

STRATABOUND MINERALS CORP.
ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008

April 29, 2009

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, 2008.

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. At the present time, the Company does not have any producing properties and consequently no revenues.

Overview

During 2008, Stratabound conducted drill programs on the Captain and Elmtree properties in New Brunswick, and at Melchett Lake, Ontario.

At Elmtree, the Company completed 8 additional holes on the South Gold Zone and 2 holes on the West Gabbro Zone subsequent to the 48 holes that were included in the N.I. 43-101 resource estimate announced on February 14, 2008. At Captain, 13 holes were drilled in 2008, bringing our total to 25. Assay results from both of the New Brunswick drill programs were positive, while a deep drill hole at Melchett Lake, Ontario intersected zinc and copper at sub-economic levels.

Grid construction, geophysical and geochemical exploration, basal till sampling and trenching programs were conducted on several of the company's base metal properties in northern New Brunswick (CNE, Captain, Taylor Brook) and on the large claim blocks acquired within the last year surrounding the original Elmtree claims. These programs identified many new areas of potential mineralization and outstanding drill targets for base metals and gold. For details, see "Report on Operations" below.

The Elmtree resource comprises 525,000 Indicated tonnes grading 2.45 g/t gold (41,000 ounces gold) plus 4,624,000 Inferred tonnes at an average grade of 1.25 g/t gold (185,500 ounces gold), plus 41,000 Inferred tonnes containing 201,000 ounces of silver, 7.0 million lbs zinc and 2.4 million lbs lead. A substantial portion of the resource is within 100 metres of surface, giving rise to potential open pit mining opportunities. The mineralization at Elmtree is open along strike and to depth.

Twenty-five holes have been completed to date at Captain, and a significant copper-cobalt-gold mineral resource estimate has been outlined to a depth of 300 metres. The resource contains 861,000 tonnes in the Measured and Indicated categories grading 1.10% Cu, 0.052% Co and 0.22 g/t Au. A further 681,000 tonnes grading 0.60% Cu, 0.039% Co and 0.12 g/t Au is in the Inferred resource category. The Captain deposit is open down dip, down plunge and along strike below the 80 metre level. For details, see News Release dated October 29, 2008.

The Elmtree and Captain resource estimates are compliant with both Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines*, and reporting requirements of National Instrument 43-101.

Excellent metallurgical results were obtained at Captain in tests carried out by RPC Science and Engineering of Fredericton, New Brunswick, an ISO 9001:2000 registered laboratory. For details, see "Report on Operations" below and News Release dated March 16, 2009. RPC is currently conducting preliminary metallurgical studies on two composite bulk samples from the West Gabbro Zone and South Gold Zone of the Elmtree property.

In 2008 Stratabound was awarded a \$50,000 grant under the New Brunswick Junior Mining Assistance Program towards exploration for a possible extension to the Company's past-producing CNE lead-zinc-silver deposit.

Overall Performance

During 2008, the Company spent \$2,082,505 on exploration and acquisition of mineral properties, up from \$1,465,403 the previous year. The increase is largely attributable to drill programs on the Elmtree, Captain and Melchett Lake properties and independent resource estimates on Elmtree and Captain. The Company has fulfilled its commitment to spend \$2,061,779 on applicable flow-through expenditures.

All of the Company's properties are in good standing beyond 2009.

In 2008, the Company raised \$401,960 through a non-brokered private placement compared with \$3,333,216 in 2007 through private placements and the exercise of share purchase options and warrants.

At December 31, 2008, the Company had working capital of \$188,092 compared with \$1,959,478 at the end of 2007. Future exploration is dependent on continued equity financing and/or joint ventures with other companies.

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.

