

**STRATABOUND MINERALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

April 30, 2013

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, 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 has recently successfully completed a mining and milling campaign on its Captain North Extension (CNE) Mining Lease near Bathurst, New Brunswick, with ore being trucked to Xstrata Zinc's mill for production of saleable concentrates. Net revenues will be used to continue drilling and other exploration activities in New Brunswick.

Overview and Summary

During 2012 Stratabound's efforts were largely directed toward satisfying the numerous requirements of the various regulatory agencies involved in issuing the necessary mining and environmental permits for the CNE Mine. Conditional approvals were received in December, contingent on complying with a list of conditions that were satisfied at the end of January. With Xstrata's mill scheduled to shut down permanently in mid-April, this left Stratabound only a 10-week "window of opportunity" to develop, mine and truck ore to the mill for production of concentrates.

Stratabound's employees, consultants and contractors did a superb job under adverse conditions, overcoming on a daily basis challenges arising from heavy rain and snow and the necessity of constantly grading, plowing and maintaining 57 kilometres of gravel roads for ore delivery during the break-up season.

Subject to final confirmation, Xstrata reports that 62,720 dry metric tonnes (DMT) were milled at an average grade of 8.13% zinc, 3.22% lead, and 111 g/t silver. Saleable production was 6,239 DMT of zinc concentrate grading 54.55% zinc; 2,122 DMT of lead concentrate grading 41.51% lead and 919 g/t silver; and 1,541 DMT of bulk concentrate with 42.21% zinc, 16.27% lead, and 491 g/t silver.

This milling campaign represents the last ore ever to be processed at Brunswick #12, which for decades was the world's largest underground zinc mine.

Most of the Company's exploration work during 2012 and the first quarter of 2013 focused on surface exploration of the optioned Commander property. A drill hole completed in October 2012 intersected several copper-bearing sulphide stringer zones in chloritic pyroclastic rocks resembling the footwall at the Brunswick No. 12 and No. 6 massive sulphide deposits (news release dated November 1, 2012).

Gravity work outlined a large (1.5 km x 1 km) half-milligal gravity anomaly. The gravity response ended up being much larger in area than previously indicated in the November 1, 2012 news release, but with lower amplitude than before. The lower amplitude results from interpretation of additional survey data which has allowed definition of a background trend. Amplitude would be about 1.2 milligals if a constant non-trending background was assumed as before the additional surveying. The large gravity anomaly appears to reflect widespread chloritic alteration of the type commonly associated with massive sulphide deposits in the Bathurst area. The gravity anomaly was followed up with a deep penetrating UTEM electromagnetic survey. Highlights of the UTEM survey include a strong untested shallow response, which Stratabound expects to drill this summer, along with other electromagnetic targets within the alteration zone/gravity anomaly, in addition to newly selected drill targets on the CNE and Captain claim blocks.

Overall Performance

During 2012 the Company spent \$746,080 on exploration and acquisition of mineral properties, compared with \$877,770 the previous year. The 2012 mineral property expenditures include non-cash items of \$4,200 related to shares issued for property acquisition (2011 - \$31,250) and \$36,645 related to the fair value of options granted to exploration consultants (2011 - \$12,952).

The Company closed a non-brokered private placement on April 17, 2012 comprising 4,200,000 common shares at \$0.05 per share and 2,682,500 flow-through shares at \$0.08 per share for proceeds of \$424,600. On September 21, 2012, the Company closed a non-brokered private placement of 3,750,000 flow-through shares at \$0.08 per share for proceeds of \$300,000.

On November 15, 2012, the Company entered into a short-term loan facility with a private company controlled by its largest shareholder in the amount of \$1.4 million. This facility bears interest at 6% per annum and is repayable on June 30, 2013. As additional consideration, the Company issued 2,000,000 common share purchase warrants which vested immediately, are exercisable at \$0.20 per warrant and expire on June 5, 2014. At year end, the Company had drawn \$200,000 on the loan facility.

As consideration for the disposal of the Company's Elmtree property, the Company received 10,000,000 shares of a public company valued at \$0.25/share. On July 15, 2012, the Company declared a special dividend to distribute 9,946,702 of these shares to shareholders of record on that date, resulting in a dividend with a fair value of \$2,195,464. The Company recognized a realized loss from fair value movements of \$307,995 during the year.

At December 31, 2012 the Company had a working capital deficit of \$182,135 compared with a working capital deficit of \$89,020 at the end of 2011. Under IFRS, working capital is reduced by the liability incurred on the issuance of flow-through shares. At year end a liability of \$192,975 was recognized. This liability is reversed when qualifying expenditures are renounced.

Selected Financial Information

The financial data are presented in accordance with International Financial Reporting Standards (IFRS). The reporting currency is the Canadian dollar.

