed towards the exploration for base metal massive sulphide deposits on its Captain copper-cobalt-gold deposit and in areas close to the CNE Mine and at Taylor Brook, and identifying drill targets on the optioned Commander claims and gold/base metal mineralization on its Green Point property.

Exploration in 2014 focused on identifying drill targets on the optioned Commander claims, and in areas close to the CNE Mine and the Captain copper-cobalt-gold deposit.

Bathurst Base Metal Properties, New Brunswick

Stratabound owns a 100% interest in the CNE/Captain and Taylor 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. All are subject to a 1% net smelter return royalty on production, other than the portion of the CNE/Captain Group formerly known as Captain East which is royalty-free. In addition, Stratabound has held an option on 55 claims adjoining the northern boundary of the CNE/Captain claim group. The option agreement was with Commander Resources Ltd., and enabled Stratabound to acquire up to a 65% interest in Commander's claims. The 5-year option agreement was originally entered into in 2010 and was extended to six years, but has expired because the Company has not completed the required work or share issuances.

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, Brunswick No. 6, and Heath Steele. The 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.

The value of the Bathurst base metal properties was written down to $450,000 at December 31, 2014 as a result of a revaluation of all of the Company's assets. The Commander property was written down to $250,000 at December 31, 2014 and at December 31, 2015 was written off completely as the option has expired, although the Company is in negotiations to renew the option.

Captain and Commander Exploration

No exploration was done at Captain or Commander during 2015. Results were produced from 2014 drilling on the Captain property (7 holes), and from a drill program on the Commander claims (6 holes).

Seven holes were drilled on the Captain claims in 2014. The most promising hole was CP14-36, which intersected 23.5 metres of sulphides grading 0.67% copper and 0.027% cobalt, including 8.5 metres containing 1.33% copper, 0.051% cobalt, 0.2 g/t gold, and 4.88 g/t silver.

The 2014 Commander program included prospecting, soil sampling, ten trenches and six drill holes. Low-grade lead-zinc was intersected from 111 to 132 metres and from 175 to 211 metres in hole CMD-13-26.

CNE Exploration

There were positive results from exploration during summer 2014 at CNE. In 2013, drill hole CNE-13-26 identified the contact between the mineralized, chloritic Nepisiguit Falls Formation footwall of the CNE zinc-lead-silver deposit and the unmineralized Flat Landing Brook Formation. This led Stratabound to undertake a soil sampling program southward along the projected contact, intended to search for additional massive sulphide mineralization. An exceptionally strong soil anomaly was outlined over an area of 130 metres x 100 metres, directly overlying the southern projection of the CNE footwall about 100 metres south of the filled-in pit. A central portion of 95 metres x 65 metres contains on average 2.50% zinc (range 0.28% to 11.0%), 0.61% lead (range 306 ppm to 1.93%), and 271 ppm copper (range 58.1 ppm to 1240 ppm).

The anomaly is clearly not due to Stratabound's limited 2013 mining activity. It remains to be seen whether this anomaly is entirely due to the known CNE mineralization or whether it is in part due to an as-yet undiscovered sulphide horizon.

Taylor Brook

During 2014 one hole was drilled on Taylor Brook, intersecting a total of 10.7 metres of semi-massive to massive sulphides in two zones (news release dated November 11, 2014). Increases in thickness and grade compared with the intersections located 80 metres up-dip, combined with strong geophysical responses and limited drilling, indicate good exploration potential. No activities were conducted at Taylor Brook during 2015. Stratabound is seeking a joint-venture partner to further explore the potential at Taylor Brook. The property has been written down to $0 as a result of a recent revaluation of all of the Company's assets.

Green Point

Stratabound had a 100% interest, subject to a 2% net smelter return royalty, in 41 claims located 2.5 kilometres north of the Bathurst camp. The 2014 geophysical surveys on Green Point identified electromagnetic (MaxMin and VLF) anomalies along trend from a 400 metre long airborne electromagnetic anomaly that was detected in 2001 and drill tested in 2003 by a previous owner. After further study in 2015 the Company determined that Green Point was not a priority area, and when efforts to sell the claims were unsuccessful the Company did not renew the claims when they expired in August 2015.

