

**STRATABOUND MINERALS CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

May 25, 2020

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, 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

**Description of Business**

Incorporated in March 1986, Stratabound Minerals Inc. ("Stratabound" or "the Company") is in the business of mineral exploration and evaluation, currently with a gold prospect in the Yukon Territory, and gold and base metal properties in New Brunswick. Stratabound's 2019 and 2020 activities were focused once again on continuing exploration programs on its flagship Golden Culvert Property in the southeastern Yukon Territory since acquiring it in 2017. The Company has also continued to pursue other projects culminating in the conclusion of an option agreement in November 2019 to acquire the new McIntyre Brook Project located in northern New Brunswick, and subsequent expansion with staking and option agreements for the McIntyre-Moose Brook and Gold Brook claim groups, which are adjacent to the McIntyre Brook claim. In November and December 2019, the Company concluded two small exploration programs on both of its new McIntyre Brook and its 100% owned CNE base metals projects.

**Overview**

***Recent Developments***

In February 2020, the Company issued 590,000 common shares to acquire the mineral rights at the McIntyre-Moose Brook and Gold Brook claims, which are adjacent to the McIntyre Brook Project, which was acquired in November 2019. The Company also staked one additional claim adjacent to McIntyre Brook.

Additionally, the Company re-priced and extended an aggregate of 1,037,152 warrants by extending the expiry date by an additional year, and revising the exercise price to \$0.20. These warrant also contain an acceleration clause, in that if the Company's shares trade at or more than \$0.24 for a 10-day period, the expiry date shall terminate upon 30 days' notice. The following warrants have been affected:

- i. 319,166 warrants exercisable at \$0.48 with an expiry date of March 26, 2020;
- ii. 149,496 warrants exercisable at \$0.48 with an expiry date of April 12, 2020;
- iii. 545,574 warrants exercisable at \$0.48 with an expiry date of May 7, 2020; and
- iv. 22,916 warrants exercisable at \$0.48 with an expiry date of June 28, 2020.

In January 2020, 15,000 share warrants were exercised for proceeds of \$1,500. As of March 31, 2020, and subsequent to these various share issues the Company's outstanding shares total 44,637,817.

## **Retirements and New Appointments to the Board of Directors**

In May 2020, the Company has appointed Mr. Gary Nassif and Mr. Jonathan Hill to Board of Directors of Stratabound Minerals Corp., and Mr. Michael Page has resigned from his position as independent director of the Company.

Mr. Nassif is a professional geologist with over 25 years' experience in gold, base-metal and diamond exploration in Canada, United States and sub-Saharan Africa. He is presently Senior Vice President of Jerritt Canyon Gold, a private Nevada gold-producer and 80%-owned subsidiary of Sprott Mining Inc. He is also President & CEO of Argentum Silver Corp., a TSX-V listed explorer, and a director of Inventus Mining and Warrior Gold. He was previously Manager of Exploration Services for several juniors including Trelawney Mining & Exploration prior to its sale to IAMGOLD for \$608 million in 2012. He holds an M.Sc. in Geology (McGill University), a B.Sc. in Geology (Concordia University) and a Certificate in Mining Law from Osgoode Hall.

Mr. Hill has over 30 years' experience of global exploration, mining operational and project development experience including, Africa, Australia, and the Americas. He currently holds the position of Expert Advisor on the Management Committee of Jaguar Mining Corp. and is an independent Director for Royal Road Minerals Limited. He spent most of his formative years as a geologist with Anglo American and AngloGold Ashanti, where he recently held the title of Exploration Manager, Colombia Greenfields and was directly involved in the discovery of several world-class projects within both greenfield and brownfield areas. Jon holds a BSc (Hons) Economic Geology 1988 (University of Cape Town), and a BAppSc. Applied Geology 1985 (Queensland University of Technology). He has been a member of AUSIMM since 1986 and a Fellow since 2018.

### ***Exploration Programs at the Golden Culvert Property***

During the first quarter of 2020 the Company prepared exploration plans for the 2020 field season including geological mapping, prospecting, soils and rock geochemical surveys, ground geophysics and diamond drilling for both the Golden Culvert and Little Hyland properties. The Company submitted notice of same to the Yukon Department of Energy Mines and Resources as per permit requirements.

In March 2020 Seabridge Gold (TSX:SEA, NYSE:SA) announced that it had entered into an agreement to acquire a 100% interest in the 3 Aces gold project in the Yukon, Canada from Golden Predator Mining Corp. for 300,000 Seabridge common shares, potential future cash payments totaling \$2.25 million, continuing royalty participation in the project by Golden Predator and the immediate cash payment of \$263,000 as reimbursement for project-related payments made by Golden Predator. A total value of approximately \$4.2M. The 3 Aces Project is located approximately 20 kilometres south along strike of Stratabound's Golden Culvert and Little Hyland Properties.

### **2019 Exploration Program:**

The Company extended the program of road building and trenching in 2019, doubling the 500 metres of direct road access to 1 kilometre along strike of the Golden Culvert gold mineralized structural corridor. A total of 23 trenches were completed across a kilometre of prospective strike length at various intervals.

### In-fill Trenching:

The first phase of 2019 work was designed to investigate short range variability and continuity of gold grade and host structure between two successful, though wide spaced trenches completed in 2018. All six Phase 1 trenches encountered significant gold mineralization that confirmed and exceeded results achieved in 2018 on the Main Vein Zone demonstrating both host structure and gold mineralization continuity over the 570 metres of strike tested. As well, more higher grade intervals were exposed within moderate grade envelopes this year. The most significant highlight came from trench TR1923-B which yielded 24.41 gpt Au over 6.0m including the highest gold assay ever received to date of 95.0 gpt Au over 1.5m as did trench TR1902 yielding 19.15 gpt Au/1.5m within a larger envelope that graded 3.63 gpt Au/9.0 metres.

