STRATABOUND MINERALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

April 28, 2014

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, 2013 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, and gold and base metal prospects in Quebec. During the year the Company completed a mining, milling, and reclamation 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. Stratabound's 2014 activities will focus on exploration of its mineral properties.

Overview

2013, like 2012, was a disastrous year for the mining industry as a whole, with the majority of junior and senior companies alike suffering major setbacks. The great majority of the junior companies have been struggling merely to survive, as investment into grassroots exploration has seen severe declines.

Mining and Reclamation

Stratabound's strategy during these two years was to attempt to generate cash flow by taking advantage of a one-time, short-term opportunity to deliver high grade zinc-lead-silver ore from our CNE near-surface massive sulphide deposit to Xstrata Zinc's Brunswick mill, which was within trucking distance. The opportunity had arisen because Xstrata's historic Brunswick Mine, the world's largest underground zinc producer, was running out of ore after 50 years of production, and the mine and mill would be shutting down permanently early in 2013. Stratabound was able to secure an agreement with Xstrata, beginning with a letter of intent in late 2011, later formalized, whereby Xstrata would process however much ore we could deliver to them before the mill would shut down permanently in early 2013. The shutdown was scheduled to take place on or about March 31, 2013.

During 2012 Stratabound's efforts were almost entirely directed toward satisfying the numerous, sometimes arcane, requirements of the various regulatory agencies involved in issuing the necessary mining and environmental permits for the CNE Mine.

Although it was public knowledge that the mill was scheduled to close permanently at the end of the first quarter of 2013, and although we had previously mined ore from the same pit 20 years earlier, successfully reclaiming the site without any environmental issues, the CNE Project application did not receive any expedited consideration, but was mired in multi-agency red tape through 2012.

Conditional approvals were not received until December, and final approvals to proceed with development and production of the CNE Mine were not received until January 24, 2013.

Although the mill closure was pushed back to mid-April, this left Stratabound only 10 weeks to develop, mine, and truck ore to the mill for production of saleable concentrates. Mine development was initiated on January 26, 2013 and production commenced by March 5, 2013, ending with the closure of the Brunswick mill on April 12, 2013.

Reclamation of the open pit was undertaken immediately, and was completed in September despite an exceptionally wet spring and summer which added considerably to pumping and water treatment costs. Monitoring and analysis of water leaving the site must continue for a period of up to three years.

A total of 62,720 dry metric tonnes (DMT) was milled in April, 2013 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; 1,541 DMT of bulk concentrate with 42.21% zinc, 16.27% lead, and 491 g/t silver; and 50 DMT of copper concentrate grading 12.41% copper and 2,436 g/t silver.

Payable metals in concentrates were 7,540,148 lbs zinc; 2,251,257 lbs lead; 75,513 oz silver, 12,462 lbs copper; and 144 oz gold.

In recognition of these achievements Stratabound received the 2013 Developer of the Year Award following a unanimous vote by the New Brunswick Prospectors and Developers Association. The award was presented to Stratabound's president, Stan Stricker, by the Hon. Craig Leonard, Minister of Natural Resources, at the New Brunswick Exploration, Mining and Petroleum Conference hosted by the Department of Natural Resources in Fredericton, N.B. on November 5, 2013. The award was given "in recognition of valuable contributions to the mining and minerals industry of New Brunswick".

Nevertheless, the limited time frame and severe weather conditions thwarted the Company's intent to deliver a minimum of 90,000 tonnes, and combined with other adverse circumstances (plummeting metal prices; sharply escalating smelter and refining charges; mechanical deficiencies at the mill; frequent expensive deluges during the reclamation phases) led to disappointing financial returns.

Exploration

Exploration efforts in 2013 focused mostly on identifying drill targets on the optioned Commander claims, and in areas close to the CNE Mine and the Captain copper-cobalt-gold deposit.

Commander – 35 km south of Bathurst, New Brunswick

In January 2013, the Company completed gravity and electromagnetic (UTEM) geophysical surveys on the Commander property which adjoins the north boundary of Stratabound's CNE/Captain claim group. The gravity work outlined a large (1.5 km x 1.0 km) and strong (0.6 to 0.8 milligal) gravity anomaly, while the UTEM survey identified several strong untested shallow electromagnetic responses within it.

