

**STRATABOUND MINERALS CORP.
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2012**

May 30, 2012

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, 2011, the annual Management Discussion and Analysis dated April 30, 2012, and the Condensed Interim Financial Statements and related notes prepared by management for the period ended March 31, 2012 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Description of Business

Stratabound is in the business of mineral exploration and evaluation, with base metal, silver and gold properties in New Brunswick, and gold and base metal prospects in Quebec. The Company is currently engaged in building a resource base in the infrastructure-rich, world-class Bathurst Mining District of northern New Brunswick, on bringing the CNE lead-zinc-silver deposit into near-term production, and on exploring new properties within both provinces that present significant opportunity for mineral discovery. At the present time, the Company does not have any producing properties and consequently no revenues.

Overview and Summary

CNE Deposit

- In 2011 an independent, National Instrument 43-101 compliant Preliminary Economic Assessment (PEA) of Stratabound's 100%-owned Captain North Extension (CNE) zinc-lead-silver deposit near Bathurst, New Brunswick, reported that CNE demonstrates robust economics as a potential open pit toll-milling operation, with an Internal Rate of Return of 292%.
- Stratabound has a Letter of Intent from Xstrata Zinc stating it is willing to process ore from the CNE deposit at their nearby mill, located at the Brunswick #12 mine (the world's largest underground zinc producer). Stratabound has provided Xstrata with complete metallurgical information from previous milling campaigns (40,000 tonnes) successfully completed at Noranda's Heath Steele mill in the early 1990s, and other metallurgical and mineralogical investigations. The Company is presently providing representative samples of the mineralization to Xstrata's lab.
- On April 11, 2012, as part of the permitting process required to mine the CNE deposit, Stratabound filed its Environmental Impact Assessment registration documents with the Director of the Sustainable Development, Planning and Impact Evaluation Branch of New Brunswick's Department of Environment. These documents can be viewed on the Company's website (stratabound.com).
- Public information meetings took place on May 15, 2012 in Bathurst and May 16, 2012 in Miramichi. No opposition to the CNE project was encountered and most of the attendees were interested in possible employment opportunities, or in contracts for construction, mining or trucking. The Company was pleased to see representatives of the Pabineau First Nation in attendance, and expects that this initial informal meeting will lead to a basis for ongoing communication and

cooperation. Stratabound will be meeting with the Assembly of First Nations in Fredericton on June 20, 2012.

- Communication and cooperation with the Technical Review Committee, comprised of representatives of the various federal and provincial agencies involved in the permitting process, have been timely and detailed as we work toward completion of the approval process.

Elmtree Property Sale

- Stratabound recently agreed to sell its 40% interest in the Elmtree Gold property in northern New Brunswick to CNRP Mining Inc. The transaction is scheduled to close on June 22, 2012. The agreement calls for payments to Stratabound of \$300,000 in cash and 10,000,000 shares of a new resource company. Stratabound intends to distribute these shares to its shareholders as a dividend. Terms of the transaction are presented below ("Elmtree Gold Property, New Brunswick").

Gemini Hills Gold Prospect, Quebec

- Drilling is underway on the Gemini Hills, Quebec gold property, funded by Canuck Exploration Ltd., a private company based in La Motte, Quebec. Canuck can earn a 25% interest in the property by drill-testing a prominent geophysical anomaly flanking several gold occurrences and soil anomalies detected in our 2010 and 2011 exploration programs.

Commander Claims

- The Company is about to begin a geophysical surveying program followed by drilling on the optioned Commander property adjoining our CNE and Captain claims.

Financing

- On April 17 the Company raised \$424,600 in a private placement of shares.

Overall Performance

During the first quarter of 2012 the Company spent \$63,821 on its mineral properties, compared with \$246,608 in the first quarter of 2011. The first quarter mineral property expenditures do not include any non-cash items (2011 - \$16,250) related to shares issued for property acquisition.

