

**FORM 51-102 F1
STRATABOUND MINERALS CORP.
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2006**

May 26, 2006

The following discussion and analysis of results and operations should be read in conjunction with the Company's Financial Statements for the three months ended March 31, 2006 and related notes.

Description of Business

The Company is in the business of mineral exploration and development, with gold and base metal properties in New Brunswick and gold/diamond and gold/base metal prospects in Quebec. During the first quarter of 2006 Stratabound conducted geophysical and pre-engineering work on the Elmtree, New Brunswick property in preparation for exploration drilling beginning in April. At the present time, the Company does not have any producing properties and consequently no revenues.

Overall Performance

During the first quarter of 2006 the Company spent \$80,312 on its mineral properties, compared with \$212,334 the first quarter of 2005. The difference is largely attributable to drilling at Elmtree in the first quarter of 2005 and to the 2005 acquisition and initial exploration of the Enja claims in Quebec.

At March 31, 2006, the Company had working capital of \$214,504 compared with \$41,979 at March 31, 2005. This difference is largely attributable to an increased level of financing in 2005 (\$629,750) compared with 2004 (\$363,175), and a later start-up date to the 2006 drill program. The Company intends to raise additional capital this year. Future exploration is dependent on continued equity financing and/or joint ventures with other companies. The Company has also applied for an exploration grant this year from New Brunswick for base metals exploration.

Selected Financial Information

The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The reporting currency is the Canadian dollar.

Summary of Quarterly Results

2006/2005	March 31/06	Dec 31/05	Sept 30/05	June 30/05
	\$	\$	\$	\$
Total Revenue	1,208	692	622	99
Net Loss Before Income Taxes	32,169	33,065	23,805	65,000
Net Loss (Gain)	38,669	(13,435)	(81,275)	65,000
Net Loss (Gain) Per Share	0.002	(0.0006)	(0.004)	0.004

2005/2004	March 31/05	Dec 31/04	Sept 30/04	June 30/04
	\$	\$	\$	\$
Total Revenue	696	772	542	478
Net Loss Before Income Taxes	30,884	38,464	30,145	29,477
Net Loss	30,884	38,464	30,145	29,477
Net Loss Per Share	0.002	0.003	0.002	0.002

As a result of write-downs or write-offs from exploration activities and provision for future income tax recovery, net losses can be extremely variable.

Results of Operations

No financings were done during the first quarters of 2006 or 2005. A \$20,000 incentive grant was received from the New Brunswick Junior Mining Assistance Program for exploration on the Elmtree property.

All expenses relating to exploration and property acquisition are capitalized as Mineral Properties and are detailed in Note 2 to the Financial Statements and shown below in the "Additional Disclosure" section. General and administrative expenses in the first quarter remained low at \$33,377 slightly more than the \$31,580 incurred during the corresponding period in 2005.

Stratabound incurred a net loss of \$33,377 for the quarter ended March 31, 2006, relatively unchanged from the \$31,580 net loss recorded for the corresponding period in 2005.

Elmtree Gold Property, New Brunswick

Toward the end of 2003, the Company optioned ten claims (162 hectares) known as the Elmtree Gold Property. The property is situated 19 kilometres northwest of the coastal city of Bathurst.

Drill intersections grading 2.0 grams per tonne gold or better across core intervals of 20 to 60 meters had been commonly encountered by a previous explorer during 1980s drilling on the West Gabbro Zone (see news release dated May 12, 2004). Trenching by Stratabound in late 2004, and drilling in 2005 and to date in 2006 continue to indicate that the Elmtree property has the potential to host a substantial

intrusive-related bulk tonnage of low grade gold, as well as zones of high grade base and precious metal massive sulphide veins.

Stratabound's trenching along a 210 metre (690 feet) strike portion of the West Gabbro Zone returned gold assays averaging 1.63 g/t across 29.2 metres. Seven holes were subsequently drilled during the first quarter of 2005. Drilling results were favorable, and were summarized in 2005 news releases dated January 13, February 3, March 3, March 16, March 22 and April 5.

A subsequent intensive exploration program in 2005 and first-quarter 2006 included line-cutting; sampling of C-horizon soils for gold, arsenic and antimony; a variety of geophysical surveys (gradient and dipole-dipole IP, VLF-EM, magnetics, MaxMin); and channel sampling of trenches for future metallurgical testing. Results outlined a number of strong anomalies, representing new areas of potential near-surface gold and/or base metal mineralization.

