

STRATABOUND MINERALS CORP.
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2007

August 28, 2007

The following discussion and analysis of results and operations should be read in conjunction with the Company's annual audited financial statements and related notes for the year ended December 31, 2006, the annual Management Discussion and Analysis dated April 27, 2007, and the unaudited financial statements prepared by management for the period ended June 30, 2007.

Description of Business

The Company is in the business of mineral exploration and development, with gold and base metal properties in New Brunswick and Ontario and gold, diamond and base metal prospects in Quebec.

Over the first 8 months of 2007, the Company has focused its exploration efforts on the Elmtree, Big Presque Isle, Lamoreaux Corner and Captain properties in New Brunswick, and its Enja claims in Quebec. In addition the Company staked six new properties in New Brunswick, four as a consequence of the discovery of gold occurrences at Big Presque Isle and Lamoreaux Corner, and two in the southern part of the province covering precious metal anomalies near the former Cape Spencer gold mine, revealed in a New Brunswick Department of Natural Resources survey of basal tills. At the present time, the Company does not have any producing properties and consequently no revenues.

Overall Performance

During the first half of 2007, the Company raised \$906,418 through a private placement and exercise of share purchase warrants and options, compared with \$114,175 raised during the corresponding period of 2006.

The Company spent \$347,387 on exploration and acquisition of its mineral properties during the six month period ended June 30, 2007, compared with \$268,662 during the same period in 2006. The increase is mainly attributable to stepped up operations in New Brunswick including property acquisitions, additional personnel, and extensive assaying of Elmtree drill core.

At June 30, 2007, the Company had working capital of \$746,846 compared with \$123,159 at June 30, 2006 and \$241,862 at year end. The increase is attributable to the increased level of financing mentioned above. The Company intends to raise additional capital this year.

Stratabound has been awarded a 2007/2008 exploration grant of \$45,000 from New Brunswick's Junior Mining Assistance Program for gold exploration on the Big Presque Isle Property, and a \$100,000 grant under the New Brunswick deposit evaluation program for the Captain copper-gold property.

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

2007/2006	June 30/07	March 31/07	Dec 31/06	Sept 30/06
	\$	\$	\$	\$
Revenue	3,917	762	2,816	1,423
Net loss from operations	50,207	59,210	172,949	52,471
Net loss for the period	59,239	91,210	212,202	52,471
Basic loss per share	0.005	0.003	0.008	0.002

2006/2005	June 30/06	March 31/06	Dec 31/05	Sept 30/05
	\$	\$	\$	\$
Revenue	604	1,208	692	622
Net loss from operations	62,006	32,169	33,065	23,805
Net loss for the period	60,006	38,669	(13,435)	(81,275)
Basic loss per share	0.004	0.002	(0.0006)	(0.004)

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

All expenses relating to exploration and property acquisition are capitalized as Mineral Properties and are detailed in Note 3 to the Financial Statements and shown below in the "Additional Disclosure" section. General and administrative expenses in the first six months of 2007 were \$114,096 compared with \$95,987 incurred during the corresponding period in 2006. The increase is largely due to consulting fees paid to Linear Capital Corp. for assistance with corporate development activities, and to insurance costs.

Stratabound incurred a net loss of \$150,449 for the period ended June 30, 2007, compared with a loss of \$98,675 recorded for the corresponding period in 2006. This is due to increases in administrative costs described above and to future income taxes.

Elmtree Gold Property, New Brunswick

The property is situated 19 kilometres northwest of the coastal city of Bathurst.

Stratabound optioned Elmtree in 2003 and acquired a 100% interest in 2006, subject to a 2% net smelter return royalty.

This property has been our primary exploration target in the Bathurst area since 2004. We have drilled 48 holes to date, most of them encountering mineralization, including many commercial-grade gold intercepts. In addition to gold, these intercepts often contain silver, zinc, lead, antimony and/or indium. Drilling results have been disclosed in a series of news releases.

The Company has retained Mercator Geological Services Limited of Dartmouth, Nova Scotia to prepare an initial mineral resource estimate and associated Technical Report that complies with National Instrument 43-101. Stratabound is presently sawing and sampling remaining unassayed core from the West Gabbro Zone drilled by Lacana Mining during 1985 to 1987 for inclusion in the resource estimate.

Extensive prospective areas remain to be drilled, and the Company expects to resume drilling following receipt of the Mercator report later this year.

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

Elmtree property expenditures for the second quarter of 2007 were \$15,873. Cumulative expenditures to June 30, 2007 are \$1,342,523.

Highway Properties, Western New Brunswick

In December of 2006, Stratabound optioned 14 claims containing and surrounding a new gold discovery along the Trans-Canada Highway near Big Presque Isle Stream, located near the Maine, U.S. border in western New Brunswick, about eight kilometres south of Florenceville. Prospecting carried out by the Company's geologists identified additional gold occurrences as reported in News Releases dated April 9, 2007 and May 2, 2007, and the Big Presque Isle Property was expanded to 79 claims through staking. These showings represent the first mineral occurrences ever found in this district, which has never been explored for gold.

