

**STRATABOUND MINERALS CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

November 30, 2020

The following management discussion and analysis ("MD&A") of financial condition and results of operations should be read in conjunction with Stratabound Minerals Corp. ("Stratabound" or the "Company")'s unaudited financial statements and related notes for the nine months ended September 30, 2020 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 development, currently with a gold prospect in the Yukon Territory, and gold and base metal properties in New Brunswick. Stratabound's 2020 activities were focused on continuing exploration programs on its flagship Golden Culvert Property in the southeastern Yukon Territory since acquiring it in 2017 and on its new McIntyre Brook gold property option in northern New Brunswick as well as on its third priority 100%-owned Captain copper-cobalt-gold project in Central New Brunswick.

**Overview**

***Recent Developments***

During the quarter-ended September 30, 2020, the Company was successful in raising \$4,487,990 from the issuance of 23,759,950 units, consisting of one common share and one half of one purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at \$0.30 for a period of two years from the date of closing. The warrant also contains an acceleration clause wherein if the common shares trade at \$0.40 for 10 days the Company has the right to accelerate the expiration date upon 30 days' notice to the holders.

In addition, the Company received \$330,000 from the issuance 1,320,000 units, consisting of one flow-through common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at \$0.35 for a period of two years from the date of closing. The warrant also contains an acceleration clause wherein if the common shares trade at \$0.45 for 10 days the Company has the right to accelerate the expiration date upon 30 days' notice to the holders. Proceeds will be used for qualifying exploration expenditures of the Company in relation to its various exploration programs.

Subsequent to September 30, 2020, the Company raised an additional \$1,936,500 as proceeds from the issuance of the above flow-through and non-flow through private placements.

In September 2020, the Company granted 3,500,000 options pursuant to its incentive stock option plan to management, directors and consultants. Each option entitles the holder to subscribe for one common share of the Company for \$0.25 for a period of 5

years, subject to the terms of the plan. These options vest 50% immediately, with the remaining 50% to vest within one year of the grant date.

In July 2020:

- Jerritt Canyon Canada Ltd., a company controlled by Mr. Eric Sprott filed an early warning report on July 3, 2020 that it had acquired ownership and control over 3,000,000 common shares of Stratabound through a secondary market share purchase transaction at a price of \$0.05 per Acquired Share. Prior to acquiring the Acquired Shares, Sprott beneficially owned and controlled, directly or indirectly, 4,000,000 common shares of Stratabound and 2,000,000 common share purchase warrants of Stratabound. Following the acquisition of the Acquired Shares, Sprott beneficially owns and controls, directly or indirectly, an aggregate of 7,000,000 common shares of Stratabound and an aggregate of 2,000,000 common share purchase warrants of Stratabound, representing approximately 15.47% of Stratabound's issued and outstanding common shares on an undiluted basis and approximately 19.05% of Stratabound's issued and outstanding common shares on a partially diluted basis.
- the Company and Jaeger Resources Corp. ("Jaeger") agreed to amend the Taylor Brook Option Agreement to provide Jaeger an additional year to fulfill its work commitments on the property. Jaeger now has until 2025 to meet its spending requirement of \$500,000.

In June 2020, the Company granted 600,000 common shares to officers of the Company as compensation for work performed.

In May 2020, the Company granted 1,600,000 options to directors and officers of the Company. The options have the following characteristics:

- 800,000 options have an exercise price of \$0.10 per option, with an expiration date of January 16, 2025. These options vest 50% in 2020, and 50% in 2021.
- 800,000 options have an exercise price of \$0.10 per option, with an expiration date of May 19, 2025. These options vest 50% in 2020, and 50% in 2021.

As of September 30, 2020, and subsequent to these various share issues the Company's outstanding shares total 71,665,878.

### **New Appointment to the Board of Directors**

In November 2020, the Company appointed Mr. Chad Tappendorf to the Board of Directors of Stratabound. Mr. Tappendorf is a Partner at Coast Capital, an investment firm based in New York which takes a private equity and long-term approach to investing into public companies. Mr. Tappendorf has extensive global private and public equity investment experience and has held board memberships of several companies in the resources, logistics, real estate, and consumer goods industries. Mr. Tappendorf has managed and lead teams of professionals in US\$ multi-billion private equity portfolios and led all aspects of the investment process, including identifying new investment opportunities, due diligence, valuation, and transaction and tax structuring and negotiation.