At the extreme west end of the area surveyed on Commander, another gravity anomaly was detected which has not been delineated to date, near an outcropping pyritic zone discovered several months later by prospecting. This new area requires additional grid cutting and geophysical surveys to delineate the extent of the western gravity anomaly and detect any prominent conductors that may reflect massive sulphide mineralization. Detailed soil sampling should also be included in the exploration program.

One hole was drilled to test one of the UTEM conductors within the large gravity anomaly. It intersected several copper-bearing sulphide stringer zones in chloritic pyroclastic rocks resembling the footwall at the world-class Brunswick No. 12, Brunswick No.6, Heath Steele, and Caribou massive sulphide deposits of the Brunswick Mining Camp. Several narrow intervals contained good grades of copper and silver, along with anomalously high amounts of zinc, lead, and gold (see "Commander Option").

A vertical drill hole is planned, collared on the peak gravity response.

For additional information see "Commander Option" in "Bathurst Base Metal Properties, New Brunswick".

CNE/Captain – 40 km south of Bathurst, New Brunswick

During the autumn, line cutting, prospecting and geophysical surveying (MaxMin) were performed on the CNE/Captain claims. A number of new electromagnetic anomalies were detected and several of these were drilled with results described below (see "Captain North Extension (CNE) Deposit" and "Captain Deposit (copper-gold-cobalt)".

A downhole pulse EM (PEM) geophysical survey has recently been run down three selected drill holes on the CNE/Captain claim block. The program's objectives were to identify possible off-hole mineralization near the selected holes.

One of the holes, CP-13-31, was drilled in late 2013 to test a MaxMin anomaly north of the Captain Deposit, but did not identify the source of the MaxMin conductor. In the course of the borehole PEM survey, however, two well-defined off-hole features of interest were evident at depths of ~100 and ~130 metres. It is possible that these responses are caused by mineralization lying in close proximity to the drill hole, which would explain the MaxMin anomaly. More drilling is needed here.

Another of the surveyed holes was CP-09-26, the deepest hole to date on the Captain Deposit. It is situated 150 metres south of CP-13-31. Drilled in 2009, it intersected 19.5 metres of massive sulphide mineralization grading 1.12% copper at a downhole depth of 359 metres, within which 8.5 metres graded 2.11% copper, 0.052% cobalt, 12.4 g/t silver, and 0.30 g/t gold, including 2.0 metres of 5.46% copper, 0.093% cobalt, 30.5 g/t silver, and 0.65 g/t gold (news release dated March 24, 2010).

In the PEM survey of CP-09-26, discrete responses due to conductive sources were evident near depths of ~350 and ~390 metres. The anomaly identified at ~390 metres appears to be an in-hole response which correlates well with the mineralization observed in the hole. The geophysical interpretation of the second response, however, identified at ~350 metres, suggests the source may be slightly off-hole, and caused by a mineralized source having its nearest edge located near the hole. Based on the observed mineralization, however, the second anomaly may also be an in-hole response. The report states that "the nature of the observed wavelength of the entire zone from ~350 to ~390 metres suggests that there is some size to the identified conductor and are likely due to the same source. However two separate sources could also be possible." Management has concluded that additional drilling is warranted.

The report concludes that these features observed in CP-13-31 and CP-09-26 could represent targets of potential interest.

The third hole surveyed was CNE-12-23, which was drilled on an anomalous MaxMin trend south of the mined area. The anomaly was not explained, and the downhole PEM located no conductors.

Targets of potential economic interest, not all of which have been mentioned in this review, remain to be explored and drilled on both the Commander and CNE/Captain claim blocks.

Green Point – 25 km north of Bathurst, New Brunswick

A 400 metre long airborne electromagnetic anomaly was detected in 2001 and drill tested in 2003 by a previous owner, intersecting an alteration zone containing 1.17 g/t gold over a 15.5 metre core length. A soil survey by Stratabound in 2011 identified a 600 metre long multi-element soil anomaly trending toward the previously drilled alteration zone. This soil anomaly contained values up to 10 ppm silver, 2500 ppm lead, 3300 ppm zinc, and 155 ppb gold. A detailed grid with 100 metre line spacing has recently been cut and picketed across the airborne EM and soil anomalies northwesterly for 1,200 metres to the property boundary. A gradient IP survey along these lines is planned to cover the airborne EM and soil anomalies.

