

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

AUGUST 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 capable of supporting near-term operations, together with maintenance and, to a lesser extent, exploration of its mineral properties.

Overview

Recent Developments

Private Placement of Units of 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. As a result of the private placement, the Company's shares outstanding as of the date of this MD&A are 148,991,979 (164,367,397 on a fully diluted basis). The funds have provided needed working capital to sustain the Company while management continues its acquisition efforts.

During the second quarter of 2017, the Company signed a non-binding term sheet for a potential acquisition, 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.

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 \$30,000 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). 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 acquirer 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 October 14, 2016 and July 7, 2017, the Company now has the following major shareholders: William Bell, 15.4%; Robert Morrison, 12.5%; and Gary Hauber, 9.2%. In addition, management and directors hold 18.3% 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.

Consistent with the business plan established for the combined company, Stratabound has been actively looking for a "keystone" advanced development project, near-term production project or producing mine. The future focus of the Company will not be on acquiring additional grass roots exploration properties. The business plan also includes: (1) evaluation of the exploration properties held by each of Stratabound and Silver Stream; (2) completion of the water sampling/monitoring and remaining reclamation obligations at the CNE mine site; and (3) payment of the fines assessed for the environmental violations at the CNE mine. Initial funding for the combined company consisted of \$250,000 in loans from Stratabound's majority shareholder. The two recent private placements have funded continuing operations and demonstrate the ongoing financial support from our major investors.

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 \$65,000 has been paid, and the remaining \$10,000 is due October 14, 2017.

Loans from Majority Shareholder

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

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. 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 was written down to \$450,000 at December 31, 2014 as a result of a revaluation of all of the Company's assets. The Commander property was written down to \$250,000 at December 31, 2014 and at December 31, 2015 was written off completely as the option 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 1). 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 \$147,891 for the second quarter of 2017, as compared to a comprehensive loss of \$69,259 for the second quarter of 2016. Stratabound had a comprehensive loss of \$177,194 for the first six months of 2017, as compared to a comprehensive loss of \$393,517 for the first six months of 2016.

At June 30, 2017 the Company had a working capital deficit of \$599,341 compared with a working capital deficit of \$360,034 at the end of 2016. The increase in the working capital deficit resulted from the reclassification of the Bellport Resources Ltd. notes as short term liabilities because they are now less than one year from maturity.

Exploration expenditures for the first six months of 2017 were \$8,700 (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 September 2015 Stratabound received a total of \$250,000 from its majority shareholder, William A. Bell, through Bellport Resources Ltd. under two notes.

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.

During the six month period ended June 30, 2017, the Company received \$157,022 from investors with respect to a private placement unit issuance that was closed in July 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 June 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

2016-2017	June 30 2017 *	March 31 2017 *	Dec 31 2016*	Sept 30 2016 *
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Loss before income taxes (income)	\$107,891	\$29,303	\$908,064	151,326
Comprehensive loss (income)	\$147,891	\$29,303	\$908,064	151,326
Basic and diluted loss per share (income)	\$.001	\$.001	\$.011	\$.001

2015-2016	June 30 2016 **	March 31 2016 *	Dec 31 2015 **	Sept 30 2015 **
Revenue – interest income	\$ -	\$ -	\$ -	\$ -
Loss before income taxes (income)	69,259	324,258	(2,924)	3,033
Comprehensive loss (income)	69,259	324,258	(2,924)	3,033
Basic and diluted loss per share (income)	\$.001	\$.0002	\$(0.0001)	\$ 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 six months of 2017 were \$109,860 compared with \$58,551 in the first six months of 2016.

Liquidity

At June 30, 2017 the Company had a working capital deficit of \$599,341. In comparison, Stratabound had a working capital deficit of \$360,034 at the end of 2016. As mentioned previously, the increase in the working capital deficit resulted from the reclassification of the Bellport Resources Ltd. notes as short term liabilities.

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.

Subsequent Events

On July 7, 2017, the Company closed the private placement unit offering for which the Company had received deposits during the first six months of 2017. The Company received \$157,022 for the subscription of 3,140,440 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 3,140,440 common shares and 1,570,220 warrants in connection with the private placement.

Related Party Transactions

During the first six months of 2017, the Company issued through private placement financing Nil (2016 - Nil) common shares to directors and officers of the Company. In October 2016 the Company issued 2,000,000 common shares to Bellport Resources Ltd., a private company controlled by Stratabound's largest shareholder in a private placement in October 2016. The Company also issued 3,400,000 post-consolidation shares to Bellport Resources Ltd. 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. The salaries and consulting fees are included in general and administrative expenses. Included in accounts payable accrued liabilities at June 30, 2017 is \$67,700 (December 31, 2016 - \$18,400) owing to the directors and officers of the Company.

Of the total salaries and benefits paid to key management during the first six 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 is due October 14, 2017.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at August 28, 2017, the number of common shares issued is 148,991,979 (fully diluted 164,367,397).

Options outstanding at August 28, 2017

Number of Options	Exercise Price	Expiry Date
491,666	0.30	April 8, 2018
6,200,000	0.0483	April 30, 2020
6,691,666	0.067	

Warrants outstanding at August 28, 2017

Number of Warrants	Exercise Price	Expiry Date
4,963,533	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
8,683,752	\$ 0.140	

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 expenditure

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

Additional information on the Company's projects including news releases, maps and photos can be viewed on the Company's website www.stratabound.com.

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

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