Drilling (NQ diameter core) resumed in late April, 2006, testing a variety of these widely spaced targets. It appears that significant new gold mineralization has been intersected 550 metres east of the West Gabbro Zone, in addition to high grade silver, zinc, lead and antimony in drill holes 400 metres apart along the major thrust fault. Another new high grade zone of gold, silver, zinc and lead was intersected on a magnetic cross-fault which cuts across the thrust fault structure at right angles (see News Release dated May 17, 2006).

The two high grade polymetallic zones appear to be separate entities, one of which is characterized by extremely high antimony content. This may be noteworthy. China produces 90% of the world's primary antimony supply. South Africa's Consolidated Murchison mine is the major non-Chinese source, with 2004 head grades of 1.29% antimony and 1.64 g/t gold. Stratabound's intersection in Hole 2 of the current drill program features significantly higher grades of both metals, plus substantial silver, zinc and lead. Drill testing of widely spaced areas with near-surface mineral potential will continue before the newly discovered zones are followed up with more drill holes.

Elmtree property expenditures for the first quarter of 2006 were \$61,174. Cumulative expenditures to March 31, 2006 are \$497,437 including provincial government incentive payments of \$50,000. The Company has the option to acquire a 100% interest in the Elmtree claims, subject to a 2% net smelter return, by making final payments of \$125,000 and 50,000 shares by October 3, 2006.

John Duncan, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

Ramsay Brook Gold Property, New Brunswick

This gold prospect is situated 55 kilometres south-southwest of Elmtree, near the formerly producing Murray Brook (gold-silver-copper) and Restigouche (zinc-lead-copper-silver-gold) mines. The 78 claims cover a 4.7 kilometre portion of the Ramsay Brook Fault, a major regional structure.

No significant exploration was conducted on this property during the first quarter of 2006.

Previously, in 2003 Stratabound exposed thirteen gold-bearing quartz-siderite veins in seven trenches along 400 metres of strike length in gabbroic rock.

In 2004 the Company conducted an induced polarization geophysical survey east of the 2003 trenches, outlining pronounced chargeability anomalies both along strike from the trenches as well as directly over the Ramsay Brook Fault, located 200 metres to the south. Drilling will be required to test these anomalies.

During the third quarter of 2005 VLF-EM, magnetometer and B-horizon soil sampling for gold, in addition to geological mapping and prospecting, were completed on the western and northeast portions of the property, completing this coverage on all the claims.

Follow-up of these results confirmed the high gold-in-soil values of the west end Anomaly 1 area (which can exceed 1.0 g/t), and prospecting revealed silicified siltstones mineralized with fine pyrite and chalcopyrite. However, trenching in this area, on the side of a deep ravine, was severely restricted by steep slopes and thick overburden. Consequently, no significant mineralization has been exposed to date in the Anomaly 1 area. A small I.P. survey followed by drilling will be required to test this soil anomaly.

About 1.3 kilometres to the east of Anomaly 1, trenching of a low-priority but easily accessible isolated soil geochemical anomaly exposed a continuous 22 metre width of extremely altered bedrock characterized by a hematite-quartz-calcite boxwork replacement-type assemblage. The bedrock, gabbro and siltstone, contains pyrite, arsenopyrite and low amounts of gold, with no assays exceeding 488 parts per billion. The company is encouraged that testing of a small one-station anomaly revealed a bedrock source.

John Charlton, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

Ramsay Brook property expenditures for the first quarter of 2006 amounted to \$2,750. Cumulative expenditures to March 31, 2006 are \$284,210 including a 2003 provincial government incentive grant of \$40,000. In 2005 the terms of the option agreement were amended. Additional payments of \$125,000 and 37,500 shares were originally required to be made by August 30, 2005 to earn a 100% interest, subject to a 2% net smelter return royalty, in ten of the 78 claims. The revised terms extend the date of the cash payment to August 30, 2006. The remaining 68 claims are 100% owned by Stratabound.

Bathurst Base Metal Properties, New Brunswick

The 100%-owned Bathurst properties (3,853 hectares) host three known base metal sulphide bodies (CNE, Captain and Taylor Brook) and untested magnetic, electromagnetic and lead-zinc-copper-silver soil anomalies on the Nepisiguit claims. The Captain North Extension (CNE) deposit was explored and developed by Stratabound from 1988 to 1990, and was operated by the Company as a profitable small zinc-lead-silver-gold open pit mine from 1990 to 1992.

