

**STRATABOUND MINERALS CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

NOVEMBER 28, 2017

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, 2016 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. Stratabound's 2015 and 2016 activities were focused on the combination of the Company and Silver Stream Mining Corp. and the pursuit of new projects, together with maintenance and, to a lesser extent, exploration of its mineral properties.

**Overview**

***Recent Developments***

***Letter of Intent to Acquire an Option on the Golden Culvert Property***

On October 23, 2017, the Company announced that it had entered into a Letter of Intent (LOI) with South Shore Partnership Inc. (South Shore) to acquire South Shore's option to acquire the Golden Culvert Project mining claims in the Yukon Territory from three prospectors.

The agreement with respect to the Golden Culvert property, which is a grass roots exploration prospect, represents a change in strategic emphasis for the Company. Management's efforts had been focused on acquisition of a project capable of near-term operations, but the Company had been unsuccessful after several attempts. Most recently, during the second quarter of 2017, the Company signed a non-binding term sheet for a potential acquisition of a fully developed and operational gold property, but in June 2017 the seller terminated the agreement despite the Company's progress in procuring financing for the transaction and for potential operation of the property.

***Golden Culvert Property***

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 20 km northeast of the 3 Aces Project of Golden Predator Mining Corp. Significant gold mineralization up to 22.8 gpt Au from a chip sample on the exposed Main Culvert quartz vein has been reported 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 Predator's 3 Aces project has attracted investors such as Sprott, McEwen Mining and PowerOne Capital Markets. Other developing projects in the immediate district receiving significant recent investment include the Rackla Project of ATAC Resources, in which Barrick has a

significant interest, and the Plateau Project of Goldstrike Resources, in which Newmont has invested.

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 by 250 metre 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 silver and copper alteration patterns. The soils anomaly is centred around partially exposed, near vertically dipping sub-parallel quartz shear veins, with adjacent wallrock alteration, containing gold and sulphide mineralization. The assessment filings report chip sample assays of the veins of 22.8 gpt Au (#G071512), 17.3 gpt Au (#C-OC2), 11.95 gpt Au (#RS68) and 9.48 gpt Au (#C-RF4). Chip sample RS57 sampled across 2.4 metres of wall rock assayed 1.28 gpt Au not including quartz veins. The veins and coincident soils anomalies strike parallel with the regional March Fault approximately 3 km to the west. The main shear veins noted above are associated with sub-perpendicular flat, sheeted extension veinlets that strike parallel to the main shear veins. A third set of veins that strike perpendicular to the main shear veins was recently observed by Stratabound personnel during the due diligence site visit. The three vein sets appear to characterize a quartz vein stockwork zone. Furthermore, the stockwork is hosted within pervasive, highly silicified phyllites with disseminated sulphide mineralization in a zone at least 30 metres wide where exposed.

Samples taken of the mineralized host rock during the due diligence site visit confirmed the assessment report assays. Chip sample #S142880 across the main 1 metre wide quartz vein exposed on the Main Showing assayed 14.55 gpt Au. Additionally a 0.5 metre chip sample (S142881) in the altered hangingwall rock of the same vein assayed 2.27 gpt gold. The wall rock consisted of highly silicified, micro-brecciated and sulphidized phyllites. The alteration of the wall rock is variable but pervasive across the 30 metre wide outcrop exposure. Grab samples of this outcropping host rock assayed 0.28 gpt gold and 1.08 gpt gold. A subparallel vein also within the siliceous alteration envelope, 10 metres southwest from the main vein, assayed 14.24 gpt gold over 0.4 metres horizontal width (#S142883).

### ***New Discovery – Green Dragon***

A new 2-3 metre wide copper mineralized quartz vein, 1.4 kilometres south along strike of the original Culvert Main Vein showing was discovered in September, 2017. The new discovery is dubbed the “Green Dragon” due to patches of green malachite copper oxide mineralization. The vein was located as a result of prospecting along the southern open soils anomaly extension. Stratabound’s due diligence site visit confirmed the presence and location of the Green Dragon occurrence.

