FORM 51-102 F1
STRATABOUND MINERALS CORP.
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2005

May 23, 2005

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, 2005 and related notes. The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The reporting currency is the Canadian dollar.

Description of Business

The Company is in the business of mineral exploration and development in Canada. Stratabound's New Brunswick properties comprise the Elmtree and Ramsay Brook gold prospects and the CNE/Captain, Taylor Brook and Nepisiguit base metal claims. The Quebec properties comprise the Marusia diamond and Enja gold/base metal prospects. At the present time, the Company does not have any producing properties and consequently no revenues.

Overall Performance

During the first quarter of 2005, the Company spent $212,334 on exploration and acquisition of mineral properties compared with $49,062 during the first quarter of 2004. The increase is largely attributable to drilling on the Elmtree gold property, results of which have enhanced the property's mineral potential, and to the acquisition and initial exploration of the Enja claims.

Summary of Quarterly Results

2005/2004	March 31/05	Dec 31/04	Sept 30/04	June 30/04
	$	$	$	$
Total Revenue	696	772	542	478
Loss Before Discontinued Operations & Extraordinary Items	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

2004/2003	March 31/04	Dec 31/03	Sept 30/03	June 30/03
	$	$	$	$
Total Revenue	575	1,065	3,472	2
Loss Before Discontinued Operations & Extraordinary Items	63,576	55,226	26,742	10,612
Net Loss	63,576	841,580	26,742	10,612
Net Loss Per Share	0.005	0.06	0.002	0.001

As a result of write-downs or write-offs from exploration activities, net losses tend to be extremely variable.

Results of Operations

No financings were done during the first quarters of 2005 or 2004.

All expenses relating to exploration 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 are itemized in the financial statements, and amounted to $31,580 for the first quarter of 2005, compared to $64,151 for the corresponding period in 2004. The difference is mainly due to "stock-based compensation" of $29,333 in 2004 compared with nil in 2005. This "compensation", an item not involving cash, is expensed in accordance with new accounting policies recommended by the CICA with respect to accounting for stock options granted to employees and directors. When stock options are granted they are given an estimated value using the Black-Scholes fair value option-pricing model.

Stratabound incurred a net loss of $30,884 for the quarter ended March 31, 2005 as compared to a loss of $63,576 for 2004. This difference is similarly mainly due to the 2004 "stock-based compensation".

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 and contains at least two mineralized zones, the Discovery Zone and West Gabbro Zone, along with many undrilled targets. Virtually all previous drilling during the 1980s targeted the West Gabbro Zone.

Eight trenches totaling approximately 400 metres were excavated late in 2004, along a 210 metre (690 feet) strike portion of the West Gabbro Zone. Seven holes were subsequently drilled during the first quarter of 2005 in order to probe the zone at potential open-pit depths; to test for the presence of gabbro and associated gold mineralization below and west of the previously assumed limits of the zone; and to explore a possible structural relationship with the Discovery Zone located 750 metres to the east.

Trenching and drilling results have been favorable and indicate additional work should be done on the property. Results are summarized in 2005 News Releases dated January 13, February 3, March 3, March 16, March 22, and April 5.

Assaying was performed at ALS Chemex of Mississauga, Ontario. 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 first three months of 2005 were $111,227. Cumulative expenditures to March 31, 2005 are $300,176 including a government incentive payment of $30,000. The Company has the option to acquire a 100% interest in the Elmtree claims, subject to a 2% net smelter return, by making total payments of $145,000 and 100,000 shares by October 3, 2006.

Ramsay Brook Gold Property, New Brunswick

The Company has identified gabbro-hosted gold-bearing veins on its Ramsay Brook claims, located 55 kilometres south-southwest of Elmtree. In addition, numerous untested VLF/magnetic/gold-in-soil and IP anomalies are indicated by historical data to be present along a four kilometer strike on a major regional fault, and represent unexplored gold targets for trenching and drilling on the property.

Beginning in 2003, the Company conducted line-cutting, soil geochemistry, VLF and magnetic surveys, prospecting, geological mapping and trenching on the eastern third of this 1,262 hectare property. The property has been expanded from 61 to 78 claims. Thirteen gold-bearing quartz-siderite veins were found in seven trenches along 400 metres of strike length in gabbroic rock, with favorable assay results.

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. Late in 2004, gridlines were cut over the remaining two-thirds of the property in preparation for magnetic, electromagnetic and soil geochemical surveys, geological mapping and prospecting planned for the second quarter of 2005.

Ramsay Brook property expenditures for the first quarter of 2005 were minimal amounting to $328. Cumulative expenditures to March 31, 2005 are $179,840, including government incentive payments of $40,000. The terms of the option agreement have recently been amended. Additional payments of $125,000 and 37,500 shares had been 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.

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 east of the former 25 million tonne Heath Steele base metal mine.

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.

An option held by Eastmain Resources Inc. to earn a 50% interest in the CNE/Captain claim block expired on April 30, 2005. We have since been approached by two junior exploration companies expressing an interest in optioning the base metal properties, and are in early discussions.

Subject to financing, Stratabound's plans for 2005 include a trenching program on a 3-kilometre long lead-zinc-copper-silver soil anomaly with associated electromagnetic and magnetic anomalies located on the Nepisiguit claim group east of Noranda's former Heath Steele Mine.

Stratabound's property expenditures were minimal during the first quarter of 2005, amounting to $187. Stratabound's cumulative expenditures to March 31, 2005, net of accumulated depletion, are $2,561,322.

Otish Mountains, Quebec – Marusia Property

This 3,471 hectare diamond 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. In 2004, the Company conducted follow-up work on kimberlite indicator minerals discovered in 2003.