Three Year Financial Data – Years Ended December 31

<u>For the years ended December 31</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue – interest income	27,037	13,890	6,051
Loss before income taxes	583,030	478,920	319,595
Net and comprehensive loss	439,752	439,217	363,348
Basic and diluted loss per share	0.012	0.015	0.016
Assets	8,143,082	8,209,735	4,900,166

Summary of Quarterly Results

2008	Dec 31/08	Sept 30/08	June 30/08	March 31/08
	\$	\$	\$	\$
Revenue – interest income	148	2,657	7,520	16,712
Loss before income taxes	280,079	82,700	49,989	170,410
Net and comprehensive loss	136,653	82,700	49,989	170,410
Basic and diluted loss per share	0.003	0.002	0.001	0.006

2007	Dec 31/07	Sept 30/07	June 30/07	March 31/07
	\$	\$	\$	\$
Revenue – interest income	3,705	5,506	3,917	762
Loss before income taxes	206,390	163,113	50,207	59,210
Net loss for the period	125,655	163,113	59,239	91,210
Basic and diluted loss per share	0.002	0.005	0.005	0.003

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

Results of Operations

All expenses relating to exploration and property acquisition are capitalized as Mineral Properties and are summarized in Note 6 to the Financial Statements. Detailed capitalized exploration and development costs for 2007 and 2008 are broken-down by project below under the heading “Additional Disclosure”.

In 2008, the Company raised \$401,960 via private placements, compared to 2007 proceeds of \$3,333,216 from the issuance of 9,782,540 shares via private placements and the exercise of 400,000 options and 2,016,322 warrants. The December 31, 2008 financing consisted of 2,649,733 units at \$0.15 for gross proceeds of \$397,460 plus an additional 30,000 units for gross proceeds of \$4,500. The former units each consisted of one common share, one common share issued on a flow-through basis and one common share purchase warrant. The latter units each consisted of two common shares and one common share purchase warrant. In both cases each warrant entitles the holder to acquire one common share for \$0.15 for a period of 24 months from the closing date. In addition, 75,000 shares were issued for property acquisitions in 2008 at a deemed value of \$19,750, compared with 168,000 shares valued at \$44,000 in the previous year.

General and administrative expenses of \$274,595 in 2008 were slightly higher than the \$267,292 incurred during 2007. For details see “Additional Disclosure” below. These amounts do not include stock-based compensation costs of \$118,701 for 2008 and \$225,518 for 2007, an item not involving cash, pertaining to stock options granted to employees, consultants and directors. The fair value of each option granted is estimated using the Black-Scholes option-pricing model (see Note 8b to financials). An amount of \$35,426 was recorded pertaining to Part XII.6 tax payable on 2008 flow-through expenditures incurred using the “look-back rule” compared to \$2,914 for the previous year. Wages and office expenses were reduced in 2008 by approximately \$28,000, while professional fees for legal and accounting services increased by about \$17,000 and filing fees and investor communication costs increased by about \$13,000. Consulting fees of

\$38,100 were lower in 2008 compared to \$68,500 in 2007 as the Company did not renew its contract with a group providing business development services. Consulting fees of \$8,100 were paid to a director and officer of the Company in 2008 for corporate and website development activities compared to \$8,500 the previous year.

Stratabound incurred a net and comprehensive loss of \$439,752 for the year ended December 31, 2008, compared to a similar loss of \$439,217 for 2007. A write-off in the amount of \$217,423 was recorded on the Company's Big Presque Isle property at the end of 2008, as a small initial drill program in 2007 intersected only weak mineralization which did not merit further expenditure. In 2007 no mineral properties were written off. Provision was made for future income tax recovery of \$143,278 in 2008, compared to a provision of \$39,703 in 2007.

Bathurst Base Metal Properties, New Brunswick

Stratabound's 100%-owned properties (4,000 hectares) comprise the CNE/Captain claims, CNE Mining Lease, Nepisiguit Brook, Taylor Brook and Taylor Brook Extension claim groups. They host three known base metal sulphide bodies: the Captain, CNE and Taylor Brook deposits. The CNE deposit was explored and developed by Stratabound from 1988 to 1990, and was operated by the Company as a small, profitable zinc-lead-silver-gold open pit mine from 1990 to 1992.

Stratabound's property expenditures for 2008 on the Bathurst base metal properties totaled \$1,133,661 not including a provincial government incentive payment of \$50,000. 2007 expenditures amounted to \$352,750 not including provincial government incentive payments of \$110,000. Cumulative expenditures to December 31, 2008 are \$4,178,521.