Chip sample results taken from the exposed Green Dragon Vein located 1.4 kilometres south along strike of the Main Showing did not provide significant gold assay results but did provide anomalous values of 1.8 gpt silver and 732 ppm copper from sample #S142886. A piece of float located approximately 10 metres uphill of the outcropping vein assayed 1.3 gpt silver and 407 ppm lead (#S142887).

### ***Future Plans***

The majority of the soil anomaly is covered with talus scree and even though significant discoveries have been made to date there is much more work required to define the full potential of the Golden Culvert Property. Upon closing of the option acquisition, the Company will complete an NI 43-101 report that is already underway. The

Company plans in the coming field season to fill in the gaps in the soils survey, complete geological mapping and structural studies, perform trenching and enhance road access in preparation for an initial drill campaign.

### ***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, diamond drilling and bulk sampling. 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.

### ***LOI and Option Terms***

The terms of the LOI provide for the payment to South Shore of \$100,000 at closing and an additional \$100,000 four months after closing upon completion by Stratabound of a \$1,000,000 private placement, plus the issuance to South Shore of 12,000,000 common shares of Stratabound at closing. Further issuances of 5,000,000 common shares upon each of the first and second anniversaries of the closing are also required. Both the LOI with South Shore and the Option with the current owners of the claims are 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 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. The Company has completed due diligence and has received required approvals. A definitive agreement is being finalized, and the Company plans to close the option acquisition in late November or early December.

### ***Changes in Management***

To accommodate the Company's change of focus from operation to exploration, on October 23, 2017, the Company announced that R. Kim Tyler, P.Geo., has joined the Company as President, CEO and a Director. Mr. Tyler was granted 3,000,000 stock options exercisable at \$0.05 until October 13, 2022 by the Company. Certain shareholders and management also issued an option on these shareholders' fully paid shares for a total of an additional 7,000,000 shares to Mr. Tyler, exercisable at \$0.005 until October 13, 2022; which option is only exercisable once the Company's share price reaches a ten-day trading average of \$0.20. At the same time, Terrence Byberg relinquished his position as President and CEO and accepted the position of Executive Vice President. Dr. Peter Calder retired as a Director.

### ***Private Placements of Units of the Company***

In November 2017 the Company closed a private placement of \$150,000 for the subscription of 3,000,000 units. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. The Company issued 3,000,000 common shares and 1,500,000 warrants in connection with this private placement. The subscriber of the private placement was Bellport Resources Ltd. (William Bell), the Company's largest shareholder. As a result of the private placement, the Company's shares outstanding as of the date of this MD&A are

153,491,979 (174,117,383 on a fully diluted basis). The funds have provided needed working capital to the Company and will enable the Company to close the purchase of the Golden Culvert option.

In October 2017 the Company closed a private placement of \$75,000 for the subscription of 1,500,000 units. The Company had received deposits for this private placement during September 2017. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. The Company issued 1,500,000 common shares and 750,000 warrants in connection with this private placement. The subscriber of the private placement was also Bellport Resources Ltd. This private placement also provided working capital for the Company.

In July 2017 the Company closed a private placement of \$157,022 for the subscription of 3,140,440 units. The Company had received deposits for this private placement during the first six months of 2017. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. The Company issued 3,140,440 common shares and 1,570,220 warrants in connection with this private placement. Company insiders acquired approximately one-third of the private placement.

#### ***Option of the Taylor Brook Property to Bandera Gold Ltd.***

During February 2017, the Company and Bandera Gold Ltd. ("Bandera") entered into an option agreement whereby Bandera 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 Bandera. To date, the Company has received 1,000,000 shares of Bandera, and Bandera has completed a \$43,000 drill program satisfying the 2015-2016 work requirement. To maintain and complete the exercise of the option Bandera will complete \$500,000 of exploration expenditures, including the payment of annual fees and taxes, at the Taylor Brook property by the third anniversary of the agreement and will issue an additional 1,000,000 shares of Bandera to the Company. Upon Bandera's exercise of the option, the Company will have the election to enter into a joint venture with Bandera or to convert its remaining interest to a net smelter return royalty.

#### ***Share Consolidation and Private Placement***

On October 13, 2016 the Company completed a share consolidation, with one new share being issued for every three old shares. This consolidation was approved by the Company's shareholders at the Company's Annual General and Special Meeting of Shareholders on June 27, 2016.