Continued work on all these properties in 2014 is subject to additional financing, which the company is currently pursuing.

Bathurst Base Metal Properties, New Brunswick

Stratabound owns a 100% interest in the CNE/Captain, Taylor Brook and Nepisiguit 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. In addition, Stratabound holds an option on 55 claims 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 (for decades 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.

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. Reclamation was completed in September, 2013. Details are provided above in "Overview and Summary".

Several geophysical (MaxMin EM) anomalies were delineated near the CNE open pit. One of these anomalies coincided with the northern projection of a previously unknown, 15 metre wide, high grade zone (up to 33% combined lead/zinc) that was exposed on the pit floor during the 2013 mining campaign. No significant sulphides were intersected in any of the holes drilled to test these EM conductors.

The eastern footwall contact of the open pit mineralization was also drilled and low grade mineralization was intersected. Further work is required to follow this contact mineralization northeasterly.

The following summarizes 2013 drilling performed within a one kilometre radius of the open pit:

CNE-13-21: test northwest CNE trend; sheared sediment intersected
CNE-13-22: test IP/MaxMin east of CNE Mining Lease; intersected graphitic shear
CNE-13-23: test south trending MaxMin off CNE Mining Lease; anomaly not explained; down hole pulse EM located no conductors.
CNE holes CNE-13-24 to 26, stratigraphic drilling on CNE Mining Lease testing north/south trend off 1990's pit area for geological information.
CNE-13-24: south test; low sulphide
CNE-13-25: north test; low sulphide
CNE-13-26, Nepisiguit Falls Formation footwall contact established, trending northeasterly
CNE-13- 27: tested EM outside (west of) CNE Mining Lease; graphitic sediments intersected

With the contact location now known, follow up work is warranted to search for more satellite deposits along this trend.

Numerous undrilled geophysical targets remain to be tested on the CNE/Captain claim block.

Captain Deposit (copper-gold-cobalt)

In autumn 2013, line cutting, prospecting and geophysical surveying (MaxMin) were performed on the CNE/Captain claim block. A number of new electromagnetic anomalies were detected, and several of these were drilled, mostly on and near the CNE Mining Lease (see "Captain North Extension (CNE) Deposit").

As described in "Overview", one hole, CNE-13-31, which was drilled to test a MaxMin trend running north from the Captain Deposit, did not explain the anomaly, but the downhole PEM survey has detected off-hole anomalies suggesting the presence of nearby mineralization.

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:

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.
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*

Drilling to date has followed the zone to a depth of 400 metres. A NI 43-101 compliant Preliminary Economic Assessment (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.

In March 2014, bore hole EM surveying was performed on one hole within the Captain deposit, and on another hole 150 metres to the north, identifying one, and possibly two off-hole anomaly drill targets. Details are provided above in “Overview”.

Numerous undrilled geophysical targets remain to be tested on the CNE/Captain claim block.

Taylor Brook Deposit

No work was done on the 34-claim Taylor Brook property in 2013.

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. 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 136 million tonnes of high-grade material grading roughly 12% (lead+zinc), 0.3% copper, and 100 g/t silver. Inasmuch as Taylor Brook is open along strike and down dip, additional drilling in search of high-grade ore is warranted.

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

The PEA of the Bathurst properties (November 23, 2011) confirms 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 further 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., recently extended to six years, allowing Stratabound the option to acquire up to a 65% interest in a 55-claim group adjoining the northern boundary of the CNE and Captain claims.

Stratabound’s initial drilling was moderately encouraging, with the second hole intersecting 89.5 metres of 0.75% copper, 0.11 g/t gold, and 6.26 g/t silver, including an 18 metre section of 1.46% copper, 0.23 g/t gold, and 14.85 g/t silver 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.