Three Year Financial Data – Years Ended December 31

For the years ended December 31	2012	2011	2010
Revenue – interest income	\$ 776	\$ 6,828	\$ 4,134
Loss before income taxes	578,162	626,189	1,137,810
Comprehensive loss for the year	657,475	795,963	931,265
Basic and diluted loss per share	0.009	0.012	0.016
Assets	7,461,469	9,101,171	9,556,687

Summary of Quarterly Results

2012	Dec 31/12	Sept 30/12	June 30/12	March 31/12
Revenue – interest income	\$ 188	\$ 244	\$ 294	\$ 50
Loss before income taxes	76,208	45,138	392,903	63,913
Comprehensive loss	(490,326)	(44,738)	95,981	26,430
Basic and diluted loss per share (income)	0.008	0.001	0.001	0.001

2011	Dec 31/11	Sept 30/11	June 30/11	March 31/11
Revenue – interest income	\$ 43	\$ 2,424	\$ 596	\$ 3,765
Loss before income taxes	322,633	81,404	141,327	80,825
Comprehensive loss	449,701	96,762	160,708	86,446
Basic and diluted loss per share (income)	0.006	0.001	0.004	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 statements of financial position. Details of expenditures incurred on the Company's projects during 2012 and 2011 are listed under "Additional Disclosure" in this Management Discussion and Analysis.

General and administrative expenses in 2012 were \$239,355 compared with \$336,993 for 2011 (see Table below). The decrease is largely attributable to a decrease in accounting fees as the transition to IFRS was completed, and to a decrease in investor relations activities.

Stratabound incurred a comprehensive loss of \$657,475 for the year ended December 31, 2012, as compared to a loss of \$795,963 for the corresponding period in 2011. The lower comprehensive loss in 2012 is a result of a realized gain on the disposal of mineral exploration and evaluation assets.

Comprehensive loss for the fourth quarter of 2012 was \$490,326 compared to a loss of \$449,701 for the fourth quarter of 2011.

General and Administrative Expenses

Years ended December 31	2012	2011
Professional fees	\$ 101,400	\$ 145,161
Salaries and benefits	56,191	62,608
Office, insurance and other	37,862	43,423
Filing fees & investor communications	32,774	79,351
Rent	7,200	6,450
	\$239,355	\$336,993

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 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, on properties with potential that has not been fully explored.

Stratabound's expenditures for the year ended December 31, 2012 on the Bathurst base metal properties not including Commander, totalled \$444,866. Cumulative expenditures to December 31, 2012 are \$6,317,233 net of provincial government incentive payments and property expense write-offs.

Captain North Extension (CNE) Deposit

During the period February to April, 2013 lead-zinc-silver ore was mined from the CNE deposit to take advantage of a short-term opportunity to utilize Xstrata Zinc's Brunswick #12 mill to produce saleable metal concentrates (see page 1). Reclamation of the resulting open pit is currently underway and is expected to be completed this year.

A number of geophysical anomalies located near the CNE deposit require exploration in the future to determine whether they represent additional mineralization.

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:

At 1.0% CuEq* cut-off: 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.
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At 0.6% CuEq* cut-off: 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 PEA of the Bathurst properties (November 23, 2011) indicated the Captain deposit to be non-economic at that time and recommended 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.

Hole TB12-38 was drilled in October, 2012 to test the 50 metre elevation, intersecting 8 metres of low-grade mineralization (1.49% Zn, 0.91% Pb and 36 g/t Ag). In addition Hole TB96-37 previously drilled to test an IP chargeability anomaly 350 metres west of the deposit was lengthened but intersected only pyrite.

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. Most of the intersections grade less than 3% lead and zinc although narrow high grade intervals (e.g. 1.0 m. of 10.7% Zn, 2.2% Pb and 5.2 oz/ton Ag in Hole TB95-2) have been encountered. 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 contained 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 continues to be warranted.

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

The PEA 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 was 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 a 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, did not explain the very strong electromagnetic responses delineated by Stratabound's initial program of geophysical surveying, and a gravity survey was initiated in mid-2012 to investigate whether massive sulphide mineralization may be present below or along strike from the intersected stringer network. This survey detected a significant gravity high.

A hole was drilled in October, 2012 intersecting 11 metres of 2.0% copper, 0.5 g/t gold and 7.5 g/t silver in chloritic pyroclastic rocks resembling the footwall at the Brunswick No. 12 and No. 6 massive sulphide deposits.

Additional drilling is anticipated this summer.

The gravity anomaly correlates spatially with strong anomalies detected by airborne and ground TDEM; MaxMin EM; IP chargeability; downhole geophysics and airborne and ground magnetic surveys.

The confluence of strong gravity and magnetic anomalies with EM conductors, as well as near-surface copper-chlorite stringer showings, represents a first-class target for buried lead-zinc-silver massive sulphide mineralization.