Captain/CNE Claims

The 100%-owned Captain and CNE claims are situated 20 kilometres south of Xstrata's world-class Brunswick No. 12 Mine and 10 kilometres east of Heath Steele Mines, a major past producer.

a) Captain and CNE Deposits

Twenty-five holes were drilled by Stratabound during 2007 and 2008 on the Captain deposit, a volcanogenic massive sulphide (VMS) stringer-type occurrence. This drilling outlined a significant copper-cobalt-gold mineral resource to a depth of 300 metres. The resource drilled to date contains 861,000 tonnes in the Measured and Indicated categories grading 1.10% Cu, 0.052% Co and 0.22 g/t Au, with accessory zinc, silver, and bismuth minerals. A further 681,000 tonnes grading 0.60% Cu, 0.039% Co and 0.12 g/t Au is in the Inferred resource category. For details, see News Release dated October 29, 2008.

The resource estimate was completed by Mercator Geological Services of Dartmouth, Nova Scotia, and is compliant with the reporting standards of National Instrument 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines*.

Drilling to date has outlined a maximum mineralized strike length of about 150 metres at a depth of approximately 100 metres below surface. Opportunity exists to expand the resource by drilling down dip and down plunge, as well as to expand the deposit's strike length through additional drilling at depth to both the north and south. Geology and

geophysics suggest that deeper drilling may also encounter a lead-zinc-silver massive sulphide component.

Excellent metallurgical results were obtained at Captain in preliminary tests carried out by RPC Science and Engineering of Fredericton, New Brunswick, an ISO 9001:2000 registered laboratory. Conventional milling followed by flotation achieved copper grades of about 28%, with recoveries of 94% for the copper zone and 98% for the cobalt zone. 90% of cobalt in the cobalt zone and 80% of cobalt in the copper zone reported to a pyrite concentrate, and roasting followed by autoclave leaching extracted 99.5% of the cobalt from the pyrite concentrate.

Drilling at Captain was partially funded by a \$100,000 grant awarded to Stratabound by the province of New Brunswick Deposit Evaluation Program (NBDEP) to determine whether an economic copper-cobalt-gold deposit reaches surface and can be mined with open pit methods.

The Captain North Extension (CNE) is a VMS deposit located 1.5 kilometres north of the Captain. Previous resource estimates pre-date N.I. 43-101 and cannot be relied on for public disclosure purposes. During 1990 to 1992 Stratabound developed and profitably operated a small open-pit mine on the northern portion of the CNE deposit, intermittently mining and shipping ore to Heath Steele mill at times when it had excess capacity. During this period Stratabound delivered 39,000 tonnes of massive sulphides at production grades of 9.97% zinc, 4.42% lead, 134.7 g/t silver, and minor payable gold. According to Noranda, Heath Steele's owner at the time, CNE mill recoveries were the highest ever recorded in the Bathurst camp. Stratabound suspended ore deliveries when sharply rising mill and smelter charges combined with plummeting metal prices began to threaten the operation's profitability. The minesite was reclaimed shortly thereafter, and there are no environmental issues or liabilities.

b) New Targets

The 2008 summer/fall field exploration program conducted on the Captain and CNE claims included (1) extensive but random basal till sampling limited by distribution of logging and drill roads and swamps; (2) gradient Induced Polarization geophysics centred on the Captain and CNE deposits; and (3) ground magnetics on a target (Target F) situated 2.5 kilometres south of the Captain. Evaluation of results has recently been completed, and has identified 12 specific areas that may host undiscovered mineralization.

VMS deposits in the Bathurst area, and in most other VMS mining districts worldwide, tend to occur in clusters, as is certainly the case at the nearby Heath Steele and Stratmat groups of zinc-lead-copper-silver deposits, located west of Captain/CNE within the same stratigraphy. Stratabound's newly identified anomalies, which lie 0.3 to 2.5 kilometres from the company's two known mineral deposits, may reflect undiscovered VMS accumulations, and require follow-up and drilling.