Continued prospecting discovered gold occurrences six kilometres to the north at Lamoreaux Corner, and 49 claims were staked here (News Release dated July 12, 2007). Stratabound has subsequently staked four additional properties along the highway at Aroostook, Beechwood-Upper Guisquit, Four Falls, and St. Thomas, where it anticipates the road will expose similar rocks to those at Big Presque Isle. Stratabound's land holdings in the area now amount to 145 claims totaling 5,800 acres (2,350 hectares).

Stratabound is currently awaiting results from an initial small drill program on Big Presque Isle and Lamoreaux Corner, as well as assay results from the sampling of additional mineralized outcrops.

Stratabound can earn a 100% interest in the original Big Presque Isle claims by paying the vendor \$10,000 and 50,000 shares on December 4 of 2007, 2008 and 2009. A final payment of \$160,000, payable in cash and/or shares, is due on December 4, 2010. The vendor will retain a one percent net smelter return royalty, with Stratabound having the option to purchase one-half of the royalty at any time for \$1,000,000.

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

Expenditures on the Highway Properties during the second quarter of 2007 were \$156,124. Cumulative costs to June 30, 2007 are \$189,421 including a \$27,000 government incentive grant for work on the Big Presque Isle Property.

Bathurst Base Metal Properties, New Brunswick

These 100%-owned properties (3,853 hectares) currently comprise the Captain, Captain North Extension (CNE), CNE East, CNE Mining Lease, CNE South, CNE West, Nepisiguit Brook, Taylor Brook and Taylor Brook East Extension claim groups.

They host three known base metal sulphide bodies, the Captain, CNE and Taylor Brook. The 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.

The Company's exploration for base metals during 2007 has focused on the Captain copper-gold deposit, located in the Bathurst Camp, about 12 kilometres south-southeast of Xstrata's Brunswick No. 6 Mine and 1.6 kilometres southeast of the CNE Mine. The Captain deposit is covered by overburden, and is known only from assessment records that provide descriptions of core from 37 holes drilled in the 1950s and '60s.

Stratabound reviewed and compiled all the historical drilling and other geotechnical data from the Captain Property in preparation for a drill program and for an initial mineral resource estimate and associated Technical Report that comply with National Instrument 43-101. A Max-Min electromagnetic survey was recently completed to pinpoint the location of the deposit, and drilling is now underway.

The province of New Brunswick has awarded the company a \$100,000 grant under the province's new Deposit Evaluation Program (NBDEP) for work on the Captain Property.

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

Stratabound's property expenditures for the second quarter of 2007 on the Bathurst base metal properties totaled \$24,341. Cumulative expenditures to June 30, 2007 are \$2,720,381.

Loch Lomond Area, Southern New Brunswick

In May 2007, the Company staked two properties 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 multivariate 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 basal till sampling site anomalous in precious, base and rare metals. Cumulative expenditures to June 30, 2007 are \$2,926.

Enja Property, Northwest Québec

Enja (69 claims covering 3,830 hectares) is located in high-potential terrain for both precious and base metals. It is situated between the Detour Lake and Casa Berardi gold camps, and is 35 Kilometres west of the Selbaie Mine, a major past producer of copper, zinc, gold and silver.

A geochemical survey is currently in progress to define drill targets. Due to the overburden cover and sparse outcrop, MMI (mobile metal ion) geochemistry is being employed. This work is following up airborne geophysical targets identified last winter.

In 2005, the Company acquired the option to earn a 100% interest, subject to a 2% net smelter return royalty, in 28 claims (1,569 hectares). To earn a 100% interest in these initial claims, subject to a 2% net smelter return royalty, the Company must make a final payment of \$25,000 or 50,000 shares to the vendors in 2008. The remaining 41 claims were acquired by staking and are 100% owned by Stratabound.

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

During the second quarter of 2007, the Company incurred expenditures of \$4,353. Cumulative expenditures on the Enja property to June 30, 2007 are \$150,208 net of provincial government incentives.

Otish Mountains, Québec – Marusia Property

This 50 claim, 2,630 hectare diamond/gold prospect is situated in the Otish Mountains region of Quebec, 25 kilometres south of Stornoway Diamonds Corp.'s Foxtrot Property, and 10 kilometres north of the Eastmain Mine, a former gold producer.

Stratabound is awaiting a lithostructural interpretation by Technologies Earthmetrix Inc. focusing on the identification of major structures on this property.

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.

Second quarter expenditures on this property were \$5,200. Cumulative expenditures to June 30, 2007 are \$214,313 net of government incentives of \$52,592.

Melchett Lake, Ontario

The Melchett Lake Property consists of 105 units (17 square kilometres) situated 130 kilometres north of Lake Superior. The property encloses an 11 kilometre-long felsic volcanic sequence, capable of hosting large-tonnage volcanogenic massive sulphide

(VMS) zinc-lead-copper-silver-gold bodies. Two areas on this property are known to have high-grade, surface VMS showings.

During the first quarter of 2007, Stratabound entered into an agreement whereby it can acquire a 60% interest in this prospect. On February 12, 2007 the Company paid \$3,000 and issued 68,000 shares to the vendor. In order to earn its interest the Company must spend \$1,000,000 on exploration prior to November 1, 2010, of which \$150,000 must be spent by November 1, 2007.