On March 15, 2012, the Company announced a non-brokered private placement which closed on April 17, 2012 comprising 4,200,000 common shares at \$0.05 per share and 2,682,500 flow-through common shares at \$0.08 per share for proceeds of \$424,600. During the first quarter of 2011, the Company closed a non-brokered private placement of 2,000,000 flow-through shares at \$0.25 per share for proceeds of \$500,000.

At March 31, 2012 the Company had working capital of \$168,801 compared with \$698,618 at March 31, 2011 and a working capital deficit of \$89,020 at the end of 2011.

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

2012/2011	March 31/12	Dec 31/11	Sept 30/11	June 30/11
	\$	\$	\$	\$
Revenue – interest income	50	43	2,424	596
Loss before income taxes (income)	(63,913)	322,633	81,404	141,327
Comprehensive loss (income)	(26,430)	452,047	96,762	160,708
Basic and diluted loss per share (income per share)	(0.001)	0.006	0.001	0.004

2011/2010	March 31/11	Dec 31/10	Sept 30/10	June 30/10
	\$	\$	\$	\$
Revenue – interest income	3,765	1,097	1,180	1,437
Loss before income taxes	66,910	169,891	850,094	65,118
Comprehensive loss (income)	86,446	28,950	801,794	65,118
Basic and diluted loss per share (income per share)	0.001	0.001	0.013	0.001

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

Results of Operations

Expenses relating to exploration and evaluation of mineral properties and their acquisition are capitalized as Mineral Exploration and Evaluation Assets on the interim statement of financial position. Details of expenditures incurred on the Company's projects during the first quarter of 2012 and 2011 are listed under the heading "Additional Disclosure" in this Management Discussion and Analysis.

General and administrative expenses in the first three months of 2012 were \$40,218 compared with \$88,027 for the corresponding period in 2011. The decrease is largely attributable to lower professional fees in 2012, as the IFRS conversion had been completed.

General and Administrative Expenses

	2012		2011
Three months ended March 31	\$	\$	
Professional Fees	12,000		43,708
Office and other	11,898		8,579
Filing fees & investor communications	8,370		16,991
Salaries and benefits	6,150		17,699
Rent	1,800		1,050
TOTALS	40,218		88,027

The Company's statements of comprehensive income for the quarter ended March 31, 2012 show a gain of \$26,430 compared to a comprehensive loss of \$86,446 for the corresponding period in 2011. This is due to a previous liability related to the issuance of flow-through shares being recognized as "other income" when these flow-through shares were renounced for tax purposes on March 28, 2012.

With respect to flow-through shares issued in February 2011, the Company is committed to incur qualifying exploration expenditures of \$86,362 before December 31, 2012.

Bathurst Base Metal Properties, New Brunswick

Stratabound owns a 100% interest in the CNE Mining Lease and the CNE/Captain, Taylor Brook and Nepisiguit Brook claim groups, totaling 6,405 hectares, within the famed Bathurst Mining Camp in northeast New Brunswick, Canada, one of the world's greatest zinc-lead-silver districts. In addition, Stratabound holds an option on 1,049 hectares adjoining the northern boundary of the CNE/Captain claim group. The option agreement is with Commander Resources Ltd., and enables Stratabound to acquire up to a 65% interest in Commander's claims.

These 100%-owned and optioned properties are all situated in the heart of the Bathurst camp, with three world-class base metal mines occurring within a 20 kilometre radius of them, namely Brunswick No. 12 (the world's largest underground zinc mine), Brunswick No. 6, and Heath Steele. The wholly-owned claims host three known base metal sulphide bodies: the Captain, CNE and Taylor Brook deposits, which have not been fully explored.

Stratabound's expenditures for the period ended March 31, 2012 on the Bathurst base metal properties not including Commander, totalled \$60,815. Cumulative expenditures to March 31, 2012 are \$5,934,306 net of provincial government incentive payments and property expense write-offs.

Captain North Extension (CNE) Deposit

In 2011 an independent, National Instrument 43-101 compliant Preliminary Economic Assessment (PEA) of Stratabound's 100%-owned Captain North Extension (CNE) zinc-lead-silver deposit near Bathurst, New Brunswick, reported that CNE demonstrates robust economics as a potential open pit toll-milling operation, with an Internal Rate of Return of 292%.