On October 14, 2016 the Company completed a \$100,000 private placement to a company controlled by the Company's largest shareholder at a price of \$0.05 per unit, issuing 2,000,000 post-consolidation common shares and 1,000,000 post-consolidation common share purchase warrants, each warrant exercisable at \$0.075 for 24 months expiring October 14, 2018.

### ***Business Combination with Silver Stream Mining Corp.***

On May 16, 2016 the TSX Venture Exchange gave final approval to 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 and Stratabound Minerals (Nevada) Inc., a newly formed subsidiary of the Company.

The Company completed the transaction on May 17, 2016 by issuing 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 10,200,000 common shares to complete a "shares for debt" transaction as described below, the Company had 431,555,033 common shares outstanding (fully diluted 472,775,633). (The above numbers of shares are before the share consolidation.) Because of the number of shares issued to the Silver Stream shareholders, the Company's auditor has determined that reverse takeover accounting should apply to the transaction, and that for accounting purposes Silver Stream should be regarded as the acquiror and Stratabound should be regarded as the acquiree.

As a result of the shares issued to complete the business combination, the shares for debt transaction and the private placements completed in October, 2016 and July and October, 2017, the Company now has the following major shareholders: William Bell, 17.8%; Robert Morrison, 12.3%; and Gary Hauber, 9.0%. In addition, management and directors hold 18.0% of the Company's outstanding shares.

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, worked 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 was no cash compensation paid, these four individuals were each awarded 8,000,000 shares of Silver Stream (equal to 5,333,333 post-combination, post-consolidation shares in Stratabound) in recognition of their efforts.

As part of the business combination transaction, Margaret Kent became the chairman of the Company; Terrence Byberg was appointed President and CEO; Michael Page was named Vice President, Exploration; and Richard Meschke was named CFO. Directors of Stratabound are Michael Page, FAusIMM; Terrence Byberg; Margaret Kent; R. Michael Robb, P.E. and Peter Calder, P.Eng. Peter Calder has since retired from the board of directors.

Consistent with the business plan established for the combined company, Stratabound had been actively looking for a "keystone" project. The focus until recently has been to acquire an advanced development project, near-term production project or producing mine. After several unsuccessful efforts, Company management determined to re-focus on exploration properties.

### ***Shares for Debt Transaction with Major Creditor/Shareholder***

On May 16, 2016 the TSX Venture Exchange gave final approval for 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 \$0.02 per share. Such amounts owing approximated \$204,000, and the Company issued 10,200,000 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. Those 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 reviewed the transaction with Silver Stream Mining Corp. discussed above and 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 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 the final \$10,000 was paid in October, 2017.

### ***Loans from Majority Shareholder***

On August 25, 2015 the Company's then majority shareholder, William A. Bell, agreed to lend the Company \$250,000 via two promissory notes through Bellport Resources Ltd., which he controls. A note for \$130,000 is secured by the CNE leases as well as the environmental bond that has been posted with the Province of New Brunswick. A note for \$120,000 may, at the Company's election, be converted into common shares of the Company. The loans do not bear interest. During September 2017 the Company and Bellport agreed to extend the maturity of the notes from December 31, 2017 to December 31, 2018 in exchange for a reduction in the conversion price of the \$120,000 note from \$0.06 to \$0.05 per share. The Company has recently begun discussions with Mr. Bell regarding the conversion of the \$120,000 note into common shares of the Company.

## **Exploration Activities and Exploration Property Holdings**

### ***Silver Stream Properties***

Through the transaction with Silver Stream, the Company acquired the option on the Solomon Pillars gold resource property, which consists of 43 contiguous claims in the

Beardmore area of Ontario, which Silver Stream optioned from Sage Gold Inc. in 2013. After subsequent evaluation of the property in 2016, and in consideration of the financial commitments to maintain and exercise the option, the Company elected to drop the property and allowed the option to expire.

In addition, through Silver Stream the Company holds a 5.8% equity interest in Redstone Resources Inc., which owns the Zonia property in Arizona, USA. Zonia, which currently hosts a Measured and Indicated copper resource of 76.8 million tons @ 0.33% Cu and an inferred copper resource of 27.2 million tons @ 0.28 % Cu using a 0.20% cutoff. The property is under option to Cardero Resource Corp.