During 2005 a program of line-cutting, MaxMin geophysical surveying, C-horizon soil sampling and prospecting was completed on the Nepisiguit Property, 3 kilometres

along strike from the former 25 million tonne Heath Steele base metal mine, in order to follow up geochemical and airborne geophysical anomalies. During the first quarter, data compilation was completed and a number of targets selected for future trenching and/or drilling.

John Duncan, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

Stratabound's expenditures for the first quarter of 2006 on the Bathurst base metal properties totaled \$4,419. Cumulative expenditures to March 31, 2006, net of accumulated depletion are \$2,627,903.

Otish Mountains, Quebec – Marusia Property

This 3,471 hectare diamond/gold prospect is situated in the Otish Mountains region of Quebec, less than 25 kilometers south of the Ashton/Soquem property containing the Renard diamond discoveries, and 10 kilometers north of the Eastmain Gold Mine, a former producer.

The Marusia Property was initially acquired as a diamond prospect in recognition of its location with respect to the Otish Mountains diamond play. However, the favourable geological context of the property with respect to gold potential was recognized from the beginning.

Due to the proximity of the Eastmain gold mine, located within the same greenstone belt that partially underlies the Marusia property, all samples collected in the course of diamond exploration have been routinely assayed for gold.

Analysis of till samples collected and assayed for gold from 2003 through 2005 revealed high background gold contents and abundant detrital arsenopyrite and chalcopyrite grains over the central and western parts of the property. Anomalously high gold values appear to coincide with a silicified felsic volcanic band in the northwest area, and with an unexplained intensely magnetic zone in the centre of the property resembling the geophysical signature at the former Eastmain mine.

In 2003, Stratabound discovered a variety of kimberlite indicator minerals in glacial till samples down-ice from sixteen aeromagnetic anomalies on the Marusia claims.

In 2004, the Company conducted follow-up basal till sampling in areas where kimberlite indicator minerals had been found in 2003, collecting 120 samples weighing 2.1 tonnes. These were processed in 2005, with inconclusive results, recovering a different suite of kimberlite indicator minerals (mostly chrome diopsides and forsterites) than the initial program (high-Ni forsterites, picroilmenites, high-Mg/Cr/Ti/Ni chromites, pyrope garnets) and without any increase in quantity. This may be partly due to various problems encountered at the testing laboratory during sample processing.

John Charlton, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

Marusia is 100% owned by Stratabound, subject to a 2% royalty on any minerals produced from the property.

Marusia Property expenditures for the first quarter of 2006 were \$11,001. Cumulative expenditures to March 31, 2006 are \$256,405 including government incentives of \$47,392.

Enja Property, Quebec

In 2005, the Company acquired the option to earn a 100% interest, subject to a 2% net smelter return royalty, in a 28-claim gold and base metal prospect covering 1,569 hectares in Enjalran and Massicotte Townships, northwest Quebec.

Forty-one additional claims were acquired by staking, extending the property eastward into the Enja Caldera and increasing property size to about 3,700 hectares along 10 kilometres of strike length.

Enja is situated between the Detour Lake and Casa Berardi gold camps, and is 35 kilometres west of the Selbaie Mine (copper-zinc-gold-silver). Enja and Selbaie are both associated with volcanic calderas located along the axis of a regional fold structure hosting the two gold camps. Maps showing these features are available on the Company's website, www.stratabound.com.

In anticipation of target-defining ground geophysical surveys to be followed up by drilling, a compilation and structural study of the property was undertaken subsequent to the end of the first quarter of 2006. This has revealed four target areas displaying geological characteristics typical of Archean iron formation type lode gold deposits. An isolated historic drillhole on one of these areas intersected 600 ppb gold over a 16.5 metre interval of silicified sulphide iron formation in 1992 drilling. Many Archean-age gold deposits worldwide occur in this geological setting.

In 2005, a detailed (80 metre line spacing) airborne geophysical survey by Terraquest Ltd. over what is now the property's western half, outlined intense magnetic highs. A lithostructural interpretation by Alain Moreau, M.A.Sc., based on remote sensing satellite imagery, identified both Detour Lake-type gold and Selbaie-type base-metal targets on Enja. Specific areas were recommended for drill testing.

John Charlton, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

To earn a 100% interest in the initial 28 claims, subject to a 2% net smelter return royalty, the Company must make a final payment of 50,000 shares to the vendors, and incur \$100,000 in cumulative exploration expenditures prior to January 3, 2008.