### Main Zone Strike Length Extended

A second phase of wider spaced trenches was designed to explore and extend the quartz vein and breccia structures controlling gold mineralization further beyond the 0.5 km of strike concentrated on around the Main Discovery Vein to date. Bedrock exposure in the northern 1.4km was hampered by deep overburden such that significant gold mineralization, on surface at least, appears to be concentrated along the southern 570 metres where it remains open beyond and within the 3 km +20ppb gold soil anomaly surrounding the mineralized veins. The current interpretation is that, though the vein structures themselves are continuous over kilometres, the gold may well be confined to "shoots" within the vein structures, perhaps where unidentified cross structures, geological or geochemical boundaries allow for gold mineralization to occur. Other "blind" shoots may well occur elsewhere within the vein corridor continuum at depth and along strike.

Progressive reclamation was completed on trenches that did not encounter bedrock or were unmineralized.

### New Discoveries Main Zone

Of further significance, four more parallel gold-mineralized veins were discovered in addition to the two previously identified in 2018, effectively widening the gold vein "corridor" from 50 metres to 130 metres wide providing a broader target area for future exploration and diamond drilling. Multiple other parallel quartz vein and breccia structures have been identified outlying the main 130-metre-wide gold-bearing vein "corridor" that, though not well explored, have not yielded significant gold values to date. More gold-bearing "shoots" within these other veins remain to be explored. The quartz vein structures continue to demonstrate a near-vertical attitude. Highlights of the new vein discoveries include 7.26 gpt Au/5.0m within 3.66 gpt Au/10.5m in trench TR1917-B on the new East 2 Vein and trench TR1923-B yielding 24.41 gpt Au over 6.0m including the highest gold assay received to date of 95.0 gpt Au over 1.5m on the new Mid-Vein.

### New Gold Vein Discovery 7.1 Kilometres along Strike

A new gold-bearing vein was discovered approximately 7.1 kilometres north along the general strike of the Main Discovery zone and open-ended +20ppb gold-in-soil anomaly. The vein was exposed in outcrop over 15.8 metres of strike averaging 0.92 gpt Au/2.0m. The new vein averaged a strike of 326° with a vertical dip similar to veins found 7.1 km to the south on the Main Discovery Zone. The vein occurs at the eastern edge of an historic open-ended 100 ppb gold-in-soil anomaly. A second quartz breccia grab sample from a small outcrop 260m to the northwest interpreted to be the same vein yielded 1.16 gpt Au. Both occurrences are within highly altered phyllite host rocks with associated sulphide mineralization similar to the Main Discovery Zone.

No exploration of any kind has ever been done in the intervening 7.1 kilometres between this new discovery and the Main Discovery Zone before this season. The area remains open to explore along strike in both directions.

In summary, the 2019 program confirmed the following:

- Gold-bearing zones are observed to be controlled by quartz vein and breccia structures with strike and near-vertical dip orientations that parallel the regional geology complemented with lower grade narrow “flat” extension veinlets that propagate off the vertical structures into the host wall rock.
- Variability and continuity across short ranges of separation exhibited excellent gold grade and host structure consistency between two successful, though wide spaced trenches completed in 2018.
- All six Phase 1 trenches encountered significant gold mineralization that confirmed and exceeded results achieved in 2018.
- The gold vein corridor has been widened from 50 metres to 130 metres and now includes six parallel gold-bearing vein and breccia structures where only two were known previously.
- A new gold-bearing vein located 7.1 kilometres along strike is located precisely where soil geochemical anomalies and general structural information project it to be.
- The soil anomalies continue for at least 2.5 km to the north, 0.5 km to the south, and remain untested.
- The results confirmed the effectiveness of gold and arsenic soil geochemistry as a tool to track mineralization.
- Soil survey coverage, prospecting and grab sampling in the property's 24 km length is only 20% complete along the key prospective strike direction. The exploration potential therefore remains excellent.

### ***Golden Culvert Property Description***

The Golden Culvert Property is located in the Little Hyland Valley District of the Southeastern Yukon Territory, approximately 205 kilometres north of the town of Watson Lake. The property lies parallel to and about 25 km northeast of the 3 Aces Project of Golden Predator Mining Corp. Significant gold mineralization up to 95.0 gpt Au over 1.5 metres in multiple parallel quartz vein and breccia structures is reported by Stratabound in recent press releases and in filed assessment reports. Gold occurrences in the upper Hyland River valley form a 50-km-long belt that is considered to be the easternmost portion of the Tombstone Gold Belt (Hart and Lewis, 2008). The entire 800-kilometre-long Tombstone Belt of gold deposits and occurrences lies within the greater Tintina Gold Belt that includes Fort Knox, Pogo, Brewery Creek and Dublin Gulch.