The Induced Polarization anomalies show resistivities, chargeabilities, and widths comparable to the CNE and Captain deposits on Targets A, A1, A2, B, B1, B2, C, D, and E. Basal till anomalies are associated with most of these IP anomalies. No basal till samples were taken for Target E due to its location in swampy terrain, while IP surveys have not been conducted as far south as Target F.

Peak basal till values are shown in the following table (N/A = background):

Area	Zinc ppm	Arsenic ppm	Copper ppm	Cobalt ppm
Captain Deposit	144	45	637	27
CNE Deposit	350	129	184	N/A
Target A	648	751	N/A	N/A
Target A1	N/A	2,044	N/A	N/A
Target A2	509	484	81	N/A
Target B	N/A	222	167	N/A
Target B1	309	661	172	84
Target B2	912	N/A	N/A	N/A
Target C	5,800	N/A	N/A	N/A
Target D*	144	45	637	27
Target F	320	221	541	287

* Southern extension of Captain Deposit anomaly

Furthermore, Target E, Target F, and the Captain deposit are all located on the eastern flanks of circular magnetic anomalies within clusters of airborne electromagnetic conductors.

A compilation and verification of all previous drill holes on the CNE deposit and surrounding claims is in progress. Once completed, a three-dimensional model of the deposit will be created and used in conjunction with the surface and airborne surveys that have been completed over the property to search for additional areas of mineralization.

Taylor Brook East Extension

One thousand three hundred and fifty metres (1,350 m) of trenching were completed in 2008 to uncover stratigraphy and sample basal tills along the projected easterly strike of the Company's Taylor Brook lead-zinc-silver deposit. A weak zinc-lead basal till anomaly was located north of the eastern sulphide projection. Additional trenching (1,000m) is required to test a prominent magnetic anomaly north of the weak basal till anomaly.

John Duncan, P.Geol. and Stan Stricker, P.Geol. are Qualified Persons on the Bathurst base metal properties as defined in National Instrument 43-101.

Elmtree Gold Property, New Brunswick

Stratabound's 100%-owned Elmtree Gold property is situated 19 kilometres northwest of the coastal city of Bathurst, New Brunswick.

A mineral resource estimate was completed in February, 2008 by Mercator Geological Services Limited, an independent geological consulting firm based in Dartmouth, Nova Scotia. The estimate is compliant with the reporting standards of National Instrument 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines*.

The resource on the property comprises 525,000 Indicated tonnes grading 2.45 g/t gold (41,000 ounces gold) plus 4,624,000 Inferred tonnes at an average grade of 1.25 g/t gold (185,500 ounces gold), plus 41,000 Inferred tonnes containing 201,000 ounces of silver, 7.0 million lbs zinc and 2.4 million lbs lead. A substantial portion of the resource is within

100 metres of surface, giving rise to potential open pit mining opportunities. For details, see News Releases dated February 14, 2008 and February 27, 2008.

RPC Science and Engineering of Fredericton, New Brunswick, is conducting preliminary metallurgical studies. RPC is nationally accredited by both the Standards Council of Canada and the Canadian Association of Environmental Analytical Laboratories. Two composite bulk samples, each containing about 115 kilograms of mineralized core, are being utilized, one from the higher grade West Gabbro Zone and one from the lower grade South Gold Zone. This work will initially involve detailed mineralogy and a determination of optimal grind sizes, followed by bench scale scoping tests that will evaluate gravity and bulk or sequential rougher flotation techniques. Gold concentrates will be assessed for amenability to cyanide leaching as well as direct smelter sale. Other recovery methods including bacterial leaching will be examined if warranted.

The Company drilled 8 additional holes on the South Gold Zone (SGZ) and 2 holes on the West Gabbro Zone (WGZ) subsequent to the 48 holes that were included in the 2008 N.I. 43-101 resource estimate. Results were announced in a news release dated February 18, 2009. Assays are consistent with previous results from the two zones and have not yet been factored into the resource estimate. Mineralization is open along strike and down dip, with little drilling below 100 metres, particularly on the SGZ. The SGZ occupies a small fraction of a 2.5 kilometre long IP resistivity target accompanied by an impressive gold/antimony/arsenic soil geochemical anomaly. Most of this target is completely undrilled. Numerous additional targets remain to be drill-tested.