Stratabound has a Letter of Intent from Xstrata Zinc stating it is willing to process ore from the CNE deposit at their nearby mill, located at the Brunswick #12 mine (the world's largest underground zinc producer). Stratabound has provided Xstrata with complete metallurgical information from the three previous milling campaigns (40,000 tonnes) successfully completed at the Heath Steele mill in the early 1990s, and other metallurgical and mineralogical investigations. The Company is also presently providing representative samples of the mineralization to the Xstrata laboratory.

On April 11, 2012, as part of the permitting process required to mine the CNE deposit, Stratabound filed its Environmental Impact Assessment registration documents with the Director of the Sustainable Development, Planning and Impact Evaluation Branch of New Brunswick's Department of Environment. These can be viewed on the Company's website.

Public information meetings took place on May 15 and 16, 2012 in Bathurst and Miramichi. No opposition was expressed to the CNE project and most of the attendees were interested in possible employment opportunities, or in contracts for construction, mining or trucking.

The Company was pleased to see representatives of the Pabineau First Nation in attendance and expects that this initial informal meeting will lead to a basis for ongoing communication and cooperation. Stratabound will be meeting with the Assembly of First Nations in Fredericton on June 20, 2012. Communication and cooperation with the Technical Review Committee, comprised of representatives of the various federal and provincial agencies

involved in the permitting process, have been timely and detailed as Stratabound works toward completion of the approval process.

Captain Deposit

The most recent NI 43-101 compliant Technical Report and Resource Estimate, dated March 4, 2011, which is summarized below, reflects mineralization defined by 30 drill holes to date:

<i>At 1.0% CuEq* cut-off:</i> Measured & Indicated 667,000 tonnes @ 1.42% Cu, 0.048% Co, 0.25 g/t Au; plus Inferred 298,000 tonnes @ 1.18% Cu, 0.038% Co, 0.20 g/t Au.
<i>At 0.6% CuEq* cut-off:</i> Measured & Indicated 1,006,000 tonnes @ 1.03% Cu, 0.051% Co, 0.20 g/t Au; plus Inferred 960,000 tonnes @ 0.64% Cu, 0.039% Co, 0.12g/t Au.

**Based on total in-situ metal - no recovery factors applied*

The Preliminary Economic Assessment (PEA) of the Bathurst properties (November 23, 2011) indicates the Captain deposit to be non-economic at this time and recommends additional drilling to further extend and sample the higher grade core of the mineralized zone, which remains open at depth.

The PEA further recommended that bore hole electromagnetic surveying be undertaken. Strong off-hole anomalies delineated by such work should be considered high priority drilling targets for lead-zinc mineralization flanking the copper stockwork zone.

Taylor Brook Deposit

This extensive blanket of pyritic massive sulphides is located 11 kilometres northwest of the CNE Deposit and 6 kilometres northeast of the 25 million tonne Heath Steele Mine.

As currently known this low-grade lead-zinc-silver deposit has a strike length of approximately 650 m and a down-dip extent of greater than 600 m.

It comprises one to four stratabound horizons of heavily disseminated to semi-massive and massive sulphides interlayered with hydrothermally altered volcanic rocks.

Width and grades of the base metal mineralization are highly variable within the sulphide zone. Metal zonation, that is, zinc and lead-rich tops and copper enriched bases, is locally developed on the scale of individual horizons or on the scale of total deposit thickness. The lead, zinc, and copper ratios are consistent with the same ratios from other deposits in the Bathurst Mining Camp.

The renowned Brunswick No.12 Mine contains perhaps 100 million tonnes of similar non-economic pyritic massive sulphides adjoining the high-grade ore bodies, and inasmuch as Taylor Brook is open along strike and down dip, additional drilling appears warranted.

A 1995/96 drill program by Stratabound located a "channel" containing 3% – 8% lead-zinc, representing much better grades than those obtained by previous operators, and indicating good exploration potential for Taylor Brook.