Enja Property, Quebec

Because of the Company's financial situation, no exploration was done in 2014, and in 2015 the Company elected not to make payments on the Enja claims as they came due, and has dropped the property and written off its investment.

Overall Performance -- Results of Operations

Stratabound incurred a comprehensive loss of $420,214 for the year ended December 31, 2015, as compared to a loss of $6,161,533 for 2014. The 2014 loss was driven by the impairments of property values, and the 2015 loss includes a write-off of the Commander property, for which the option expired in 2015.

Comprehensive loss for the fourth quarter of 2015 was $386,208 compared to a loss of $5,960,608 for the fourth quarter of 2014.

Exploration expenditures for 2015 were $Nil compared to $839,045 for 2014. The company conducted no physical exploration programs during 2015.

At December 31, 2015 the Company had a working capital deficit of $337,338 compared with a working capital deficit of $406,995 at the end of 2014. Exploration expenditures for the fourth quarter of 2015 were $Nil compared to fourth quarter expenditures of $451,149 for the previous year.

Expenses relating to exploration and evaluation of mineral properties and their acquisition are capitalized as Mineral Exploration and Evaluation Assets on the statements of financial position.

During 2014 Stratabound received a $15,000 exploration grant for the CNE/Captain claim group from the New Brunswick Department of Energy and Mines under the Junior Mining Assistance Program. During 2015 the Company received an additional $16,000 grant.

Selected Financial Information

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

Three Year Financial Data – Years Ended December 31

For the years ended December 31	2015	2014	2013
Revenue – mining operations	**$ -**	$ -	$10,234,111
Revenue – interest income	**53**	1,630	6,735
Loss before income taxes	**420,214**	6,605,010	1,969,750
Comprehensive loss for the year	**420,214**	6,161,533	1,687,713
Basic and diluted loss per share	**$ 0.004**	$ 0.067	$ 0.022
Assets	**785,135**	1,091,144	7,461,469

Summary of Quarterly Results

2015	Dec 31 2015	Sept 30 2015	June 30 2015	March 31 2015
Revenue – interest income	**$ -**	**$ -**	**$ -**	**$ 53**
Loss (income) before income taxes	**386,208**	**35,592**	**28,474**	**(29,967)**
Comprehensive loss (income)	**386,208**	**35,592**	**28,474**	**(29,967)**
Basic and diluted loss per share (income)	**$ 0.004**	**$ 0.0003**	**$(0.0003)**	**$ 0.0003**

2014	Dec 31 2014	Sept 30 2014	June 30 2014	March 31 2014
Revenue – interest income	$ 1,328	$ 107	$ 70	$ 125
Loss before income taxes	6,605,010	127,733	58,986	9,248
Comprehensive loss (income)	6,161,533	128,831	60,130	11,964
Basic and diluted loss per share (income)	0.067	0.001	0.001	0.0002

As a result of impairment write-downs comprehensive losses can be extremely variable.

General and Administrative Expenses

General and administrative expenses in 2015 were $189,635 compared with $424,607 for 2014 (see Table below). The decrease is mainly attributable to lower salaries, office costs (insurance and shareholder communications) and professional fees as the Company has been in a mode of maintaining its status and properties and preparing for the combination with Silver Stream.

Years ended December 31	2015	2014
Professional fees	**$ 95,328**	**$ 135,120**
Salaries, consulting fees and benefits	**47,439**	**79,487**
Filing fees & investor communications	**20,869**	**37,290**
Office and other	**26,799**	**74,965**
Rent	**4,200**	**7,200**
Provisions	**(5,000)**	**80,000**
Finance expense	**-**	**10,545**
	$ 189,635	**$ 424,607**

Liquidity

At December 31, 2015 the Company had a working capital deficit of $337,338 compared with a working capital deficit of $406,995 at the end of 2014 and a deficit of $677,046 at the end of 2013.