Prospecting during 2008 uncovered a mineralized boulder grading 24.7 g/t gold, located 75 metres east of an unexplained magnetic anomaly. The boulder may indicate a new vein system not previously tested by drilling or trenching. Follow-up soil sampling is required. During the winter of 2007/08 the Elmtree property was expanded from 10 claims (160 hectares) to 85 claims (1,360 hectares). The new claims are known as the Elmtree Extension. Induced polarization and soil geochemical surveys extended the resistivity/soil anomaly eastward by 500 metres, with soils containing as much as 3.08 g/t gold and 74.0 g/t silver.

The new claims also have base metal potential. Soils sampled along a coincident induced polarization/magnetic anomaly located about 700 metres northeast of the SGZ revealed a broad zinc-arsenic-cadmium-nickel anomaly. The soil anomaly has been outlined for 400 metres along strike to date and is open at both ends. Samples of angular float contain up to 3.4% zinc. No outcropping exposures are present and trenching or drilling is required to test this target, as well as expanded soil sampling.

Reconnaissance level exploration was also completed in the northern portion of the new claims, with soils being sampled every fifty metres on lines cut 200 metres apart. The soil sampling covered several base metal vein showings in skarn environments. Extensive zinc-bearing outcrops have been mapped, three kilometres northeast of the WGZ. Fifteen grab samples of various rock types have been assayed; six contain zinc (average 2.63%), while four others contain silver (average 30.93 g/t), including two samples with 0.52% and 0.35% lead.

Future exploration would determine the extent of the zinc-bearing carbonate rocks and search for calcareous siltstone/sandstone beds, representing potential hosts for gold mineralization similar to the SGZ. Results from 514 soil samples outlined several zinc anomalies requiring testing by diamond drilling and/or trenching.

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

Elmtree property expenditures for 2008 were \$467,803 compared to \$398,152 in 2007. Cumulative expenditures to December 31, 2008 are \$2,102,521 not including provincial government incentive payments of \$50,000.

Green Point, New Brunswick

The Company has a 100% interest, subject to a 2% net smelter return royalty, in 71 claims (1,136 hectares) located 2.5 kilometres northeast of the Company's Elmtree Extension claims.

Nine holes were drilled on the property in 2001 and 2002 by a previous owner. A major alteration zone was reportedly intersected in the drilling. The best intersection was in Hole 3 where 1.2 g/t gold was reported over a 15.5 metre core length. Work during 2008 consisted of prospecting and re-logging of core. Stratabound's exploration plans include grid re-establishment, re-logging previous drill core, basal till sampling, and an induced polarization survey over the outlined area of alteration.

Cumulative expenditures to December 31, 2008 are \$12,998.

Melchett Lake, Ontario

This property consists of 209 units in 17 claims, an area of 3,344 hectares (8,263 acres). It covers a 13.5 kilometres long felsic volcanic sequence delineated by Kerr Addison Mines in the 1980s. Along this sequence, conditions favourable for deposition of large tonnage zinc-lead-copper-silver-gold volcanogenic massive sulphide (VMS) bodies were identified. The claims are located 60 kilometres (38 miles) north of the town of Nakina, in the Thunder Bay Mining Division of northwest Ontario. During the third quarter of 2008, a deep hole was drilled on the Relf Lake target, intersecting five sub-economic zinc and copper intervals, the most highly mineralized being 5 metres of over 10,000 ppm zinc.

Other centres of alteration are present along the 13.5 kilometre strike length. The Nakina 1 Zone, in particular, displays alteration characteristics equal to or stronger than those investigated at the Relf Zone. Additional drill targets remain present within the mineralized stratigraphy at Key Lake, in the property's western portion, and between Key Lake and the Nakina 1 Zone.

In 2007 Stratabound entered into an option agreement whereby it can acquire a 60% working interest in the property from the Melchett Syndicate. To earn the 60% interest Stratabound must spend \$1,000,000 on exploration prior to November 1, 2010.