The Preliminary Economic Assessment of the Bathurst properties (November 23, 2011) states that further exploration is warranted and recommends that additional drilling be

conducted to further investigate the known Taylor Brook deposit, as it has not been delineated laterally to the east or west, nor at depth, in order to determine the continuity of geology and to see whether metal grades improve in these directions. A 24-hole definition drill program is proposed.

The PEA notes that the Taylor Brook deposit appears to have a nucleus of higher grade massive sulphides concentrated in the northwest of the deposit, and proposes that 11 of the 24 holes be drilled along the western edge of the deposit, as there has been no drilling to determine the western extent of the massive sulphide zones.

Stratabound is seeking a joint-venture partner to further explore this potential.

Commander Option

In 2010 the Company entered into a 5-year agreement with Commander Resources Ltd. allowing Stratabound the option to acquire up to a 65% interest in an 1,049 hectare claim group adjoining the northern boundary of the CNE and Captain claims.

Stratabound's initial drilling was encouraging, intersecting good grades of copper-silver-cobalt-gold as disseminations and stringer-type pyrite-chalcopyrite veins (see news release dated February 16, 2011). This mineralization resembles the Captain deposit, located approximately 4.5 kilometres to the south.

The mineralization that was encountered, however, does not explain the very strong electromagnetic responses delineated by Stratabound's initial program of geophysical surveying, and a gravity survey will be conducted in summer 2012 prior to additional drilling to investigate whether massive sulphide mineralization may be present below the intersected stringer network.

A 1.8 kilometre long zinc-lead-silver geophysical drill target has also been identified on the west side of the optioned claims near the CNE deposit, associated with heavily disseminated to semi-massive sulphides and magnetite iron formation, a rock type commonly associated with massive sulphide deposits in the Bathurst Camp.

Deep drilling on this target is planned for summer 2012

Cumulative expenditures to March 31, 2012 on the Commander option are \$170,950.

Elmtree Gold Property, New Brunswick

During the first quarter of 2012, Castle Resources Inc. completed all of its commitments under a June 2009 option agreement with Stratabound, thereby earning a 60% interest in the property, and informed Stratabound that it had sold its interest. Stratabound subsequently executed a Letter of Intent to sell its remaining 40% interest to CNRP Mining Inc., a private company. The definitive agreement was executed on May 1, 2012. The completion of the transaction is subject to various customary closing conditions and regulatory approvals, and is expected to close on June 22, 2012.

CNRP will acquire Stratabound's 40% interest in the Elmtree property by:

- paying \$300,000 cash to Stratabound, payable \$100,000 at closing, \$100,000 on the six-month anniversary, and \$100,000 on the twelve-month anniversary; and
- issuing to Stratabound 10,000,000 shares of CNRP.

The closing will coincide with CNRP finalizing:

- a reverse takeover (RTO) of Gorilla Resources Corp., a public company listed on the Canadian National Stock Exchange (CNSX);
- a name change to Winston Mining Inc.;
- a \$500,000 private placement;
- a \$750,000 public fundraising with Euro Pacific Canada; and
- CNRP acquiring from Green Swan Capital two properties located in Ontario's highly prospective James Bay Lowlands area commonly known as the "Ring of Fire". One of these properties is situated 10 kilometres north of Noront's Eagle's Nest nickel-copper-platinum-palladium deposit; the other is 20 kilometres northeast of Cliffs Natural Resources' chromite deposits.

Contemporaneous with the closing of the RTO, Stratabound's 10,000,000 shares of CNRP will be converted into 10,000,000 shares of Winston Mining Inc, representing approximately 15.7% of Winston, with a deemed value of \$2,500,000, using the selling price at which shares are planned to be issued in the Euro Pacific fundraising.

Stratabound intends to distribute all these Winston shares to the shareholders of Stratabound as a dividend on or about the time of the RTO. Stratabound shareholders would receive a dividend of one share of Winston for approximately every 7.2 shares of Stratabound that they own, and can therefore benefit directly from future developments at Elmtree, with no requirement for Stratabound to contribute to Elmtree project costs.