### ***Exploration Activities -- General Comments***

As during 2015 and 2016, Stratabound's exploration activities in 2017 have been curtailed because of the Company's focus on its future objectives, including the transaction with Silver Stream. Stratabound's recent 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. The Company has been actively marketing the Bathurst projects to other companies working in the area. The transaction with Bandera Gold Ltd. relieved the Company of holding costs for the Taylor Brook property. Other properties have been dropped as required lease or option expenditures came due. No physical exploration work has been conducted.

### ***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 had 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 expired because the Company elected not to complete the required work or share issuances.

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.

The value of the Bathurst base metal properties, excluding Commander, 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 option was written down to \$250,000 at December 31, 2014 and at December 31, 2015 was written off completely as the option had expired.

### ***Captain and CNE Exploration***

No exploration has been done at Captain or CNE during 2016 or 2017.

## **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. During 2015, line cutting, a grid survey and GPS of old drill hole collars were completed, in preparation for future diamond drilling programs. Stratabound in February 2017 granted Bandera Gold Ltd. an option to acquire an 80% interest in the property to further explore the potential at Taylor Brook and absorb the Company's holding costs (see "Recent Developments" on page 4). On March 29, 2017 Bandera reported the results of two holes drilled at Taylor Brook. Both holes intersected the same mineralized zone as the 2014 hole, 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.

## **Overall Performance**

### **Results of Operations**

The following information is based upon the reverse takeover accounting for the Stratabound – Silver Stream business combination. Stratabound had a comprehensive loss of \$68,957 for the third quarter of 2017, as compared to a comprehensive loss of \$151,316 for the third quarter of 2016. Stratabound had a comprehensive loss of \$246,151 for the first nine months of 2017, as compared to a comprehensive loss of \$544,833 for the first nine months of 2016.

At September 30, 2017 the Company had a working capital deficit of \$348,590 compared with a working capital deficit of \$360,034 at the end of 2016.

Exploration expenditures for the first nine months of 2017 were \$9,057 (2016 - \$3,003). The Company conducted no physical exploration during either 2017 or 2016.

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.

In August 2015 Stratabound received a total of \$250,000 from its majority shareholder, William A. Bell, through Bellport Resources Ltd. under two notes with maturity dates of December 31, 2017. In September 2017 the Company and Bellport agreed to an extension of the maturities to December 31, 2018.

During 2015 Silver Stream completed issuances of 76,937,334 shares at a value of \$2,388,727 comprising private placements and shares for debt transactions.

During 2016 prior to the reverse takeover transaction, Silver Stream issued 32,000,000 shares to management and directors as described in "Recent Developments" at a value of \$0.01 per share for a total value of \$320,000.

The Company did not complete any financings of either equity or debt during 2016, other than the exchange of shares for debt with Bellport as noted earlier, the reverse takeover with Silver Stream and a \$100,000 private placement to Bellport.

In July, 2017, the Company closed a private placement of 3,140,440 units for proceeds of \$157,022. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. Subscribers in the private placement included certain Company insiders.

In September, 2017 the Company received \$75,000 from Bellport Resources Ltd. with respect to a private placement unit issuance that was closed on October, 2017. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. The private placement had not closed at September 30, 2017, and as a result, the consideration received was recorded as an increase to the Company's contributed surplus. Upon closing of the private placement and issuance of the shares and warrants, this balance will be re-allocated between share capital and contributed surplus, as appropriate.

### **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>2016-2017</b>	<b>Sept 30 2017 *</b>	<b>June 30 2017 *</b>	<b>March 31 2017 *</b>	<b>Dec 31 2016*</b>
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Loss before income taxes (income)	<b>\$68,957</b>	<b>\$107,891</b>	<b>\$29,303</b>	<b>\$908,064</b>
Comprehensive loss (income)	<b>\$68,957</b>	<b>\$147,891</b>	<b>\$29,303</b>	<b>\$908,064</b>
Basic and diluted loss per share (income)	<b>\$ .001</b>	<b>\$ .001</b>	<b>\$ .001</b>	<b>\$ .011</b>

<b>2015-2016</b>	<b>Sept 30 2016 *</b>	<b>June 30 2016 *</b>	<b>March 31 2016 **</b>	<b>Dec 31 2015 **</b>
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Loss before income taxes (income)	151,326	69,259	324,258	(2,924)
Comprehensive loss (income)	151,326	69,259	324,258	(2,924)
Basic and diluted loss per share (income)	\$ .001	\$ .001	\$ .0002	\$(0.0001)

#### NOTES:

\* As reported pursuant to reverse takeover accounting for the Silver Stream business combination.