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

Melchett Lake expenditures for 2008 were \$459,660. Cumulative expenditures to December 31, 2008 are \$741,603.

Highway Gold Properties, Western New Brunswick

In December 2006, Stratabound optioned 14 claims containing and surrounding a new gold discovery made during the construction of the Trans-Canada Highway near Big Presque Isle Stream, located in western New Brunswick about eight kilometres south of Florenceville near the U.S. border. Prospecting carried out by the Company's geologists identified additional gold occurrences, and the Big Presque Isle Property was expanded to 79 claims through staking. These showings, with rock blast grab samples returning up to 6.3 g/t, represent the first mineral occurrences ever found in this district, which had never been explored for gold.

Continued prospecting discovered gold occurrences six kilometres to the north at Lamoreaux Corner, and 49 claims were staked here. Stratabound subsequently staked four additional properties along the highway at Aroostook, Beechwood-Upper Guisquit, Four Falls, and St. Thomas.

In 2007, a small initial drill program on Big Presque Isle intersected only weak mineralization. No significant work was conducted on any of these properties in 2008.

The Company did not renew its option on the Big Presque Isle claims and recorded a write-off of \$217,423. Stratabound retains 100% ownership of the five remaining Highway Properties, totaling 73 claims (1168 hectares).

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

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. No work was done on this property in 2008.

The claims cover a 4.7 kilometre portion of the Ramsay Brook Fault, a major regional structure, and a 1.5 kilometre length of a thrust fault that splays off it in a southwest direction. The geological setting is similar to that at Elmtree and the known gold occurrences are controlled by structural deformation zones proximal to hydrothermally altered gabbroic intrusions along a major fault.

Stratabound has uncovered more than a dozen small gold-bearing veins in several areas on the property. Results included 1.2 m. of 6.46 g/t gold, 0.5 m. grading 5.19 g/t, 0.63 m. at 3.78 g/t, 2.0 m. of 2.78 g/t, and 1.0 m. grading 3.89 g/t, as well as grab samples of 5.12 g/t, 3.57g/t, 11.00 g/t and 5.06 g/t. Large induced polarization anomalies have been outlined immediately along trend with the gold veins. Gold-in-soil values on the property run as high as 4.27 g/t.

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

Cumulative expenditures to December 31, 2008 are \$243,778.

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 numerous precious, base and rare metals.

Work during 2008 was limited to assaying of previously collected soil samples. Cumulative expenditures to December 31, 2008 are \$11,156.

Enja Property, Quebec

The 100%-owned Enja property (69 claims covering 3,830 hectares) is located in high-potential terrain 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 property extends from the Ontario border eastward beyond the Turgeon River, well into a pronounced circular structure resembling the metals-rich Selbaie Caldera. Details of work completed to date can be found on the Company's website, www.stratabound.com.

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

No significant work was done here during 2008. Cumulative expenditures on the Enja property to December 31, 2008 were \$291,343 not including a Quebec Mining Tax refund of \$71,764.

Otish Mountains, Quebec – Marusia Property

This 100%-owned, 50 claim (2,630 hectare) diamond/gold prospect is situated in the Otish Mountains region of Quebec, less than 25 kilometres south of Stornoway Diamonds Corp.'s Foxtrot diamond deposits, and 10 kilometres north of the Eastmain Mine, a former gold producer.

A series of maps illustrating the Marusia mineralogical, geophysical, geochemical and geological data can be found on the Company's website.

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

No work was done on Marusia in 2008. Cumulative expenditures to December 31, 2008 are \$227,414 net of provincial incentives.

Liquidity

At December 31, 2008, the Company had working capital of \$188,092 compared with \$1,959,478 at the end of 2007. The Company fulfilled its commitment to spend \$2,061,779 on applicable flow-through expenditures.

In 2008, the Company raised \$401,960 through a non-brokered private placement. Stratabound was awarded a \$50,000 grant under the New Brunswick Junior Mining Assistance Program for base metal exploration on the Captain North Extension (CNE) claims. \$30,000 was received in 2008 and the remaining \$20,000 in April 2009.