Golden Culvert covers 83.8 square kilometres across a 24-kilometre strike. The property is a relatively new discovery, first staked in 2005. Work filed in Yukon mineral claims assessment reports has outlined a northerly-trending, 3-kilometre-long by 250-metre-wide anomaly of +30 ppb Au up to 791 ppb Au gold-in-soils that remains open at both ends. The gold-in-soils anomaly is sometimes coincident with arsenic, silver and copper alteration patterns. The soils anomaly is centred around partially exposed, near vertically dipping sub-parallel quartz shear veins and breccia, with adjacent wallrock alteration, containing gold and sulphide mineralization. The main shear veins are associated with sub-perpendicular flat, sheeted extension veinlets that strike parallel to the main shear veins. Work conducted by Stratabound since 2018 confirms that a 130-metre wide corridor of at least six parallel gold-bearing structures occur

within the soils anomaly, extends for at least one kilometre of strike and to 150 metres in depth where it has been delineated to date. The structures remain open along strike and depth. A new gold-bearing structure was discovered in 2019 to occur 7.1 kilometres along strike to the north with no exploration conducted in between.

### ***Permitting and Infrastructure***

The Central Culvert group of claims has a 10-year Class III Land Use Approval from the Yukon Energy, Mines and Resources to November 16, 2026 that allows for a camp, access roads, trenching and diamond drilling. The Little Hyland claim group requires an annual Class 1 Notification of work planned in each year of activity.

The all-seasons Nahanni Range Road crosses directly through the middle of the claim group. Over \$360 million in combined federal and territorial funding was announced on September 2, 2017 to improve road access including the Nahanni Range Road that crosses through both the Golden Culvert and 3 Aces projects.

### ***Golden Culvert Property Option***

On December 15, 2017, the Company closed the purchase from South Shore Partnership Inc. (South Shore) of South Shore's option to acquire the Golden Culvert Project mining claims in the Yukon Territory from three prospectors (the "Optionors").

Acquisition of the Option required the payment to South Shore of \$100,000 at closing and an additional \$100,000 four months after closing. In addition, Stratabound issued to South Shore 12,000,000 common shares of Stratabound and 6,000,000 common share purchase warrants (which have since expired on December 15, 2019) at closing. In December 2018 Stratabound issued to South Shore 5,000,000 common shares as required by the agreement, and a final issuance of 833,333 post July shares consolidation, (5,000,000 common shares pre- July 2019 consolidation), at December 15, 2019 was completed. The Option with the current owners of the claims is for acquisition of a 100% interest in the properties. The Option, which is in two separate agreements, can be exercised upon completion of payments of \$1,720,000 (\$125,000 of which was paid by South Shore) and work commitments totaling \$700,000 over a five-year period. Stratabound will have the right to make one-half of the payments in shares. The 2018 exploration program satisfied the work commitment at the Golden Culvert claims, and the work commitment on the Little Hyland claims remains outstanding. The properties are subject to an aggregate net smelter returns (NSR) royalty of 2.5%, payable to South Shore and the current owners of the claims.

In September 2018, Stratabound paid the required payments on the Golden Culvert Option and the Little Hyland Option by the payment of \$80,000 in cash and the issuance of 1,355,934 common shares of the Company (at a deemed price of \$0.059 calculated according to the terms of the option agreements) to extend these options to September 27, 2019. In addition, the Company and the Optionors reached agreement to defer the required payment of \$20,000 with respect to the Rubus claims to September 27, 2019 and to allow that payment to be made 50% in cash and 50% in common shares.

The Company and the Optionors agreed to defer payments totaling \$255,000 which may be made 50% (or \$127,500) in cash and 50% in shares that were required on September 27, 2019 to maintain the Company's options until November 12, 2019.

These payments include \$120,000 for Golden Culvert, \$45,000 for Rubus (including the amount deferred from 2018) and \$90,000 for Little Hyland.

On December 5, 2019 the Company and the Optionors completed an amendment to restructure the option payment schedules for the Golden Culvert and Little Hyland properties in the Yukon Territory. The principal changes were to defer some of the payments from 2019 to later years, provide for Stratabound to receive a 40% interest in the property after the 2021 payment, and to adjust the annual payment date to December 12<sup>th</sup> of each year. The revised payment schedule is shown below.

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

The Company has the right, at its discretion, to make 50% of the annual payments by way of share issuances which it elected to do for the December 12<sup>th</sup>, 2019 anniversary.

Including the option-related expenditures and the exploration program costs, the carrying value of the Golden Culvert properties is \$2,565,627 at March 31, 2020.

#### ***Exploration Programs - 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.

These 100%-owned 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.

On November 21, 2017 Stratabound received notice that it had complied with Section 32 of the Metal Mining Effluent Regulations (MMER) and that Confirmation of Recognized Closed Mine Status for the CNE Mine was declared by Environment and Climate Change Canada. A report submitted by an independent consultant in October 2018 concluding that no further water monitoring was required was accepted by the New Brunswick Department of Environment and Local Government and the \$130,000 closure bond was returned. The property is considered fully reclaimed with no further environmental encumbrances.

During the first quarter of 2020 the Company prepared exploration programs for the 2020 field season including diamond drilling on the Captain Copper-Cobalt-Gold Deposit.

### ***2019 CNE Exploration***

A small two-hole diamond drill program was completed in the 4<sup>th</sup> quarter of 2019 on the CNE under the portion of the soil anomaly that is just east of the CNE Deposit mined and reclaimed in 2013. Though no significant results were encountered, soil geochemical surveys have proven effective in discovering economic base metals deposits at Captain/CNE and more such work was recommended as well as a review of past work. A total of \$99,829.62 of qualifying assessment work for Captain/CNE was completed in December 2019 and accepted by the New Brunswick Mining Recorder as credit towards good standing to 2021.