Drilling was scheduled to begin in mid-September but Stratabound has been notified by the drilling contractor that the start-up date will be delayed. This is due to current unavailability of helicopter support. The vendor has assured the Company that the November 1 date will be extended as necessary to accommodate the delay.

Dr. John L. Wahl, P.Geol. is the Qualified Person for this project as defined in National Instrument 43-101.

Cumulative expenditures to June 30, 2007 are \$21,500.

Ramsay Brook Gold Property, New Brunswick

No work has been done at Ramsay Brook this year.

Stratabound has a 100% interest in this 68 claim gold prospect situated 55 kilometres south-southwest of Elmtree, near the formerly producing Murray Brook (gold-silver-copper) and Restigouche (zinc-lead-copper-silver-gold) mines.

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

Ramsay Brook property cumulative expenditures to June 30, 2007 are \$240,535.

Liquidity

At June 30, 2007, the Company had working capital of \$746,846 compared with \$123,159 at June 30, 2006 and \$241,862 at year end. The increase is attributable to an increased level of financing. The Company intends to raise additional capital this year.

Stratabound has been awarded a 2007/2008 exploration grant of \$45,000 from New Brunswick's Junior Mining Assistance Program for gold exploration on the Big Presque Isle Property, and a \$100,000 grant under the New Brunswick deposit evaluation program for the Captain copper-gold property.

The Company has no long-term debt, purchase obligations or off-balance sheet arrangements. On August 1, 2007, Stratabound entered into a one-year lease agreement on an office and storage facility in Bathurst, New Brunswick at a cost of \$2,500 per month.

Since its incorporation in 1986, the Company has been successful in financing its activities through private placement of shares to individuals, corporations 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.

Additional Disclosure

General and administrative costs for the six months ended June 30, 2007 and 2006 are discussed above in the "Results of Operations" section and are itemized below. For the six months ended June 30, 2007, the Company paid rent of \$2,100 (2006 - \$2,100) for office space owned by officers of the Company, a related party transaction.

General and Administrative Expenses

Periods ended June 30

	Three months 2007 \$	Three months 2006 \$	Six months 2007 \$	Six months 2006 \$
Consulting fees	15,000	-	30,000	-
Salaries and benefits	13,258	13,875	26,516	27,151
Filing fees & investor communications	10,988	11,776	20,909	17,583
Professional fees	5,497	8,750	16,666	16,331
Office and other	7,646	2,323	16,535	7,650
Rent	1,050	1,050	2,100	2,100
Stock-based compensation	-	24,500	-	24,500
Depletion and amortization	685	336	1,370	672
	54,124	62,610	114,096	95,987

Change in Accounting Policy

On January 1, 2007, in accordance with the applicable transitional provisions, the Company adopted on a prospective basis without restating prior periods, the new recommendations of the CICA Handbook included in Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861, Financial Instruments – Disclosure and Presentation.

The adoption of these sections had no significant impact on the Company's financial statements. Additional details are provided in Note 2 of the Interim Financial Statements.

Subsequent Events

Subsequent to the period ended June 30, 2007, 330,000 share purchase warrants were exercised at a price of \$0.20 for total proceeds of \$66,000 and 50,000 options were exercised at \$0.22 for proceeds of \$11,000.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At June 30, 2007 the number of issued common shares was 30,356,609 (fully diluted 33,783,484) and after the inclusion of all subsequent events to August 27, 2007, there are 30,736,609 shares issued (33,083,484 fully diluted).

Options outstanding at August 27, 2007

Number of Options	Exercise Price \$	Expiry Date
250,000	0.20	March 5, 2009
175,000	0.20	June 27, 2009
325,000	0.15	April 21, 2010
1,150,000	0.20	Nov. 13, 2011
TOTAL 1,900,000		

Warrants outstanding at August 27, 2007

Number of Warrants	Exercise Price \$	Expiry Date
14,875	0.25	November 7, 2007
185,000	0.30	December 10, 2007
97,000	0.25	December 22, 2007
150,000	0.20	August 25, 2008
TOTAL 446,875		

Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing the Company's disclosure controls and procedures. These procedures are designed to ensure that material information relating to the Company is made known to management to allow for disclosure in annual and interim filings on a timely basis.

The Chief Executive Officer and Chief Financial Officer have reviewed the procedures and can provide reasonable assurance that these controls are adequate and effective.

Internal Control over Financial Reporting

The Chief Executive Officer and Chief Financial Officer have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles (GAAP). The significant accounting policies followed by the Company are summarized in Note 2 to the Company's audited financial statements. Management of Stratabound is

comprised of two individuals and there is therefore minimal segregation of duties. The Audit Committee, comprised of three directors, serves as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements and Management Discussion and Analysis.

It should be noted that the Company's control system, no matter how well designed, can provide only reasonable but not absolute assurance of detecting, preventing and deterring errors or fraud.

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).

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

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 is under no obligation to update or alter any forward looking statement. These 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.