Initial gravity surveying covering a small area detected a significant gravity high, following which another hole was drilled in October, 2012, intersecting several copper-bearing stringer zones, including one grading 2.0% copper, 0.5 g/t gold and 7.5 g/t silver across 11 metres, in chloritic pyroclastic rocks resembling the footwall at the Brunswick No. 12 and No. 6 massive sulphide deposits (news release dated November 1, 2012).

Stratabound’s exploration work during the first quarter of 2013 focused on continued surface exploration of the Commander property consisting of additional gravity and UTEM electromagnetic surveying. The gravity work extended the anomaly southward for a considerable distance, outlining a large, subcircular (1.5 km x 1.0 km), strong

(0.6 to 0.8 milligal) gravity anomaly, while the UTEM survey identified several strong untested shallow electromagnetic responses within it.

One of these UTEM conductors was drilled, intersecting several narrow intervals carrying high copper and silver levels, and anomalously high amounts of zinc, lead, and gold. Results are shown in the following table:

	From (m)	**To (m)**	**Length (m)**	**Cu %**	**Pb %**	**Ag g/t**	**Zn %**	**Au g/t**
	48.5	49	0.5	3.54	0.13	12.90	0.27	0.47
	54.5	55	0.5	4.31	0.77	26.40	1.90	1.07
	133	137	4.0	1.33	0.02	2.29	0.03	0.122
incl	134	135.5	1.5	2.93	0.02	5.00	0.07	0.26
incl	134.5	135	0.5	4.95	0.05	9.40	0.11	0.46
	141	144	3.0	0.31	0.56	26.00	0.50	0.12
incl	142	143	1.0	0.26	1.01	42.40	0.71	0.13

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, and appears to reflect widespread chloritic, sulphide-rich alteration of the type commonly associated with massive sulphide deposits in the Bathurst area.

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.

At the extreme northwest end of the area surveyed on Commander, another gravity anomaly was detected which has not been delineated to date, near an outcropping pyritic zone subsequently discovered by prospecting. This new area requires additional grid cutting and geophysical surveys to delineate the extent of the western gravity anomaly and detect any prominent conductors that may reflect massive sulphide mineralization. Detailed soil sampling should also be included in the exploration program.

An area hosting sulphide iron formation is also targeted for geophysical exploration.

Green Point, New Brunswick

Stratabound has a 100% interest, subject to a 2% net smelter return royalty, in 41 claims located 2.5 kilometres north of the Bathurst camp.

Work in 2013 consisted of prospecting. For 2014 plans see above, “Overview”.

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. 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.

Ramsay Brook Gold Property (Murray Group), New Brunswick

No recent work has been done on this 81-claim property, which was written off in 2012.

Lamoreaux Corner, Western New Brunswick

The Company has a 100% interest in a 4-claim 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 2013, and the property was written-off in 2012.

Gemini Hills, Quebec

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

In 2012, drilling was funded and conducted on the property by Canuck Exploration Ltd., a private company based in La Motte, Quebec, which thereby earned a 25% interest in the property. No mineralization of interest was intersected. No additional work was done here in 2013 and the property has been written off.

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. During 2013 Stratabound 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 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.

Additional Disclosure

Detailed capitalized exploration and development costs for 2013 and 2012 are broken-down by project as follows:

Capitalized Exploration and Evaluation Expenses - 2013

YEAR-END DECEMBER 31, 2013						
	Bathurst Properties, NB	**Green Point, NB**	**Enja Que.**	**Commander Option, NB**	**Gemini Hills, Que.**	**TOTALS**
	$	$	$	$	**$**	$
Cost – Jan 01, 2013	**6,317,232**	**45,028**	**169,266**	**467,287**	**139,268**	**7,138,082**
Acquisition & renewals	10,498	1,250	2,992	4,000	244	18,984
Assays and analyses		1,059		339		1,398
Core shack	28,397	216		3,186		31,799
Drilling	98,920			14,030		112,950
Geochemistry						0
Geology and supervision	80,936	17,555		22,591		121,082
Geophysics	4,190			38,976		43,166
Insurance	5,000					5,000
Line-cutting	9,221			1,753		10,974
Salaries	8,700			1,800		10,500
Cost - Dec 31, 2013	**6,563,093**	**65,108**	**172,258**	**553,962**	**139,512**	**7,493,934**
Impairment			-36,912		-205,990	-242,902
Transferred to PP&E	-1,322,346					-1,322,346
Government incentives	-15,000				66,478	51,478
Cost - Dec 31, 2013	**5,225,747**	**65,108**	**135,346**	**553,962**	**0**	**5,980,164**

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**

Overall Performance

During the twelve month period ending December 31, 2013 the Company incurred $8,412,302 of production costs related to the CNE mine (not including depletion and amortization) and an additional $1,150,966 related to site reclamation. Production revenue at December 31, 2013 was $10,234,236. Exploration expenditures for the period were $336,869 compared to $684,843 for the previous year.