### ***2019 Captain Deposit Review***

In 2019 management also conducted compilation of past work in preparation to market the Property and made notice that eight diamond drill holes completed on the Captain Deposit in late 2014 were never reported either publicly or through assessment filing by past management as the Company had announced cessation of activities and was considering dissolution immediately thereafter in January 2015. In light of the unreported positive 2014 drill results Stratabound management recommended a review and update of the Captain Deposit NI 43-101 resource and a follow-up drill program be budgeted for 2020. Although copper and cobalt prices have not gained appreciably over the year, compounded by the short-term negative market impact of the current COVID 19 pandemic, there is still a strong compelling case for both metals to be in short supply once market conditions stabilize and demand returns for both metals as key resources required for the burgeoning EV-battery metals markets in the medium and long term. The deposit also contains minor but potentially recoverable amounts of gold. The Captain Property is the subject of a NI 43-101 Resource Estimate dated March 23, 2011 titled "Technical Report on an Updated Mineral Resource Estimate" prepared by Mercator Geological Services. Stratabound plans exploration including diamond drilling on the Captain Deposit. Management will continue to review the New Brunswick properties in terms of the updated metals prices and exploration potential.

### ***Taylor Brook***

During February 2017 and as amended in May 2019, the Company and Jaeger Resources Corp. ("Jaeger") entered into an option agreement whereby Jaeger can earn an 80% interest in the Taylor Brook property in the Bathurst Camp in New Brunswick through exploration expenditures, the assumption of the Company's work and payment obligations relative to the Taylor Brook claims and the issuance to the Company of shares of Jaeger. Please see the discussion on Page 12.

On March 29, 2017 Jaeger reported the results of two holes drilled at Taylor Brook. Both holes intersected the same mineralized zone as the Company's previous hole had intersected, and one hole (16-40) intersected 3.4% lead, 5.53% zinc and 126 gpt silver along a down-hole length of 1.23 metres. As at December 31, 2018, Jaeger was \$33,292 underspent on the work requirements on the property, and the Company filed for and received from the Province of New Brunswick an extension on these requirements. During the second quarter of 2019 the Company and Jaeger agreed upon an amendment to the agreement, whereby the Company allowed Jaeger an extension of the time to complete the required \$500,000 cumulative expenditures until February 2023, in exchange for an additional 1,600,000 shares issued by Jaeger. On

October 21, 2019 Jaeger received notification of acceptance from the New Brunswick Department of Energy & Resource Development Deputy Mining Recorder that assessment work totaling \$25,089.23 with excess work credits of \$12,373.13 to be applied to future renewals. Jaeger is currently conducting geochemical and geometallurgical exploration programs on the Taylor Brook Property, (Jaeger March 7, 2020 press release).

The carrying value of the Bathurst properties is \$433,322 at March 31, 2020.

### ***Exploration Programs - McIntyre Brook Gold Properties, New Brunswick***

During the first quarter of 2020 the Company prepared exploration programs for the 2020 field season including geological mapping, prospecting, soils and rock geochemistry surveys and diamond drilling.

### ***2019 Exploration on New McIntyre Brook Property, New Brunswick***

On December 5, 2019 the Company announced it had signed a Definitive Agreement to option and acquire 100% of the mineral rights to the McIntyre Gold Project located adjacent to Highway 180 about 80 kilometres west of Bathurst, New Brunswick (see agreement terms in discussion on page 9). The McIntyre Gold Project consists of two known gold occurrences that occur 1.5 kilometres along strike of each other, the McIntyre Brook and the Big Pit. The McIntyre Brook occurrence features 40 significant gold values between 0.20 and 41.56 gpt gold out of a total 46 grab samples collected from bedrock exposed in trenches along 300 metres of strike length. The zone remains open at both ends and occurs within a 480 metre wide, 8 to 165 ppb gold-in-soil anomaly that remains open beyond 500 metres of strike length. The Big Pit Cu-Au occurrence comprises a chalcopyrite-hematite vein that contains gold. At the Big Pit occurrence, rock samples yielded up to 14405 ppm (1.44%) Cu and 7.33 gpt gold. In 2006, 20 grab samples were collected from the bottom of the trench with one sample returning 9.53 gpt gold.

The McIntyre Gold Project represents a new exploration model that has only recently been recognized to occur in the Maritimes with geological features identified to be comparable to world-class iron oxide-copper-gold (IOCG) deposits such as occur at Olympic Dam in Australia and Candelaria in Chile. The McIntyre Brook occurrence was discovered in 2011 through prospecting and recognition of several pieces of float containing hematite-magnetite and quartz which assayed up to 41.58 g/t gold. A series of trenches cut an east-west striking shear zone approximately 10 metres in width. The shear zone contains quartz-hematite, magnetite and siderite with significant gold (4 grab samples ranging between 0.393 and 43.10 gpt gold). The mineral assemblage suggests an iron oxide+Cu-Au (IOCG) style of mineralization. Follow-up trench grab sampling in 2014 returned excellent results from the previously excavated trenches and confirmed the gold potential of the McIntyre Brook showing. Additionally, grid soil geochemical sampling successfully outlined a gold-in-soil anomaly over the showing and along a strike length of 500 metres.

The Big Pit, which was discovered in 2001, is the first recognized IOCG deposit type in northern New Brunswick.

Stratabound conducted its own due diligence of check sampling the McIntyre Brook trenches in 2019 resulting in ten samples that all graded between 0.81 to 5.79 gpt

gold, further confirming the gold potential identified in the previous campaigns. The gold mineralization was observed to occur within two parallel zones of between 7 to 10 metres wide composed of hematite, pyrite and lesser silica-cemented breccia within, and around the contacts of, vertically dipping intrusive dykes within argillic siltstone sedimentary host rock. Results are summarized in Table 1 below.