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

During the third quarter of 2020 the Company initiated and executed its exploration plans prepared during the previous quarters.

The Company announced on August 24, 2020 that a first phase exploration program at its Golden Culvert gold project located in the Yukon Territory had concluded. The Phase 1 program was in preparation of a second phase diamond drilling program. It also consisted of collecting 116 soil and 157 rock samples, ground geophysics and geological surveys on property-wide targets across the remaining underexplored 24 km strike length extending either side of the Main Discovery area that has been the focus of close-spaced, detailed work conducted to date. The Company had received approval from the Yukon Ministry of Community Services for the Company's COVID-19 Alternative Self-isolation Plan and has also been approved for government funding through the Yukon Mining and Exploration Program (YMEP). All permits, notices and approvals are in place to conduct planned work this season.

The Company also announced at that time that it had commenced a second work phase consisting of diamond drilling at the Golden Culvert Project. A drill camp had been established on site and drilling had commenced.

The objectives of the 2020 drill program are:

1. Infill definition drilling within the previously drilled and trenched area to define an initial NI 43-101 resource estimate.
2. Extensional drilling beyond the open-ended strike length to extend knowledge from 530m to about 800m of strike.
3. Drilling below the 150m vertical depth previously drilled from surface

Eight diamond drill holes totaling 1,370m and 24 surface trenches, reported in previous exploration programs, have intersected and outlined a 530m-long by 130m-wide mineralized corridor containing six parallel gold-bearing structures that are targeted for definition and extensional drilling in the 2020 season.

### ***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 including 8 diamond drill holes and 24 trenches 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. (See option and purchase agreement terms under "Commitments" below.)

Including the option-related expenditures and the exploration program costs, the carrying value of the Golden Culvert properties is \$3,355,045 at September 30, 2020. (See "Commitments" below for details on the property option and purchase agreements)

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

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 ("CNE"), 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, 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.

#### ***1. Captain Copper-Cobalt-Gold Deposit***

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. In 2019 management conducted compilation of past work 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. Copper prices have since reached a 5-year high of US\$3.30/lb. at the time of this report and the short-term negative market impact of the current COVID 19 pandemic, provides a compelling case for both copper and cobalt 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 and silver.

## **2. 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 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.

## **3. Taylor Brook**

During February 2017 and as amended in May 2019 and July 2020, the Company and 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.

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 with excess work credits of \$12,373 to be applied to future renewals.

In July 2020, the Company and Jaeger agreed to amend the Taylor Brook Option Agreement to provide Jaeger. an additional year to fulfill its work commitments on the property. Jaeger now has until 2025 to meet its spending requirement of \$500,000. Jaeger has recently completed a geophysical exploration program on the Taylor Brook Property, (Jaeger September 17, 2020 press release).

## **2020 Exploration Programs - Bathurst Base Metal Properties**

During the third quarter of 2020 the Company finalized exploration programs and awaited regulatory approval for exploration permit applications it had submitted for the 2020 field season consisting of diamond drilling on the Captain Copper-Cobalt-Gold Deposit.

The carrying value of the Bathurst properties is \$433,586 at September 30, 2020.

## **McIntyre Brook, New Brunswick**

On December 5, 2019 the Company 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. 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 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.

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 also now extends to at least 80m below surface.

The project is still at a very early stage and much remains to be determined with further work. (See "Commitments" below for details on the property option and purchase agreements)

The carrying value of the McIntyre Brook property is \$185,020 at September 30, 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. (See "Commitments" below for details on the property option and purchase agreements)

The carrying value of the McIntyre-Moose Brook/Gold Brook property is \$64,900 at September 30, 2020.

#### ***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 in 2019.

#### ***2020 Exploration on McIntyre Brook Property***

On September 28, 2020 the Company announced an approximate 125 line-kilometre soil sampling program totaling 2,500 soil samples commencing in early October at McIntyre Brook, Moose Brook and Gold Brook intended to complete coverage over the entire 2,825 hectares covering the entire 12 kilometres of property strike.