During the first quarter of 2006, the Company incurred expenditures of \$968. Cumulative expenditures to March 31, 2006 are \$76,878 including \$12,746 of provincial government incentives.

Liquidity

At March 31, 2006, the Company had working capital of \$214,504 compared to \$41,979 at March 31, 2005 and \$306,649 at the end of 2005.

The Company has no long-term debt, capital lease or purchase obligations.

The Company intends to raise additional capital this year. The Company has also applied for a 2006 New Brunswick exploration grant. Future exploration is dependent on continued equity financing and/or joint ventures with other companies.

Since its incorporation in 1986, the Company has been successful in financing its activities through private placement of shares to individuals and investment funds; revenue from lead-zinc-silver-gold mining in New Brunswick and oil production in Saskatchewan; joint ventures; property sales and option payments; government incentives; and the exercise of warrants and stock options.

The Company's policy, going back to its incorporation in 1986, has been to incur minimal general and administrative costs, utilizing available funds for exploration to the fullest possible extent.

Additional Disclosure

Capitalized expenditures for the first quarter and cumulative costs are shown above for each property in "Results of Operations".

Detailed capitalized exploration and development costs for the three months ended March 31, 2006 and cumulative costs are broken-down by project as follows:

Capitalized Exploration and Development Expenses

	Bathurst, N.B.	Otish Mountains, Que.	Ramsay Brook, N.B.	Elmtree, N.B.	Enja, Que.	Three months Totals
	\$	\$	\$	\$	\$	\$
Cost						
January 1, 2006	2,623,484	198,012	241,460	406,263	63,164	3,532,383
Acquisition & renewals	189	5,716	-	-	-	5,905
Assays and analyses	-	1,740	-	-	-	1,740
Drilling	-	-	-	6,838	-	6,838
Geology and prospecting	3,930	3,245	2,450	26,292	668	36,585
Geophysics	-	-	-	17,665	-	17,665
Line-cutting	-	-	-	5,579	-	5,579
Salaries and benefits	300	300	300	4,800	300	6,000
Stock-based compensation	-	-	-	-	-	-
Government incentives	-	-	-	(20,000)	-	(20,000)
Cost - March 31, 2006	2,627,903	209,013	244,210	447,437	64,132	3,592,695

General and administrative costs for the three months ended March 31, 2006 and March 31, 2005 are itemized below. These remain low at \$33,377, slightly more than the \$31,580 incurred during the corresponding period last year. During the first quarter the Company paid rent of \$1,050 (2005 - \$900) to officers of the Company, a related party transaction.

General and Administrative Expenses

Three months ended March 31

	2006	2005
	\$	\$
Salaries and benefits	13,276	11,065
Professional fees	7,581	1,500
Filing fees and investor communications	5,807	6,893
Office and other	5,327	10,932
Rent	1,050	900
Amortization	336	290
	33,377	31,580

The Company has no off-balance sheet arrangements.

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).

Change in Accounting Policy

There were no changes or adoptions of new significant policies during the quarter.

Subsequent Events

Subsequent to the end of the first quarter, the Company received \$94,075 from the exercise of 527,500 share purchase warrants, and \$7,500 from the exercise of 50,000 options.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At March 31, 2006 the number of issued common shares was 21,221,162 (fully diluted 27,741,984) and as at May 26, 2006 there are 21,798,662 shares issued (27,541,984 fully diluted).

Options outstanding at May 26, 2006

Number of Options	Exercise Price \$	Expiry Date
500,000	0.22	August 2, 2007
250,000	0.20	March 5, 2009
375,000	0.15	April 21, 2010
TOTAL 1,125,000		

Warrants outstanding at May 26, 2006

Number of Warrants	Exercise Price \$	Expiry Date
177,500	0.15	June 28, 2006
1,376,000	0.15	July 25, 2006
210,000	0.20	October 14, 2006
185,000	0.30	December 10, 2006
57,500	0.25	December 23, 2006
1,467,447	0.22	May 17, 2007
930,000	0.20	July 28, 2007
14,875	0.18/0.25	7 November 2006/07
200,000	0.18/0.25	22 December, 2006/07
TOTAL 4,618,322		

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.

Approval

The Board of Directors has approved the disclosure contained in this Interim Management Discussion and Analysis. A copy will be provided to anyone requesting it.

The Company's publicly filed documents are available on SEDAR at www.sedar.com