Sample Type	UTM NAD 83 Easting	UTM NAD 83 Northing	Au (gpt)	Sample No.	Description
Trench 1 Grab	670116	5263690	3.18	X833708	dyke+Sed. breccia
Trench 1 Grab	670124	5263685	1.51	X833707	dyke+Sed. breccia
Trench 2 Grab	670194	5263723	4.65	X833709	dyke+Sed. breccia
Trench 2 Grab	670195	5263725	5.79	X833710	dyke+Sed. breccia
Trench 3 Grab	670276	5263732	1.27	X833701	dyke+Sed. breccia
Trench 3 Grab	670278	5263730	3.37	X833702	dyke+Sed. breccia
Trench 4 Grab	670317	5263762	0.81	X833703	dyke+Sed. breccia
Trench 4 Grab	670319	5263764	4.52	X833704	dyke+Sed. breccia
Trench 5 Grab	670376	5263774	5.70	X833705	dyke+Sed. breccia
Trench 5 Grab	670379	5263777	3.46	X833706	dyke+Sed. breccia

Table 1

Note: Grab samples by their nature are considered selective and not a true representation of expected average grade of mineralization.

In December 2019 the Company had completed a modest diamond drill program and subsequently announced in February 2020 that the drill results confirmed significant gold mineralization previously reported to occur in surface trenches along 300m of strike featuring 40 samples grading between 0.20 and 41.57 gpt gold. Gold mineralization also now extends to at least 80m below surface. Two drill holes were completed approximately 50 metres apart along strike and under the previously sampled trenches. Both holes intercepted significant gold values near surface associated with hematite, pyrite and quartz mineralized fracture fill within an altered and variably brecciated felsic dyke intruded into argillitic sedimentary country rocks. Anomalous copper values between 69-540 ppm were observed zoned peripherally to the higher grade gold zones. Results are summarized in Table 2 below.

DH_ID	North UTM NAD 83 Zone 19N	East UTM NAD 83 Zone 19N	Total Hole Depth (m)	From (m)	To (m)	Length (m)	Au (gpt)
MB019-03	5263773	670260	100	65.0	81.0	16.0	0.84
including				73.0	74.0	1.0	5.08
MB019-04	5263787	670312	161	57.0	77.0	20.0	1.20
Including				68.0	70.0	2.0	5.73

Table 2.

Although there is an assumption at this point that the mineralization dips to the south, the project is still at a very early stage and much remains to be determined with further work.

The carrying value of the McIntyre Brook property is \$105,588 at March 31, 2020.

### ***McIntyre-Moose Brook / Gold Brook***

In February 2020 the Company announced it had acquired an additional 2,450 hectares of favourable prospective ground adjacent to and along strike of its currently optioned 375 hectare McIntyre Brook Gold Project in northern New Brunswick through staking and further property option and purchase agreements. The total acquisition package extended the strike component from 1.2 km to approximately 12 km and includes three recorded gold and base metals showings approximately 10 km along strike to the west of the previously optioned main McIntyre Brook Gold Occurrence.

#### McIntyre-Moose Brook Group Option Agreement:

The Company announced it had signed a Definitive Option and Purchase Agreement which set out the terms under which it has the right and option to earn 100% interest in 11 claims comprising 1,600 hectares located either side of the currently held McIntyre Option through cash payments, share issuances and work commitments. Stratabound issued 500,000 common shares to the owner, and by the first, second, third and fourth anniversaries of signing Stratabound has committed to complete \$10,000, \$10,000, \$15,000 and \$15,000 respectively, in exploration work at the property. Payments on the first, second, third and fourth anniversaries of signing of \$40,000, \$60,000, \$70,000 and \$80,000 respectively, are required to maintain the option, which may be paid, at Stratabound's election, up to 50% in shares. Upon completion of the fourth anniversary payment Stratabound will have earned 100% ownership in the claims. Stratabound has the option to accelerate the payments and expenditures to exercise the Option sooner if it so desires. Stratabound has also agreed to pay the owner a 2% net smelter return royalty on production from the claims of which 1% may be bought back for \$1M. This new claim group features one recorded base metals and two gold showings including a 2011 drill hole that intersected 1.2 gpt gold over 2 metres within 0.49 gpt gold over 11 metres down the hole, west along strike of the main McIntyre trench results previously reported.

#### Gold Brook Claim Group Option Agreement:

The Company also signed a definitive option agreement which sets out the terms under which Stratabound has the right and option to earn 100% interest in one claim comprising 225 hectares located south adjacent to the currently held McIntyre Option through cash payments, share issuances and work commitments. Stratabound issued 90,000 common shares to the owner, and by the second and third anniversaries of signing Stratabound has committed to complete \$5,000 and \$5,000 respectively, in exploration work at the property. Payments on the first, second and third anniversaries of signing of \$5,000, \$10,000, and \$15,000 respectively, are required to maintain the option, which may be paid, at Stratabound's election, up to 50% in shares. Upon completion of the third anniversary payment Stratabound will have earned 100% ownership in the claims. Stratabound has the option to accelerate the payments and expenditures to complete the ownership to exercise the Option sooner if it so desires. Stratabound has also agreed to pay the owner a 2% net smelter return royalty on production from the claims of which 1% may be bought back for \$1M.