Contributing to the deficit at year-end 2014 was a $71,500 liability recognized as a premium on flow-through shares issued during 2014. This liability was reversed in the first quarter of 2015 when qualifying exploration expenditures were renounced. Payables at December 31, 2015 were $312,583 versus $420,409 at December 31, 2014 reflecting the reduced level of activity. A provision of $80,000 was recorded at December 31, 2014 as the Company's estimate of any amounts due with respect to the Environment Canada charges including legal and other fees. This was replaced at December 31, 2015 with the final amount of $75,000 in fines due under the order of the Provincial Court of New Brunswick.

At the beginning of 2013 the Company entered into a short-term loan facility with a private company controlled by its largest shareholder in the amount of $850,000. This facility bears interest at 6% per annum. As additional consideration, the Company issued 1,000,000 common share purchase warrants which vested immediately, and were exercisable at $0.20 per warrant with an expiry of June 5, 2014. The Company used these funds to post reclamation bonds with the New Brunswick Department of Energy and Mines. During the fourth quarter of 2013, $720,000 of the reclamation bond was refunded and used to reduce the loan. The remaining $130,000 bond is to be released after a period of up to three years of monitoring water leaving the CNE mine site. This bond has been provided as security to Bellport Ltd. for a portion of its recent loans to the Company.

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.

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.

During June 2014, the Company issued 1.3 million units priced at $0.25 per unit for total proceeds raised of $325,000. Each unit consisted of 1 common share, four flow-through shares and 2.5 warrants exercisable for two years with a strike price of $0.10. Of the $325,000 raised, $195,072 was allocated to share capital, $71,500 was allocated to the flow-through share premium, and $58,428 was allocated to contributed surplus in respect of the warrants issued.

Also during June 2014, 100,000 common shares were issued with respect to the Commander agreement at $0.05 per share.

During August 2014, the Company issued 2.7 million units priced at $0.25 per unit for total proceeds raised of $675,000. Each unit consisted of 4 flow-through common shares, one non-flow through common share, and 2.5 warrants, with each whole warrant entitling the holder to subscribe for one additional share for two years for $0.10 per share. Of the $675,000 raised, $409,997 was allocated to share capital and $265,003 was allocated to contributed surplus in respect of the warrants issued.

In October 2014, 4,500,000 common shares were issued upon the exercise of warrants for cash proceeds to the Company of $350,000.

No further equity issuances have been completed since the October 2014 exercise of warrants.

During February 2015 the Company received a $13,700 loan from Bellport Resources Ltd., and on August 25, 2015 the Company's majority shareholder, William A. Bell, through Bellport Resources Ltd. loaned the Company an additional $250,000 via two notes. The loans do not bear interest, mature December 31, 2017 if not repaid sooner, and are secured by the CNE leases as well as the environmental bond that has been posted with the Province of New Brunswick.

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

The TSX Venture Exchange has reinstated trading of the Company's shares effective April 21, 2016.

On April 26, 2016 the TSX Venture Exchange conditionally approved the business combination of the Company with Silver Stream.

On April 26, 2016 the TSX Venture Exchange conditionally approved the issuance of shares to Bellport Resources Ltd. in the proposed shares for debt transaction.

Related Party Transactions

During the year, the Company paid rent of $4,200 (2014 - $7,200) for office space owned by officers of the Company.

During the year, the Company issued through private placement financing Nil (2014 - 100,000) common shares to directors and officers of the Company and issued Nil (2014 - 24,820,000) common shares to a private company controlled by Stratabound's largest shareholder in a private placement and pursuant to the exercise of warrants.

Of the total salaries and benefits paid to key management, $Nil (2014 - $18,000) was capitalized as mineral exploration and evaluation assets during the year.

Commitments and Contingencies

At December 31, 2015, the Company had a commitment to pay $25,000 by January 29, 2016 (now paid), and an additional $50,000 by October 14, 2016 with respect to the above-described order of the New Brunswick Provincial Court mandating fines against the Company for violations of the Fisheries Act and the Metal Mining Effluent Regulations.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At December 31, 2015 the number of issued common shares was 107,962,611 (fully diluted 122,417,611). As at April 29, 2016 the number of common shares issued is 107,962,611 (fully diluted 122,417,611).