Cumulative expenditures to December 31, 2012 on the Commander option are \$467,287.

Elmtree Gold Property, New Brunswick

On June 22, 2012, Stratabound sold its remaining 40% interest in Elmtree to CNRP Mining Inc. Terms of the sale were:

- \$300,000 cash to Stratabound, payable \$100,000 at closing (received), \$100,000 on the six-month anniversary (overdue), and \$100,000 on the twelve-month anniversary; and
- 10,000,000 shares of Winston Resources Inc.

Stratabound distributed the Winston shares pro rata to the shareholders of Stratabound on the basis of 0.138 shares of Winston for every share of Stratabound that they owned.

Green Point, New Brunswick

Prospecting will shortly be underway on this property. Stratabound has a 100% interest, subject to a 2% net smelter return royalty, in 118 claims (2,561 hectares) located 2.5 kilometres north of the Bathurst camp.

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.

In 2011, Stratabound completed an initial exploration program, collecting and assaying 149 soil samples west of the Baldwin gold occurrence. Three prominent soil anomalies were 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 December 31, 2012 are \$45,028.

Ramsay Brook Gold Property (Murray Group), New Brunswick

No work was done on this 69 claim (1,110 hectare) property in 2012 and the property was written-off.

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 was done on these claims in 2012 and the property was written-off.

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 was done in 2012 and the property was written-off.

Gemini Hills, Quebec

In 2012, drilling was conducted on the Gemini Hills, Quebec gold property funded by Canuck Exploration Ltd., a private company based in La Motte, Quebec, which has thereby earned a 25% interest in the property. No mineralization of interest was intersected.

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.

Cumulative expenditures to December 31, 2012 are \$205,785.

Enja Property, Quebec

This wholly-owned property is drill-ready following detailed airborne magnetic and VTEM surveys and an MMI-M soil geochemical survey. Recent discoveries by junior exploration companies have resulted in heightened activity and interest in the area. Stratabound has been engaged in discussions with potential joint venture partners for a drilling program, but no agreement has been reached to date with any party.

Following the abandonment of a number of fringe claims in 2012, Enja currently comprises 47 claims covering 2,520 hectares located in terrain with potential 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 December 31, 2012, following reduction in the size of the property are \$169,266.

Liquidity

At December 31, 2012, cash and cash equivalents totalled \$119,579 compared to \$6,432 at December 31, 2011. At December 31, 2012 the Company had a working capital deficit of \$182,135 compared with a working capital deficit of \$89,020 at the end of 2011. Under IFRS, working capital is reduced by the liability incurred on the issuance of flow-through shares. At year end a liability of \$192,975 was recognized. This liability is reversed when qualifying expenditures are renounced.

During the twelve month period the Company raised \$724,600 in private placement financings.

On November 15, 2012, the Company entered into a short-term loan facility with a private company controlled by its largest shareholder in the amount of \$1.4 million. This facility bears interest at 6% per annum and is repayable on June 30, 2013. As additional consideration, the Company issued 2,000,000 common share purchase warrants which vested immediately, are exercisable at \$0.20 per warrant and expire on June 5, 2014. At year end, the Company had drawn \$200,000 on the loan facility.

Subsequent to year-end the Company increased the short-term loan facility by an additional \$850,000. Terms are the same except for the number of warrants, which amount to 1,000,000.

The Company is awaiting payment from Xstrata Zinc for 6,239 dry metric tonnes (DMT) of zinc concentrate grading 54.55% zinc; 2,122 DMT of lead concentrate grading 41.51% lead and 919 g/t silver; and 1,541 DMT of bulk concentrate with 42.21% zinc, 16.27% lead, and 491 g/t silver.

It is expected that net proceeds will be directed towards future exploration in the Bathurst Camp and elsewhere in Canada.

The Company has no long-term debt, purchase obligations or off-balance sheet arrangements.

Additional Disclosure

Detailed capitalized exploration and development costs for 2012 and 2011 are broken-down by project as follows:

Capitalized Exploration and Evaluation Expenses - 2012

YEAR ENDED DECEMBER 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	13,453	1,620	72	840	465	84	160	7,220	678	24,592
Assays and analyses	1,165							3,050		4,215
Core shack	32,665							8,919		41,584
Drilling	23,415							92,723		116,138
Environmental & Feasibility	261,899									261,899
Geochemistry										0
Geology and supervision	52,179	44	254					46,408	2,243	101,128
Geophysics								117,497		117,497
Insurance	2,888									2,888
Line-cutting								15,595		15,595
Salaries	23,000							6,000		29,000
Options to consultants	34,202								2,443	36,645
Cost - Dec 31, 2012	6,318,356	398,149	2,007,097	45,028	277,862	31,072	11,748	467,287	205,785	9,762,383
Impairment	0	(398,149)		0	(108,596)	(31,072)	(11,748)	0	0	(549,565)
Government incentives	(1,123)								(66,517)	(67,640)
Property sale			(2,007,097)							(2,007,097)
Cost - Dec 31, 2012	6,317,233	0	0	45,028	169,266	(0)	(0)	467,287	139,268	7,138,081