In a news release dated May 28, 2012, Gorilla reports that CNRP and Gorilla have received a new NI 43-101 Technical Report from Micon International Limited on Elmtree, which shows an increase in the gold resource of about 30%. The report has been filed on SEDAR (sedar.com) and on Winston's website (winstonresourcesinc.com).

Cumulative expenditures to March 31, 2012 are \$2,006,771 net of government incentive grants and option payments.

Ramsay Brook Gold Property (Murray Group), New Brunswick

No work has been done on this 69 claim (1,110 hectare) property in 2012.

Cumulative expenditures to March 31, 2012 are \$396,485 net of government incentive grants.

Green Point, New Brunswick

Stratabound has a 100% interest, subject to a 2% net smelter return royalty, in 118 claims (2,561 hectares) located 2.5 kilometres northeast of the Elmtree claims.

This grass-roots property contains ten known sulphide occurrences, most of which are irregular veins less than one metre wide, carrying base metal and gold values. Nine holes were drilled by a previous owner, Ben Baldwin. A major alteration zone was reportedly intersected in the drilling. The best intersection was in Hole 3 where 1.17 g/t was reported over a 15.5 metre core length.

Stratabound recently completed an initial exploration program which collected and assayed 149 soil samples west of the Baldwin gold occurrence. Three prominent soil anomalies have

been outlined and warrant further follow up, including soil/till sampling, prospecting, and geophysical surveys, with subsequent trenching or drilling if results warrant.

Cumulative expenditures to March 31, 2012 are \$44,188.

Lamoreaux Corner, Western New Brunswick

The Company has a 100% interest in a 93 claims (2,060 hectares) gold prospect at Lamoreaux Corner. The property is situated along the Trans-Canada Highway near the U.S. border in western New Brunswick.

No work has been done on these claims in 2012. Cumulative expenditures to March 31, 2012 are \$31,072.

Loch Lomond Area, Southern New Brunswick

The Company has a 100% interest in two properties (39 claims, 813 hectares) in the southern part of the province near the former Cape Spencer gold mine, close to the city of St. John.

The Grassy Lake claims cover a multi-element precious metal basal till anomaly (silver, gold, bismuth, antimony, tellurium) revealed in a New Brunswick Department of Natural Resources survey of basal tills.

The Shanklin Road claims enclose a precious, base and rare metals anomaly discovered by a New Brunswick Department of Natural Resources survey of basal tills.

No work has been done in 2012. Cumulative expenditures to March 31, 2012 are \$11,588.

Gemini Hills, Quebec

This wholly-owned 519 hectare property is situated near the village of Saint-Gérard-de-Berry, 90 kilometres north of Val-d'Or, Quebec.

After acquiring the claims in September 2010, a number of gold targets were identified with prospecting, induced polarization and magnetics.

In 2011 four outcrops were stripped, washed, sampled and mapped. Channel sampling defined mineralized intervals of 3.71 g/t gold over 1.5m and 1.87 g/t gold over 3.0m, within a mineralized deformation system accompanied by alteration and hydrothermal quartz and pyrite.

An independent geological report interprets this mineralization to be part of a more extensive unexposed gold mineralized system and recommends additional exploration.

The geological setting resembles the Kirkland Lake, Ontario gold camp, with a 4 kilometre diameter syenite stock intruding an assemblage of potassic-altered volcanic and Temiskaming-style conglomeratic rocks.

During the first quarter of 2012, Stratabound entered into an agreement with Canuck Exploration Ltd., a private company based in La Motte, Quebec. Canuck can earn a 25% interest in the property by drill-testing a prominent geophysical anomaly flanking several of

the gold occurrences and soil anomalies detected in Stratabound's 2010 and 2011 exploration programs. Drilling began on May 29.

For additional information on the property see news release dated September 7, 2010.

Cumulative property expenditures to March 31, 2012 are \$202,268.

Enja Property, Quebec

This wholly-owned property is drill-ready following detailed airborne magnetic and VTEM surveys and a MMI-M soil geochemical survey. Stratabound is seeking a joint venture partner for a drill program.