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

During the quarter-ended September 30, 2020, the Company was successful in raising \$4,487,990 from the issuance of 23,759,950 units, consisting of one common share and one half of one purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at \$0.30 for a period of two years from the date of closing. The warrant also contains an acceleration clause wherein if the common shares trade at \$0.40 for 10 days the Company has the right to accelerate the expiration date upon 30 days' notice to the holders.

In addition, the Company received \$330,000 from the issuance 1,320,000 units, consisting of one flow-through common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at \$0.35 for a period of two years from the date of closing. The warrant also contains an acceleration clause wherein if the common shares trade at \$0.45 for 10 days the Company has the right to accelerate the expiration date upon 30 days' notice to the holders. Proceeds will be used for qualifying exploration expenditures of the Company in relation to its various exploration programs. The Company also received \$292,352 with respect to option and warrant exercises during the period.

In September 2020, the Company granted 3,500,000 options pursuant to its incentive stock option plan to management, directors and consultants. Each option entitles the holder to subscribe for one common share of the Company for \$0.25 for a period of 5 years, subject to the terms of the plan. These options vest 50% immediately, with the remaining 50% to vest within one year of the grant date.

On June 1, 2020 the Company issued 600,000 common shares to officers of the Company at their fair market value of \$42,000.

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 is 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 is 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.

## **Overall Performance**

### **Results of Operations**

Stratabound had a comprehensive loss of \$810,608 for the first nine months of 2020, as compared to comprehensive income of \$22,204 for the first nine months 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 nine months of 2020 were \$629,257 (2019 - \$222,802).

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.

## **Selected Financial Information**

The financial data are presented in accordance with IFRS. The reporting currency is the Canadian dollar.

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

<b>2019-2020</b>	<b>Sep 30 2020</b>	<b>Jun 30 2020</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Loss before income taxes	(\$440,158)	(\$226,133)	(\$144,317)	(\$381,217)
Comprehensive loss	(\$440,158)	(\$226,133)	(\$144,317)	(\$381,217)
Basic and diluted (loss) income per share	(\$0.009)	(\$0.005)	(\$0.010)	(\$0.010)



<b>2018-2019</b>	<b>Sep 30 2019</b>	<b>Jun 30 2019</b>	<b>Mar 31 2019</b>	<b>Dec 31 2018</b>
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Loss before income taxes	(\$125,752)	(\$63,659)	\$211,615	(\$107,571)
Comprehensive (loss) income	(\$125,752)	(\$63,659)	\$211,615	(\$107,571)
Basic and diluted (loss) income per share	(\$0.003)	(\$ 0.002)	\$ 0.004	(\$ 0.001)

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

General and administrative expenses in the first nine months of 2020 were \$416,824 compared with \$139,856 in 2019. The increase in expenditures was a result of the increased consulting fees (\$191,800 vs. \$72,000 in 2019) to officers of the Company including compensation to an officer who had received none previously, all of which have been deferred during the period, additional professional fee expenditures incurred to replace the legal and financial work effort of retired executives who also received no previous compensation, and increased promotional fees incurred to promote awareness of the Company and its ongoing projects.

### **Liquidity**

At September 30, 2020 the Company had positive working capital of \$3,710,384. 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 September 30, 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 nine months of 2020 was \$191,800 in consulting fees (2019 - \$72,000) which management has chosen to defer reimbursement of pending future financing, option issuances valued at \$457,000 (2019 - \$98,200), and an issuance of 600,000 common shares valued at \$42,000 (2019 - \$nil). Key management includes the Company's officers and directors. Included in accounts payable accrued liabilities at September 30, 2020 is \$393,682 (December 31, 2019 - \$111,389) owing to the directors and officers of the Company, primarily for deferred consulting fees, expenses incurred in relation to the Golden Culvert, CNE and McIntyre Brook exploration programs, and general and administrative expenses.

Of the total compensation paid to key management during the first nine months of 2020, \$10,000 (2019 - \$16,000) 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 \$1,565,000 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	\$150,000	\$75,000	\$130,000	\$355,000
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	\$1,565,000

Of the above amounts, 50% may be paid in common shares of the Company. 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 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 by September 30, 2020, the Company is committed to incur qualifying exploration expenditures of \$330,000 before December 31, 2021.

**Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at September 30, 2020, the number of common shares issued is 71,665,878 (fully diluted 95,021,612).

***Warrants outstanding at September 30, 2020***

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
84,777	\$ 0.09	January 22, 2021
319,166	0.20	March 26, 2021
149,493	0.20	April 12, 2021
545,574	0.20	May 7, 2021
22,916	0.20	June 28, 2021
1,005,500	0.10	July 22, 2021
2,000,000	0.09	December 12, 2021
2,987,475	0.30	August 21, 2022
230,000	0.40	August 21, 2022
8,347,500	0.30	September 24, 2022
430,000	0.40	September 24, 2022
16,122,401	\$ 0.258	

***Options outstanding at September 30, 2020***

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
300,000	\$0.10	January 15, 2021
300,000	0.10	March 15, 2021
33,333	0.33	April 30, 2021
500,000	0.30	October 13, 2022
1,300,000	0.10	July 16, 2024
500,000	0.10	January 16, 2025
800,000	0.10	May 19, 2025
3,500,000	0.25	September 28, 2025
7,233,333	0.188	

**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 Company 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 and base metal prices;
- Demand for gold and base metals and the ability to explore for gold and base metal;
- 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;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial governments have not introduced measures that have directly impeded the exploration activities of the Company.

### **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 consolidated 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 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 are 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.

### ***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 and the September 30, 2020 unaudited condensed interim 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, term deposit, accounts payable and accrued liabilities.

#### ***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 assets measured at amortized cost are cash and term deposits. 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. 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**

In October 2020 the Company received total proceeds from private placement subscriptions of \$1,936,565 related to the Flow-Through and Non-Flow Through Unit Private placement, which included the final tranche of the Company's non-brokered Flow Through Unit Private placement of \$1,235,000. The Company paid finders' fees on the final tranche to qualified finders of \$61,750 and issued 247,000 broker warrants, exercisable at \$0.24 for a period of 18 months. The Company raised a total of \$1,590,000. Pursuant to the terms of the Financing, each Flow-Through Unit is comprised of one common share and one-half of a warrant. One whole warrant will entitle the holder thereof to purchase one non flow-through common share at \$0.35 for a period of 2 years from the date of issue. The warrant also contains an acceleration clause wherein if the Common Shares trade at \$0.45 for 10 days the Company has the right to accelerate the expiration date upon 30 days' notice to the holders. Securities issued pursuant to the final tranche are subject to trading restrictions until February 9, 2021.

In November 2020, the Company entered into a definitive option agreement, the Tardiff Brook Option, to acquire an additional 7 claims prospective to its existing McIntyre Brook property. The Company will issue 200,000 common shares to the owners. 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 the Company's election, up to 50% in shares.

In November 2020, the Company and the owners of the McIntyre Brook claim reached an agreement to include an additional claim adjacent to the main McIntyre Brook claim group that was originally subject to acquisition by a right of first refusal. The Company



agreed to remove the provision that allowed it to pay up to 50% of the annual cash payments with Company shares, and to include the payment of an additional 400,000 shares of the Company to the owners.

On November 30, 2020, the Company provided notice that its shares have now traded above \$0.24 for a 10-day inclusive period between November 17 2020 and November 27 2020 and, as such, also provides notice that an aggregate of 1,037,152 previously issued warrants that were re-priced and extended for an additional 1 year are now due to expire at 4pm eastern time on December 29, 2020. The warrants in question, post-2019 consolidation, are:

1. March 26, 2018 - 319,166 Warrants exercisable at \$0.20, (\$0.48 pre-consolidation), with a previous expiry date of March 26, 2021,
2. April 12, 2018 - 149,496 Warrants exercisable at \$0.20, (\$0.48 pre-consolidation), with a previous expiry date of April 12, 2021;
3. May 7, 2018 - 545,574 Warrants exercisable at \$0.20, (\$0.48 pre-consolidation), with a previous expiry date of May 7, 2021;
4. June 28, 2018 - 22,916 Warrants exercisable at \$0.20, (\$0.48 pre-consolidation), with a previous expiry date of June 28, 2021.

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 R. Kim Tyler, P. Geo, a Qualified Person within the meaning of National Instrument 43-101. Kim Tyler, P. Geo 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.*