On May 17, 2013, Stratabound repaid in full a $1.4 million production loan.

At the beginning of the year the Company entered into a short-term loan facility with a private company controlled by its largest shareholder in the amount of $850,000. This facility bears interest at 6% per annum. As additional consideration, the Company issued 1,000,000 common share purchase warrants which vested immediately, are exercisable at $0.20 per warrant and expire on June 5, 2014. The Company used these funds to post reclamation bonds with the New Brunswick Department of Energy and Mines. During the fourth quarter of 2013, $720,000 of the reclamation bond was refunded and used to reduce the loan. The remaining $130,000 bond is to be released after a period of up to three years of monitoring water leaving the CNE mine site.

During the year Stratabound received notification of a $25,000 exploration grant for the CNE/Captain claim group from the New Brunswick Department of Energy and Mines under the Junior Mining Assistance Program. Subsequent to the period end the Company was approved for an additional $15,000 grant.

The Company closed a non-brokered private placement during the fourth quarter of 2013. A total of 2,500,000 units at $0.10 per unit were placed for gross proceeds of $250,000 issued on a flow through basis. Each unit consists of one common share of the Company and one share purchase warrant entitling the holder to subscribe for one additional share at $0.20 for 5 years from closing. At year-end a liability of $53,266 was recognized. This liability is reversed when qualifying expenditures are renounced. Qualifying exploration expenditures of $250,000 were renounced in February 2014. At year-end $26,878 of exploration expenditures remained to be incurred.

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	2013	2012	2011
Revenue – mining operations	$10,234,111	$ -	$ -
Revenue – interest income	6,735	776	6,828
Loss before income taxes	1,969,750	578,162	626,189
Comprehensive loss for the year	1,687,713	657,475	795,963
Basic and diluted loss per share	0.022	0.009	0.012
Assets	6,172,494	7,461,469	9,101,171

Summary of Quarterly Results

2013	Dec 31/13	Sept 30/13	June 30/13	March 31/13
Revenue – mining operations	$(209,034)	$ -	$5,343,145	$5,100,000
Revenue – interest income	368	45	1,117	5,205
Loss before income taxes (income)	650,588	1,342,925	1,528,988	(1,521,393)
Comprehensive loss (income)	576,359	1,344,453	1,422,397	(1,628,591)
Basic and diluted loss per share (income)	0.007	0.018	0.019	(0.022)

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	0.008	0.001	0.001	0.001

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

Results of Operations

Stratabound incurred a comprehensive loss of $1,687,713 for the year ended December 31, 2013, as compared to a loss of $657,475 for 2012. The 2013 loss largely arises from depletion and impairment of the CNE mine. In 2012 there was a realized gain on the disposal of mineral exploration and evaluation assets.

Comprehensive loss for the fourth quarter of 2013 was $576,359 compared to a loss of $490,326 for the fourth quarter of 2012.

At December 31, 2013 the Company had a working capital deficit of $547,045 compared with a working capital deficit of $182,135 at the end of 2012. Exploration expenditures for the fourth quarter of 2013 were $238,021 compared to fourth quarter expenditures of $256,655 for the previous year.

During the twelve month period, net revenue of $10,234,236 was received for 62,720 dry metric tonnes (DMT) of ore delivered to Xstrata Zinc. Cost of sales for the twelve month period was $10,389,613 which includes $2,008,668 of accumulated depletion and amortization (see Table below).