During 2003-2004, Stratabound discovered a variety of kimberlite indicator minerals in glacial till samples down-ice from sixteen aeromagnetic anomalies on the Marusia claims. Gold anomalies were detected in the southern portion of the property.

Work to date in 2005 has included sample processing for diamond indicator minerals by IOS Services Geoscientifiques of Chicoutimi, Quebec. Potential kimberlite indicator mineral grains were segregated and submitted to R. L. Barnett Geological Consulting Inc. of London, Ontario for microprobe analysis. IOS is currently completing a report on results.

Marusia Property expenditures for the first quarter of 2005 were $31,067. Cumulative expenditures to March 31, 2005 are $230,557 including government incentives of $35,626.

Enja Property, Quebec

During the first quarter, the Company acquired the option to earn 100% interest, subject to a 2% net smelter return royalty, in 28 claims covering 1,569 hectares in Enjalran and Massicotte Townships, northwest Quebec. Enja sits between the Detour Lake and Casa Berardi gold camps, 35 kilometres west of Selbaie Mine (copper-zinc-gold-silver).

During the first quarter of 2005, a detailed (80 metre line spacing) airborne geophysical survey by Terraquest Ltd. outlined intense magnetic highs on the property, and it is known from historic drilling records that at both ends of the property's 6.5 kilometre length these represent extensive widths of sulphide and oxide iron formations with anomalously high gold content. Historic drilling along and adjacent to the magnetic high in the eastern third of the property also intersected zinc/silver mineralization with associated copper and gold, as well as structurally-hosted gold mineralization.

Also during the first quarter, a lithostructural interpretation by Alain Moreau, M.A.Sc. of Technologies 43S Inc., 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 and additional staking. Twenty additional claims have recently been staked, increasing the size of the property to almost 2,700 hectares.

To earn a 100% interest in the Enja claims, subject to a 2% net smelter return royalty, the Company must issue 150,000 shares to the vendors and incur $100,000 in exploration expenditures within three years. During the first quarter, the Company issued 100,000 shares at a deemed value of $0.20 per share and incurred exploration expenditures of $41,048. Cumulative expenditures to March 31, 2005 are $69,525.

Liquidity

At March 31, 2005, the Company had working capital of $41,979 compared to $264,907 at March 31, 2004. The decrease is mainly due to increased exploration activity and to equity financings amounting to $363,175 during 2004 compared to $462,175 in 2003. The Company has no long-term debt, capital lease or purchase obligations.

The Company intends to raise additional capital during the second quarter of 2005. Future exploration is dependent on continued equity financing and/or joint ventures with other companies. The Company has applied for a Junior Mining Assistance Program incentive grant again this year from the New Brunswick Department of Natural Resources and Energy.

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 ended March 31, 2005 and cumulative costs are shown above for each property in "Results of Operations".

Capitalized expenditures for the three months ended March 31, 2005 are detailed below:

	Bathurst	**Otish Mountains, Que.**	**Ramsay Brook, N.B.**	**Elmtree, N.B.**	**Enja, Que.**	**Three months 2005**
	$	$	$	$	$	$
Cost – January 1, 2005	**2,561,135**	**163,864**	**139,512**	**158,949**	**—**	**3,023,460**
Acquisition & renewals	**187**	**—**	**—**	**—**	**28,477**	**28,664**
Assays and analyses	**—**	**30,000**	**—**	**6,790**	**—**	**36,790**
Drilling	**—**	**—**	**—**	**92,712**	**—**	**92,712**
Geology and prospecting	**—**	**1,067**	**328**	**7,725**	**18,331**	**27,451**
Geophysics	**—**	**—**	**—**	**—**	**21,717**	**21,717**
Salaries and benefits	**—**	**—**	**—**	**4,000**	**1,000**	**5,000**
Stock-based compensation	**—**	**—**	**—**	**—**	**—**	**—**
Government incentives	**—**	**—**	**—**	**—**	**—**	**—**
Cost – March 31, 2005	**2,561,322**	**194,931**	**139,840**	**270,176**	**69,525**	**3,235,794**

General and administrative costs for the three months ended March 31, 2005 and March 31, 2004 are discussed above in the "Results of Operations" section and are itemized below. "Stock-based compensation" is an item not involving cash, pertaining to stock options granted to employees and directors. During the first quarter, the Company paid rent of $900 (2004 - $900) to officers of the Company, a related party transaction.

General and Administrative Expenses:

Three months ended March 31

	2005	**2004**
	$	$
Salaries and benefits	**11,065**	11,071
Office and other	**10,932**	6,059
Filing fees and investor communications	**6,893**	7,505
Professional fees	**1,500**	8,876
Rent	**900**	900
Stock-based compensation	**—**	29,333
Amortization	**290**	407
	$ 31,580	$64,151

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.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At March 31, 2005 the number of issued common shares was 16,925,579 (fully diluted 23,041,576) and at May 23, 2005 was 16,935,579 (fully diluted 23,051,576).

Options outstanding at May 23, 2005

Number of Options	Exercise Price $	Expiry Date
35,000	0.60	July 26, 2005
200,000	0.50	April 17, 2006
500,000	0.22	August 2, 2007
250,000	0.20	March 5, 2009
425,000	0.15	April 21, 2010
TOTAL 1,410,000		

Warrants outstanding at May 23,2005

Number of Warrants	Exercise Price $	Expiry Date
440,050	0.22	October 24, 2005
177,500	0.15	June 28, 2006
1,576,000	0.15	July 25, 2006
210,000	0.20	October 14, 2006
185,000	0.30	December 10, 2006
125,000	0.20	December 23, 2006
1,477,447	0.22	May 17, 2007
930,000	0.20	July 28, 2007
TOTAL 5,120,997		

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 Annual 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