Enja (69 claims covering 3,830 hectares) is located in high-potential terrain for both precious and base metals. It is situated in Enjalran and Massicotte Townships, northwest Quebec, between the Detour Lake and Casa Berardi gold camps, and 35 kilometres west of the Selbaie Mine, a major past producer of copper, zinc, gold and silver. The Company's ground extends from the Ontario border eastward beyond the Turgeon River, and includes a portion of a pronounced circular structure resembling the metals-rich Selbaie Caldera.

A gold-bearing sulphide to oxide iron formation over 1-kilometre in length has been identified in the western portion of the property, and a volcanogenic massive sulphide setting containing zinc has been identified within a separate fault block on the eastern claims.

Cumulative expenditures on the Enja property to March 31, 2012 are \$277,397 net of Quebec government incentives.

Liquidity

At March 31, 2012, cash and cash equivalents totalled \$223,184 compared to \$838,600 at March 31, 2011 and \$6,432 at December 31, 2011. At March 31, 2012 the Company had working capital of \$168,801 compared with \$698,618 at March 31, 2011 and a working capital deficit of \$89,020 at the end of 2011.

Subsequent to the period end, the Company raised \$424,600 in a private placement financing. The Company anticipates it will receive \$300,000 as the cash portion of proceeds from disposition of its interest in the Elmtree property as described above.

The Company intends to negotiate a loan arrangement to bring the CNE deposit into production following receipt of all necessary approvals and permits, and finalization of a toll milling contract, when a formal production decision will be made.

Future exploration is dependent on continued equity financing and/or joint ventures with other companies. The Company has no long-term debt, purchase obligations or off-balance sheet arrangements.

Additional Disclosure

Detailed capitalized exploration and evaluation costs for the three months ended March 31, 2012 and 2011 are broken-down by project as follows:

THREE MONTHS ENDED MARCH 31, 2012										
	Bathurst Properties, NB	Ramsay Brook, N.B.	Elmtree, N.B.	Green Point, NB	Enja Que.	Lamoreaux Corner, Western NB	Loch Lomond, Southern NB	Commander Option, NB	Gemini Hills, Que.	TOTALS
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost – Jan 01, 2012	5,873,490	396,485	2,006,771	44,188	277,397	30,988	11,588	169,875	200,421	9,011,203
Acquisition & renewals	6,220					84		550		6,854
Assays and analyses										0
Core shack	12,556									12,556
Geochemistry										0
Geology and supervision	40,039							525	1,847	42,411
Geophysics										0
Line-cutting										0
Salaries	2,000									2,000
Cost - Mar 31, 2012	5,934,305	396,485	2,006,771	44,188	277,397	31,072	11,588	170,950	202,268	9,075,024

THREE MONTHS ENDED MARCH 31, 2011												
	Bathurst Properties, NB	Marusia, Otish Mtns Que.	Ramsay Brook, N.B.	Elmtree, N.B.	Green Point, NB	Enja Que.	Highway Properties, Western NB	Loch Lomond, NB	Commander Option, NB	Gemini Hills, Que.	Lorenzo, NB, Noel-Mallet Option	TOTALS
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost – Jan 01, 2011	5,672,153	229,004	401,779	2,045,375	22,532	276,997	30,498	11,408	155,481	50,534	30,000	8,925,761
Acquisition & renewals	4,100						490				16,250	20,840
Assays and analyses	342		216	342	3,593							4,493
Core shack	5,971			2,785								8,756
Geochemistry											1,700	1,700
Geology and supervision	106,607		4,486	5,093	778				354	1,003	16,823	135,144
Geophysics										22,106	5,765	27,871
Line-cutting										17,529	22,275	39,804
Salaries	3,000			2,000							3,000	8,000
Cost - March 31, 2011	5,792,173	229,004	406,481	2,055,595	26,903	276,997	30,988	11,408	155,835	91,172	95,813	9,172,369
Government incentives	(40,000)		(14,000)									(54,000)
Cost - March 31, 2011	5,752,173	229,004	392,481	2,055,595	26,903	276,997	30,988	11,408	155,835	91,172	95,813	9,118,369

Subsequent Events

On April 17, 2012, the Company closed a private placement of 4,200,000 common shares at \$0.05 per share and 2,682,500 flow-through common shares at \$0.08 per share for total proceeds of \$424,600.