\*\* As originally reported by Silver Stream for the period and converted from US dollars.

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

General and administrative expenses in the first nine months of 2017 were \$165,603 compared with \$84,509 in the first nine months of 2016. The increased expenses in 2017 were attributable to higher professional and consulting fees associated with potential acquisitions and higher travel expenses also associated with acquisition and financing activities.

## **Liquidity**

At September 30, 2017 the Company had a working capital deficit of \$348,590. In comparison, Stratabound had a working capital deficit of \$360,034 at the end of 2016.

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. The Company has no long-term debt. Further, the Company has no purchase obligations or off-balance sheet arrangements. The Company has no long-term debt except for the previously mentioned \$250,000 owed to Bellport.

## **Subsequent Events**

On October 20, 2017, the Company closed the private placement unit offering for which the Company had received deposits during September, 2017. The Company received \$75,000 for the subscription of 1,500,000 units. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at an exercise price of \$0.075 for 24 months from the date of issue. The Company issued 1,500,000 common shares and 750,000 warrants in connection with the private placement. The single subscriber was Bellport Resources Ltd.

On October 23, 2017, the Company announced that it had entered into a Letter of Intent (LOI) with South Shore Partnership Inc. (South Shore) to acquire South Shore's option to acquire the Golden Culvert Project mining claims in the Yukon Territory from three prospectors. The terms of the LOI provide for the payment to South Shore of \$100,000 at closing and an additional \$100,000 four months after closing upon completion by Stratabound of a \$1,000,000 private placement, plus the issuance to South Shore of 12,000,000 common shares of Stratabound at closing. Further issuances of 5,000,000 common shares upon each of the first and second anniversaries of the closing are also required. Both the LOI with South Shore and the Option with the current owners of the claims are 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 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. The Company has completed due diligence and has received required approvals. A definitive agreement is being finalized, and the Company plans to close the option acquisition in late November or early December.

To accommodate the Company's change of focus from operation to exploration, on October 23, 2017, the Company announced that R. Kim Tyler, P. Geo., has joined the

Company as President, CEO and a Director. Mr. Tyler was granted 3,000,000 stock options exercisable at \$0.05 until October 13, 2022 by the Company. Certain shareholders and management also issued an option on these shareholders' fully paid shares for a total of an additional 7,000,000 shares to Mr. Tyler, exercisable at \$0.005 until October 13, 2022; which option is only exercisable once the Company's share price reaches a ten-day trading average of \$0.20. At the same time, Terrence Byberg relinquished his position as President and CEO and accepted the position of Executive Vice President. Dr. Peter Calder retired as a Director.

On November 1, 2017 the Company received notice from Environment and Climate Change Canada that the requirements for mine closure of the Company's CNE mine at Bathurst, New Brunswick under the Metal Mining Effluent Regulations (MMER) have been met, and the mine is now considered as a recognized closed mine under the MMER. The Company has made application to the province of New Brunswick for return of the \$130,000 deposit that is posted with the New Brunswick Department of Energy and Mines for reclamation and environmental security.

In November 2017 the Company closed a private placement of \$150,000 for the subscription of 3,000,000 units. Each unit was priced at \$0.05 and consisted of one common share and one half of one common share purchase warrant. Each warrant is exercisable for one common share at \$0.075 for 24 months from the date of issue. The Company issued 3,000,000 common shares and 1,500,000 warrants in connection with this private placement. The subscriber of the private placement was Bellport Resources Ltd. (William Bell), the Company's largest shareholder. As a result of the private placement, the Company's shares outstanding as of the date of this MD&A are 153,491,979 (174,117,383 on a fully diluted basis). The funds have provided needed working capital to the Company and will enable the Company to close the purchase of the Golden Culvert option.