Staking of New McIntyre Claim:

In addition to the acquisitions through option agreements Stratabound completed staking of a new claim block comprising 625 hectares located adjacent to the north of the currently held McIntyre Option.

***Share Issuances and Private Placements of Units and Flow-Through Shares***

On February 5, 2020, the Company completed a transaction for an option to acquire 100% of the mineral rights to the McIntyre-Moose Brook claims, which are adjacent to the previously acquired McIntyre Brook Project. Stratabound and the owner of the claims signed a definitive option agreement which sets out the terms under which Stratabound has the right and option to earn 100% interest in the claims through cash payments, share issuances and work commitments. Stratabound issued 500,000 common shares to the owner upon signing the option agreement, and committed to complete \$50,000 in exploration work at the property, with a minimum work commitment as follows:

- \$10,000 on or before February 5, 2021;
- \$10,000 on or before February 5, 2022;
- \$15,000 on or before February 5, 2023; and
- \$15,000 on or before February 5, 2024.

Payments on the first, second, third and fourth anniversaries of signing of \$40,000, \$60,000, \$70,000 and \$80,000 respectively, are required to maintain the option, which may be paid, at Stratabound's election, up to 50% in shares. Upon completion of the fourth anniversary payment Stratabound will have earned 100% ownership in the claims. Stratabound has also agreed to pay the owner a 2% net smelter return royalty on production from the claims.

On February 5, 2020, the Company completed a transaction for an option to acquire 100% of the mineral rights to the Gold Brook claims, which are adjacent to the previously acquired McIntyre Brook Project. Stratabound and the owner of the claims signed a definitive option agreement which sets out the terms under which Stratabound has the right and option to earn 100% interest in the claims through cash payments, share issuances and work commitments. Stratabound issued 90,000 common shares to the owner upon signing the option agreement, and committed to complete \$10,000 in exploration work at the property, with a minimum work commitment as follows:

- \$5,000 on or before February 5, 2022; and
- \$5,000 on or before February 5, 2023.

Payments on the first, second, and third anniversaries of signing of \$5,000, \$10,000, and \$15,000 respectively, are required to maintain the option, which may be paid, at Stratabound's election, up to 50% in shares. Upon completion of the fourth anniversary payment Stratabound will have earned 100% ownership in the claims. Stratabound has also agreed to pay the owner a 2% net smelter return royalty on production from the claims.

In December, 2019 the Company completed a non-brokered private placement for gross proceeds of \$200,000. Jerritt Canyon Canada Ltd., a private company controlled by Mr. Eric Sprott, acquired the entire placement consisting of 4,000,000 units of Stratabound Minerals Corp. The units were purchased at a price of \$0.05 per unit. Each unit was comprised of one common share in the capital of Stratabound and one

half of one whole Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable for one common share at \$0.09 for 24 months from the date of issue. Prior to acquiring the Acquired Units, Sprott did not beneficially own any securities of Stratabound. Sprott beneficially owns approximately 9.08% of the issued and outstanding Common Shares on a non-diluted basis and approximately 13.04% on a partially diluted basis. Jerritt Canyon Canada Ltd. is the parent company of Jerritt Canyon Gold LLC, a private, growing mid-tier North American gold producer with its primary operating asset, the Jerritt Canyon Mine located 50 miles north of Elko, Nevada.

On December 12, 2019, 833,333 shares were issued to Southshore Partners as the final payment to acquire the Golden Culvert and Little Hyland Option Agreements originally between Southshore and the Optionors and 873,786 shares were issued to the Golden Culvert/Little Hyland Optionors as the 2<sup>nd</sup> anniversary payment under the terms of the Option Agreement as amended also in Dec. 2019.

On December 5, 2019 the Company announced it had completed the transaction for an option to acquire 100% of the mineral rights to the McIntyre Gold Project located adjacent to Highway 180 about 80 kilometres west of Bathurst, New Brunswick as previously announced November 13, 2019. Stratabound and the owner of the claims signed a definitive option agreement which sets out the terms under which Stratabound has the right and option to earn 100% interest in the claims through cash payments, share issuances and work commitments. Stratabound issued 300,000 common shares to the owner upon signing the option agreement, and by the first anniversary of signing Stratabound committed to complete \$50,000 in exploration work at the property. Payments on the first, second, third and fourth anniversaries of signing of \$15,000, \$15,000, \$30,000 and \$40,000 respectively, are required to maintain the option, which may be paid, at Stratabound's election, up to 50% in shares. Upon completion of the fourth anniversary payment Stratabound will have earned 100% ownership in the claims. Stratabound has also agreed to pay the owner a 2% net smelter return royalty on production from the claims.

During July, 2019 the Company completed non-brokered private placements totaling \$251,200. A \$142,200 private placement included 1,777,500 units at a price of \$0.08 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one share of the Company for a period of 24 months from the closing at an exercise price of \$0.10 per share. Additionally, the Company closed \$109,000 in a flow-through private placement of 1,211,111 flow-through units at a price of \$0.09 per flow-through unit. Each flow-through unit consisted of one common share issued on a flow-through basis and one common share purchase warrant entitling the holder to purchase one share of the Company for a period of 12 months from the closing of the offering at an exercise price of \$0.12 per share. Cash fees of \$7,630 and 84,777 broker warrants were paid in respect of the Private Placement. The broker warrants are exercisable for one common share at \$0.09 for 18 months from the date of issue.