Subsequent to the period-end, the Company transferred a 60% interest in the Elmtree property to Castle Resources Inc. (CRI) upon CRI having fulfilled the terms of their 2009 option agreement with the Company.

Subsequent to the period-end, the Company signed a Letter of Intent to sell its remaining 40% interest in the Elmtree property to CNRP Mining Inc. for \$300,000 and 10 million shares of a new junior resource company subject to completion of a reverse takeover of the new company by CNRP and obtaining all required regulatory approvals.

On May 17, 2012, the Company issued 2,225,000 stock options to directors, officers, and employees. Each option entitles the holder to acquire one common share of the Company for a period of five years at a price of \$0.10 per share.

Related Party Transactions

During the period, the Company paid rent of \$1,800 (2011 - \$1,050) for office space owned by officers of the Company.

During the period, the Company paid project management and administrative fees of \$16,000 (2011 - \$nil) to a corporation owned by officers of the Company. Of these fees paid, \$7,000 (2011 - \$nil) was capitalized as mineral exploration and evaluation assets.

Commitments and Contingencies

At March 31, 2012, the Company has an outstanding lease commitment for the rental of a core shack/office/storage facility. The remaining obligation is \$10,800 and the lease expires on July 31, 2012.

The Company is committed to incur qualifying exploration expenditures of \$500,000 before December 31, 2012. At March 31, 2012, the remaining expenditure obligation is \$86,362. This obligation relates to the flow-through share offering closed on February 24, 2011.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At March 31, 2012 the number of issued common shares was 65,195,111 (fully diluted 73,936,636). As at May 30, 2012 the number of common shares issued is 72,077,611 (fully diluted 79,638,166).

Options outstanding at May 29, 2012

Number of Options	Exercise Price	Expiry Date
740,000	0.27	Aug. 30, 2012
50,000	0.42	Oct. 2, 2012
550,000	0.40	Jan. 9, 2013
100,000	0.18	November 1, 2013
2,125,000	0.10	August 17, 2014
50,000	0.12	August 17, 2014
355,555	0.23	Aug. 17, 2014
950,000	0.10	September 2, 2015
415,000	0.13	July 12, 2016
2,225,000	0.10	May 17, 2017
7,560,555		

Risks and Uncertainties

The business of exploration and mining is full of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations to be conducted by the Company will be subject to all of the operating risks normally attendant upon mineral exploration and development. Failure to obtain financing can result in delay or indefinite postponement of exploration and development projects with the possible loss of such properties. While the Company has been successful in the past at raising funds, there can be no assurance that it will continue to do so. Equity financing opportunities require favorable market conditions and commodity prices that cannot be assured.

Whether a mineral deposit once discovered will be commercially viable depends on a number of factors, some of which depend on the particular attributes of the deposit, such as size, grade and proximity to infrastructure. These factors are beyond the control of the Company. The Company must also compete with a number of companies that may have greater technical or financial resources. The Company is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery.

The exploration and development of mineral properties and the marketability of any minerals contained in such properties can be affected by many other factors beyond the control of the corporation, such as metal prices, availability of adequate refining facilities, or the imposition of new government regulation affecting existing taxes and royalties or environmental and pollution controls.

The directors of the Company are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act (Alberta)* which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act (Alberta)*.

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 Stan Stricker, P.Geol., a Qualified Person within the meaning of National Instrument 43-101.

John Duncan, P.Geol. is the Qualified Person for the Company's New Brunswick projects. Marc Boivin, P.Geol. is the Qualified Person for the Gemini Hills project in Quebec and John Charlton, P.Geol. is the qualified person for the Enja project in Quebec.

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