Capitalized Exploration and Evaluation Expenses – 2011

YEAR ENDED DEC 31, 2011												
	Bathurst Properties, NB	Marusia, Otish Mnts Que.	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.	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 & renew als	12,870		1,380	72	2,130		490	180	12,500	5,603	12,111	47,336
Assays and analyses	2,828		216	342	3,650					5,875	18,397	31,308
Core shack	17,319			3,889	1,504						8,057	30,769
Drilling			2,624								151,130	153,754
Geochemistry	2,836										1,700	4,536
Geology and supervision	168,554		4,486	5,093	13,972				354	13,592	81,896	287,947
Geophysics										35,112	10,781	45,893
Insurance	2,750											2,750
Line-cutting	11,704								1,540	17,529	42,611	73,384
Salaries	28,000	400		2,000	400	400				2,300	6,500	40,000
Trenching										69,876	77,265	147,141
Stock-based compensation	6,476										6,476	12,952
Cost - Dec 31, 2011	5,925,490	229,404	410,485	2,056,771	44,188	277,397	30,988	11,588	169,875	200,421	446,924	9,803,531
Government incentives	(52,000)		(14,000)								(50,000)	(116,000)
Option payments				(50,000)								(50,000)
Properties Written off		(229,404)									(396,924)	(626,328)
Cost - Dec 31, 2011	5,873,490	0	396,485	2,006,771	44,188	277,397	30,988	11,588	169,875	200,421	0	9,011,203

Subsequent Events

During January, 2013, the Company entered into a second secured loan facility for up to \$850,000 with a private company controlled by its largest shareholder. This loan carried interest at 6% and is repayable on June 30, 2013, subject to being repaid earlier out of the proceeds from mine operations. As additional compensation for the loan, the Company has issued 1 million warrants, exercisable at \$0.20 for a period of 18 months.

During January, 2013, the Company obtained regulatory and operational approval to construct and operate the Captain North Extension (CNE) zinc-lead-silver-gold open pit mine in New Brunswick, Canada. A total of \$850,000 was posted with the New Brunswick Department of Energy and Mines for reclamation and environmental security. Construction of the mine commenced on January 26, 2013.

Subject to final confirmation, Xstrata Zinc reports that 62,720 dry metric tonnes (DMT) were processed at its Brunswick No.12 mill by mid-April, when the mill shut down permanently. Average grade of the CNE ore was 8.13% zinc, 3.22% lead, and 111 g/t silver. Saleable production payable to Stratabound beginning in May amounts to 6,239 DMT of zinc concentrate grading 54.55% zinc; 2,122 DMT of lead concentrate grading 41.51% lead and 919 g/t silver; and 1,541 DMT of bulk concentrate with 42.21% zinc, 16.27% lead, and 491 g/t silver.

Related Party Transactions

During the year, the Company paid rent of \$7,200 (2011 - \$6,450) for office space owned by officers of the Company.

In 2012, 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) were capitalized as mineral exploration and evaluation assets.

During the year, the Company issued through private placement financing 362,500 common shares to directors and officers of the Company and issued 8,350,000 common shares to a private company controlled by Stratabound's largest shareholder.

Of the total salaries and benefits paid to key management, \$29,000 (2011 - \$40,000) was capitalized as mineral exploration and evaluation assets during the year.

Commitments and Contingencies

At December 31, 2012, the Company has an outstanding lease commitment for the rental of a core shack/office/storage facility. The remaining obligation is \$18,900 and the lease expires on July 31, 2013.

At December 31, 2012, the Company has no commitments related to its flow-through share issuances.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At December 31, 2012 the number of issued common shares was 75,887,611 (fully diluted 82,202,611). As at April 30, 2012 the number of common shares issued is 75,887,611 (fully diluted 86,427,611).

Options outstanding at April 30, 2012

Number of Options	Exercise Price	Expiry Date
2,125,000	0.10	August 17, 2014
50,000	0.12	August 17, 2014
950,000	0.10	September 2, 2015
415,000	0.13	July 12, 2016
2,225,000	0.10	May 17, 2017
1,775,000	0.10	April 8, 2018
7,540,000		

Warrants outstanding at April 30, 2012

Number of Warrants	Exercise Price	Expiry Date
2,000,000	0.20	June 5, 2014
1,000,000	0.20	August 5, 2014
3,000,000		

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.