#### ***Option of the Taylor Brook Property to Jaeger Resources Corp.***

During May 2019, the Company and Jaeger Resources Corp. ("Jaeger") amended the option agreement whereby Jaeger has the right to earn an 80% interest in the Taylor Brook property in the Bathurst Camp in New Brunswick through exploration expenditures, the assumption of the Company's work and payment obligations relative

to the Taylor Brook claims and the issuance to the Company of shares of Jaeger. To date, the Company has received 3,600,000 shares of Jaeger, and Jaeger has completed a \$43,000 drill program. In addition to the share issuances, Jaeger has paid the annual renewal fees and work requirements of the Province of New Brunswick. However, as of December 31, 2018 Jaeger was \$33,292 underspent on the required cumulative expenditures on the property. The Company has filed for and received an extension on these requirements from the Province of New Brunswick. Jaeger requested additional time to complete its exploration requirements, giving rise to the amendment. Under the amended terms, to maintain and complete the exercise of the option Jaeger will complete \$500,000 of exploration expenditures, including the payment of annual fees and taxes, at the Taylor Brook property as follows: \$125,000 in cumulative expenditures by February 22, 2020; \$200,000 in cumulative expenditures by February 22, 2021; \$300,000 in cumulative expenditures by February 22, 2022; and \$500,000 in cumulative expenditures by February 22, 2023. Jaeger issued an additional 1,600,000 common shares to the Company as consideration for the amendment. Upon Jaeger's exercise of the option, the Company will have the election to enter into a joint venture with Jaeger or to convert its remaining interest to a net smelter return royalty.

### ***Management Transactions and Accounts Payable***

Compensation awarded to key management during the first three months of 2020 consulting fees of \$60,000 (2019 - \$24,000). Key management includes the Company's officers and directors. Included in accounts payable and accrued liabilities at March 31, 2020 is \$227,255 (December 31, 2019 - \$111,389) owing to officers and directors of the Company for consulting fees, expenses incurred in relation to the Golden Culvert, CNE and McIntyre Brook exploration programs, and general and administrative expenses.

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

### **Overall Performance**

#### **Results of Operations**

Stratabound had a comprehensive loss of \$144,317 for the first quarter of 2020, as compared to comprehensive income of \$211,615 for the first quarter of 2019. The major factor accounting for the income in the previous period was the reversal of the liability provision for the flow-through share premium related to the 2018 private placements of flow-through shares.

Exploration expenditures for the first quarter of 2020 were \$83,335 (2019 - \$26,173).

In 2020, the exploration expenditures incurred consisted mainly of share issuances in respect of the McIntyre-Moose Brook and Gold Brook claim options.

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.

At March 31, 2020 the Company had a working capital deficit of \$218,660 compared with a working capital deficit of \$54,017 at the end of 2019.

### **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>2019-2020</b>	<b>March 31 2020</b>	<b>Dec 31 2019</b>	<b>Sep 30 2019</b>	<b>Jun 30 2019</b>
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Income (loss) before income taxes	(\$144,317)	(\$381,217)	(\$125,752)	(\$63,659)
Comprehensive income (loss)	(\$144,317)	(\$318,217)	(\$125,752)	(\$63,659)
Basic and diluted income (loss) per share	(\$ .003)	(\$ .010)	(\$ .002)	(\$ .002)

<b>2018-2019</b>	<b>Mar 31 2019</b>	<b>Dec 31 2018</b>	<b>Sep 30 2018</b>	<b>Jun 30 2018</b>
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Income (loss) before income taxes	\$211,615	(\$107,571)	(\$51,597)	(\$97,285)
Comprehensive income (loss)	\$211,615	(\$107,571)	(\$51,597)	(\$97,385)
Basic and diluted income (loss) per share	\$ .004	(\$ .001)	(\$ .001)	(\$ .001)

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

General and administrative expenses in the first three months of 2020 were \$159,781 compared with \$54,568 in 2019. The increase in spending was attributable to additional consulting fees and costs incurred in marketing and promotion.

### **Liquidity**

At March 31, 2020 the Company had working capital deficit of \$218,660. In comparison, the Company had a working capital deficit of \$54,017 at the end of 2019.

Future exploration of Stratabound's properties is dependent on continued equity financing and/or joint ventures with other companies. Completion of acquisitions will require new financings from equity and debt sources. At March 31, 2020 the Company had no third-party debt other than accounts payable. Further, the Company has no purchase obligations or off-balance sheet arrangements.

### **Related-Party Transactions**

Compensation to key management in the first three months of 2020 was \$60,000 in consulting fees (2019 - \$24,000). Key management includes the Company's officers and directors. Included in accounts payable accrued liabilities at March 31, 2020 is \$227,255 (December 31, 2019 - \$111,389) owing to the directors and officers of the Company, primarily for consulting fees, expenses incurred in relation to the Golden

Culvert, CNE and McIntyre Brook exploration programs, and general and administrative expenses.

Of the total salaries and benefits paid to key management during 2020, \$nil (2019 - \$4,800) was capitalized as mineral exploration and evaluation assets during the period.

### **Commitments**

#### ***Golden Culvert:***

In order to exercise the Golden Culvert, Rubus and Little Hyland options, the Company is committed to pay a total of \$1,515,000 to the Optionors over five years, as follows.

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

Of the above amounts, 50% may be paid in common shares of the Company, except for a portion of the amounts due with respect to Little Hyland. The deemed share price shall be established using the 30-day weighted average price of the shares immediately prior to the share issuance.