Cost of Sales

One year period ended	**Dec 31, 2013**	Dec 31, 2012
	$	$
Blasting, mining and delivery	**3,414,728**	-
Milling	**1,881,600**	-
Smelting	**2,058,228**	-
Water treatment	**601,737**	-
Finance charges	**213,421**	
Refining	**58,035**	-
Exchange loss	**77,745**	-
Insurance	**2,801**	-
Depletion and amortization	**2,008,668**	-
	$10,389,613	-

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 2013 and 2012 are listed under "Additional Disclosure" in this Management Discussion and Analysis.

General and administrative expenses in 2013 were $251,771 compared with $239,355 for 2012 (see Table below). The increase is mainly attributable to a smaller percentage of salary costs being capitalized to mineral exploration and evaluation assets.

General and Administrative Expenses

Years ended December 31	**2013**	2012
Professional fees	**$ 99,988**	$ 101,400
Salaries and benefits	**77,181**	56,191
Filing fees & investor communications	**34,303**	32,774
Office and other	**33,099**	37,862
Rent	**7,200**	7,200
Finance expense	**-**	3,928
	$251,771	$239,355

Liquidity

At December 31, 2013 the Company had a working capital deficit of $547,045 compared with a working capital deficit of $182,135 at the end of 2012.

Contributing to this deficit at year-end was a 1% net smelter return royalty of approximately $70,000 payable on CNE ore production. Subsequent to year-end this royalty was fully settled with a share issuance of 950,000 units comprising one share and one warrant at $0.05. Also contributing to this deficit was a $53,266 liability recognized as a premium on flow-through shares issued during the year. This liability was reversed in February 2014 when qualifying exploration expenditures were renounced.

The Company raised $250,000 in a private placement financing during the fourth quarter of 2013 and subsequent to year-end an additional $200,000 private placement was completed.

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.

Subsequent Events

On January 28, 2014, the Company closed a non-brokered private placement of 4,000,000 units priced at $0.05 per unit. Each unit consists of one common share of the Company and one half-warrant exercisable for three years at a strike price of $0.05. Cash proceeds from this private placement totaled $200,000.

On February 5, 2014, the Company issued 950,000 units, each unit consisting of one share and one warrant exercisable for 5 years at $0.05, in full settlement of an arms-length 1% net smelter return royalty debt of $70,000 payable following production from the CNE Mine.

On February 24, 2014, the Company renounced $250,000 in flow-through exploration expenditures. At year-end $26,878 of exploration expenditures remained to be incurred.

Related Party Transactions

During the year, the Company paid rent of $7,200 (2012 - $7,200) for office space owned by officers of the Company.

During the year, the Company issued through private placement financing 100,000 (2012 - 362,500) common shares to directors and officers of the Company and issued 2,400,000 (2012 - 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, $10,500 (2012 - $29,000) was capitalized as mineral exploration and evaluation assets during the year and $15,500 was expensed in cost of sales.

Commitments and Contingencies

The Company is committed to incurring qualifying exploration expenditures of $250,000 before December 31, 2014. At December 31, 2013, the remaining expenditure obligation is $26,878. This obligation relates to the flow-through share offering closed on October 10, 2013.

The Company has committed to spending an additional $116,490 on exploration to complete the year 3 requirements under the option agreement with Commander Resources.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At December 31, 2013 the number of issued common shares was 78,412,611 (fully diluted 82,202,611)). As at April 28, 2014 the number of common shares issued is 83,362,611 (fully diluted 93,902,611).

Options outstanding at April 28, 2014

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 28, 2014

Number of Warrants		Exercise Price	Expiry Date
2,000,000	$	0.20	June 5, 2014
1,000,000		0.20	June 5, 2014
2,500.000		0.20	October 10, 2018
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).

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 amount must be determined as the higher of the 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 judgement in determining what constitutes a CGU (Note 3e).

The CGUs identified by the Company are as follows:

1. Taylor Brook
2. CNE/Captain Group
3. CNE Mining Lease
4. Nepisiguit Brook
5. Green Point
6. Gemini Hills
7. Enja
8. Commander Option

During the year, the Company had two reportable segments; exploration properties and the producing mine. However, due to impairment on the producing property, there was only one reportable segment at year-end.

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 Note 15. 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 loan 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.

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.Geo. is the Qualified Person for the Company’s New Brunswick projects. John Charlton, P.Geo. 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.