Options outstanding at April 29, 2016

Number of Options	Exercise Price	Expiry Date
305,000	0.13	July 12, 2016
1,725,000	0.10	May 17, 2017
1,475,000	0.10	April 8, 2018
3,505,000	0.102	

Warrants outstanding at April 29, 2016

Number of Warrants	Exercise Price		Expiry Date
750,000	$	0.10	June 16, 2016
6,750,000		0.10	August 29, 2016
2,500,000		0.20	October 9, 2018
950,000		0.05	February 5, 2019
10,950,000	$	.118	

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).

Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and evaluation expenditure

Estimates

In situations where indicators of impairment are present for the Company’s mineral exploration and evaluation assets, estimates of recoverable amount must be determined as the higher of the CGU’s estimated value in use or the estimated fair value less costs to sell. Value in use is based on the present value of the future cash flows expected to flow from the CGU to the Company and actual cash flows may vary. Fair value less costs to sell is based on recent sales of comparable assets which may or may not be indicative of the CGU’s fair value.

Judgments

Management uses judgment in determining whether or not there are indicators of impairment for its CGUs. The results of management's assessment could result in an impairment test not being performed when indicators did in fact exist, which could impact the valuation of the CGUs' carrying values. Management uses judgment in determining what constitutes a CGU (Note 3e).

The CGUs identified by the Company are as follows:

1. Taylor Brook
2. CNE/Captain Group
3. CNE Mining Lease
4. Green Point (expired during 2015)
5. Enja (expired during 2015)
6. Commander Option (expired during 2015)

During the year, the Company had one reportable segment, exploration.

Income taxes

Estimates

Deferred tax assets and liabilities are determined using the tax rates expected to be in effect at the time the assets are realized and liabilities settled. The actual tax rate in effect at that time may vary from the expected tax rates.

Judgments

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may differ materially from the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recovered.

Share-based payment transactions

Estimates

The Company measures the cost of equity-settled transactions with directors, officers, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This valuation requires the determination of the most appropriate inputs including the expected life of the share option (based on historical times between vesting date and exercise date) and share price volatility (based on historical share price volatility). In addition, the amount recognized is based on the number of equity instruments expected to ultimately vest, which relies on estimates of forfeiture rates which is based on historical evidence of forfeitures. History may not always be indicative of the future and as a result, the value determined has significant estimation uncertainty. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the December 31, 2015 audited financial statements. The same estimates are required for transactions with non-employees where the fair value of the goods or services received cannot be reliably determined.

Financial Instruments

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company classifies its cash and other receivables as loans and receivables.

Available-for-sale investments

Non-derivative financial assets not included in the above category are classified as available-for-sale and comprise principally the Company's investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

On sale or impairment, the cumulative amount recognized in other comprehensive income is reclassified from accumulated other comprehensive income to profit or loss.

Other financial liabilities

Financial liabilities are classified as other financial liabilities and comprise accounts payable and accrued liabilities and short-term loan payable. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest payable while the liability is outstanding.

Accounts payable and accrued liabilities represent obligations for goods and services provided to the Company prior to the end of the period which are unpaid. All amounts are unsecured and are normally paid within 30 days of recognition.

Accounting standards issued but not yet applied

At the date of approval of this Management's Discussion & Analysis and the financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on the new standards, amendments and interpretations that are expected to be relevant to the Company are provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9, Financial instruments: Classification and Measurement, is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost only in such instances that the entity is holding the financial asset to collect contractual cash flows and the cash flows represent principal and interest. Otherwise, the financial asset must be measured at the fair value through the statement of profit or loss. The new standard was also updated to include guidance on the financial liabilities and derecognition of financial instruments. The new standard is effective for years beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard on the accounting for the available-for sale investment.

The Company's publicly filed documents are available on SEDAR at 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.

All scientific and technical data disclosed in this report has been reviewed and verified by Michael Page, FAusIMM, a Qualified Person within the meaning of National Instrument 43-101. Michael Page, FAusIMM is the Qualified Person for the Company.

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.*