### **Related Party Transactions**

During October 2017 the Company issued 1,500,000 common shares to Bellport Resources Ltd. (Bellport), a private company controlled by Stratabound's largest shareholder in a private placement. During September 2017, the Company and Bellport agreed to an extension of the maturity dates for Company's \$250,000 notes owing to Bellport from December 31, 2017 to December 31, 2018. In July 2017, the Company issued through private placement financing 130,440 (2016 - Nil) common shares to directors and officers of the Company. In October 2016 the Company issued 2,000,000 common shares to Bellport. The Company also issued 3,400,000 post-consolidation shares to Bellport in a shares for debt transaction in May 2016.

Compensation awarded to key management the first six months of 2017 was Nil (2016 - non-cash stock-based compensation of \$320,000). Key management includes the Company's officers and directors. Any salaries and consulting fees paid are included in general and administrative expenses. Included in accounts payable accrued liabilities at September 30, 2017 is \$81,200 (December 31, 2016 - \$18,400) owing to the directors and officers of the Company, primarily for travel expenses related to due diligence.

Of the total salaries and benefits paid to key management during the first nine months of 2017, \$Nil (2016 - \$Nil) was capitalized as mineral exploration and evaluation assets during the year.

## **Commitments**

As a result of the order of the New Brunswick Provincial Court issued October 14, 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 in fines against the Company for violations of the Fisheries Act and the Metal Mining Effluent Regulations relating to the CNE mining project. In September 2016 the Court agreed to accept \$20,000 on October 14, 2016 (now paid) and to defer the remaining \$30,000 such that \$20,000 was due April 14, 2017 (now paid) and the final \$10,000 was due October 14, 2017 (now paid).

## **Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at November 28, 2017, the number of common shares issued is 153,491,979 (fully diluted 174,117,383).

### ***Options outstanding at November 28, 2017***

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
491,663	0.30	April 8, 2018
6,199,994	0.0483	April 30, 2020
3,000,000	0.05	October 13, 2022
9,691,657	0.062	

### ***Warrants outstanding at November 28, 2017***

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
4,963,528	0.0966	July 2, 2018
833,333	0.60	October 9, 2018
1,000,000	0.075	October 14, 2018
316,666	0.15	February 5, 2019
1,570,220	0.075	July 7, 2019
750,000	0.075	October 20, 2019
1,500,000	0.075	November 27, 2019
10,933,747	\$ 0.127	

## **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).

### **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. Bathurst Group
2. Solomon Pillars Gold Property (impaired during 2016)

During the period, 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, 2016 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 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.

### ***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 is 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.

International Financial Reporting Standard 9, Financial Instruments, ("IFRS 9") is part of the IASB's wider project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Company does not expect a material impact of the new standard on its financial instruments.

International Financial Reporting Standard 15, Revenue from Contracts with Customers, ("IFRS 15") establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 supersedes IAS 11, Construction contracts; IAS 18, Revenue; IFRIC 13, Customer Loyalty Programs; IFRIC 15, Agreements for the Construction of Real Estate; IFRIC 18, Transfers of Assets from Customers; SIC-31, Revenue – Barter Transactions Involving Advertising Services and is effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The Company is in the process of evaluating the impact of the standard on the financial statements.

International Financial Reporting Standard 16, Leases, ("IFRS 16") was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-

balance sheet model similar to the accounting for finance leases under IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early application is permitted, but not before an entity applies IFRS 15. The Company is in the process of evaluating the impact of the standard on the financial statements.

#### Amendments to IAS 12 - Income Taxes

The IASB has published final amendments to IAS 12 'Income Taxes'. The IASB had concluded that the diversity in practice around the recognition of a deferred tax asset that is related to a debt instrument measured at fair value is mainly attributable to uncertainty about the application of some of the principles in IAS 12. Therefore, the amendments consist of some clarifying paragraphs and an illustrating example. The amendment is effective for periods beginning on or after January 1, 2017 and the Company is currently evaluating the impact of the standard on the financial statements

#### Amendments to IAS 7 – Statement of Cash Flows

The IASB has published amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. They are effective for annual periods beginning on or after January 1, 2017, with earlier application being permitted.

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 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, 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.*