The Company made the payments due at September 27, 2018 for the Golden Culvert and Little Hyland claims, and agreed with the Optionors to defer the 2018 payment for the Rubus claims until September 27, 2019. The Company and the Optionors have agreed to extend the September 27, 2019 and future payment dates to December 12 of each year. The Company has completed the \$350,000 work requirement at the Golden Culvert claims. The \$350,000 work requirement at the Little Hyland claims remains outstanding.

#### ***McIntyre Brook:***

In order to exercise the McIntyre Brook option, the Company is committed to pay a total of \$100,000 to the Optionors over four years, as follows:

Payment Date	McIntyre Brook
November 22, 2020	\$15,000
November 22, 2021	\$15,000
November 22, 2022	\$30,000
November 22, 2023	\$40,000
Total	\$100,000

By November 22, 2020, the Company has also committed to incur \$50,000 in exploration work at the property.

#### ***McIntyre-Moose Brook:***

In order to exercise the McIntyre-Moose Brook option, the Company is committed to pay a total of \$250,000 to the Optionors over four years, as follows:

Payment Date	McIntyre-Moose Brook
February 5, 2021	\$40,000
February 5, 2022	\$60,000
February 5, 2023	\$70,000
February 5, 2024	\$80,000
Total	\$250,000

The Company has also committed to complete \$50,000 of exploration work at the property, with minimum work commitments as follows:

- \$10,000 on or before February 5, 2021;
- \$10,000 on or before February 5, 2022;
- \$15,000 on or before February 5, 2023; and
- \$15,000 on or before February 5, 2024.

***Gold Brook:***

In order to exercise the Gold Brook option, the Company is committed to pay a total of \$30,000 to the Optionors over three years, as follows:

Payment Date	Gold Brook
February 5, 2021	\$5,000
February 5, 2022	\$10,000
February 5, 2023	\$15,000
Total	\$30,000

The Company has also committed to complete \$10,000 of exploration work at the property, with minimum work commitments as follows:

- \$5,000 on or before February 5, 2022; and
- \$5,000 on or before February 5, 2023;

***Flow-through spending commitment:***

As a result of the flow-through private placements closed on July 22, 2019, the Company is committed to incur qualifying exploration expenditures of \$109,000 before December 31, 2020.

**Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at March 31, 2020, the number of common shares issued is 44,637,817 (fully diluted 54,155,578).

### ***Warrants outstanding at March 31, 2020***

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,211,111	0.12	July 22, 2020
84,777	0.09	January 22, 2021
319,166	0.20	March 26, 2021
149,496	0.20	April 12, 2021
545,574	0.20	May 7, 2021
22,916	0.20	June 28, 2021
1,762,500	0.10	July 22, 2021
2,000,000	0.09	December 12, 2021
6,095,540	0.1156	

### ***Options outstanding at March 31, 2020***

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
555,555	0.298	April 30, 2020
33,333	0.33	April 30, 2021
500,000	0.30	October 13, 2022
33,333	0.33	June 18, 2023
2,300,000	0.10	July 16, 2024
3,422,221	0.166	

### **Risks and Uncertainties**

The business of exploration and mining is full of risks 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 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 resource may be discovered and the date production may 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 regulations 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).

### **COVID-19**

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- The ability to complete an RTO;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this Interim MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Although cash in the Company has materially declined, management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

### **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 expenditures***

### *Estimates*

In situations where indicators of impairment are present for the Company's mineral exploration and evaluation assets, estimates of recoverable amounts must be determined as the higher of the Cash Generating Units (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.

The CGUs identified by the Company are as follows:

1. Golden Culvert Property
2. McIntyre Brook Property
3. Bathurst Group

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 it has adequately provided for the probable outcome of these matters, but 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.

### ***Promissory note conversion feature***

For a compound financial instrument, the initial carrying amount is allocated to its equity and liability components with the equity component being assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The sum of the carrying amounts assigned to the liability and equity component on initial recognition is always equal to the fair value of the instrument as a whole with no gains or losses arising from recognizing the components of the instrument separately.

A loan (excluding the conversion feature) will be recognized at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, the loan (excluding the conversion feature) will be measured at amortized cost using the effective interest method.

The Company has estimated the effective interest rate based on comparable companies in the market.

### ***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, 2019 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**

The Company's financial instruments include cash, marketable securities, accounts payable and accrued liabilities, and loans payable.

#### ***Financial assets***

Financial assets are initially recorded at fair value and are designated into one of the following three categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive loss.

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows that are solely the payments of principal and interest. These assets are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issues, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

The Company measures a loss allowance at an amount equal to the lifetime expected credit loss that results from possible default events over the expected life of accounts receivable and unbilled service revenue.

The Company's financial asset measured at amortized cost is cash. The marketable securities are measured at fair value through profit or loss.

The Company is not yet in the development stage and has no customers.

### ***Other financial liabilities***

Financial liabilities are classified as other financial liabilities and comprise accounts payable and accrued liabilities and short-term loans 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.

### **Subsequent Events**

Subsequent to March 31, 2020, the Company issued 600,000 options to new directors of the Company, and 300,000 common shares and 200,000 options to Company management.

In addition, subsequent to year-end, the impact of the COVID-19 pandemic in Canada and on the global economy has increased significantly. If the impacts of COVID-19 continue there could be further impact on the Company, in respect of its efforts to raise additional financing and carry out its planned exploration programs. At this time, the full potential impact of COVID-19 on the Company is not known.

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 Kim Tyler, P.Geol, a Qualified Person within the meaning of National Instrument 43-101. Kim Tyler, P.Geol 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, acquiring properties and raising additional equity; and 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.*