The Company has no long-term debt, purchase obligations or off-balance sheet arrangements. On August 1, 2008, Stratabound renewed a one-year lease agreement on a core shack/storage/office facility in Bathurst, New Brunswick at a cost of \$2,500 per month.

All of the Company's properties are in good standing beyond 2009. Future exploration is dependent on continued equity financing and/or joint ventures with other companies. Stratabound intends to raise additional capital this year. The Company will also apply for exploration grants in New Brunswick.

While the Company has been successful at raising funds for the past 23 years, there can be no assurance that it will continue to do so. Equity financing opportunities require favorable market conditions and commodity prices. Current market conditions are difficult and commodity prices have declined dramatically, so raising equity will be challenging.

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

Additional Disclosure

General and administrative costs for 2007 and 2008 are discussed above in the "Results of Operations" section and are itemized below.

General and Administrative Expenses

Years ended December 31	2008	2007
	\$	\$
Professional fees	70,871	54,097
Salaries and benefits	49,961	65,234
Filing fees & investor communications	48,435	35,710
Consulting fees	38,100	68,500
Part XII.6 tax on flow-through expenditures	35,426	2,914
Office and other	25,610	33,897
Rent	4,200	4,200
Amortization	1,992	2,740
	<u>274,595</u>	<u>267,292</u>

Detailed capitalized exploration and development costs for 2007 and 2008 are broken-down by project as follows:

Capitalized Exploration and Development Expenses - 2007

2007	Bathurst Properties, NB	Marusia, Otish Mountns. Que.	Ramsay Brook, N.B.	Elmtree, N.B.	Enja Que.	Highway Props. Western N.B	Loch Lomond, Southern N.B	Melchett Lake, Ont.	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost – Jan 1,	2,692,110	209,113	238,675	1,236,566	140,862	27,094	-	-	4,544,420
Acquisition & renewals	5,866	-	316	38,476	3,312	32,466	2,700	20,000	103,136
Assays and analyses	57,658	-	-	53,604	20,965	17,533	1,726	1,750	153,236
Core shack	5,172	-	-	8,196	-	3,125	-	-	16,493
Drilling	234,811	-	-	121,608	-	93,727	-	226,423	676,569
Geochemistry	-	-	-	-	157,695	-	-	-	157,695
Geology and supervision	129,037	12,450	3,407	133,996	2,357	78,214	3,376	17,170	380,007
Geophysics	2,050	-	-	9,050	-	-	-	10,200	21,300
Insurance	2,250	-	-	2,250	500	2,250	-	-	7,250
Line-cutting	5,998	-	-	6,064	-	8,591	-	-	20,653
Salaries and benefits	6,400	-	-	11,400	1,500	7,000	-	6,400	32,700
Stock-based compensation	13,508	1,217	-	13,508	14,725	13,508	-	-	56,466
Government incentives	(110,000)	-	-	-	(5,102)	(45,000)	-	-	(160,102)
Cost – Dec 31, 2007	3,044,860	222,780	242,398	1,634,718	336,814	238,508	7,802	281,943	6,009,823

Capitalized Exploration and Development Expenses - 2008

2008	Bathurst Properties, NB	Marusia, Otish Mnts Que.	Ramsay Brook, N.B.	Elmtree, N.B.	Green Point, NB	Enja Que.	Highway Props. Western NB	Loch Lomond Southern NB	Melchett Lake, Ont.	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost – Jan 1,	3,044,860	222,780	242,398	1,634,718		336,814	238,508	7,802	281,943	6,009,823
Acquisition & renewals	16,657	6,199	1,380	2,066	7,454	14,000	1,008	72	33,138	81,974
Assays and analyses	137,949			53,812			856	2,712	3,642	198,971
Core shack	15,826			15,731						31,557
Drilling	480,172			149,721					361,880	991,773
Geochemistry	82,523			22,700						105,223
Geology and supervision	242,212			159,922	5,544	6,257	6,083	570	23,822	444,412
Geophysics	45,813									45,813
Insurance	3,625			3,625						7,250
Line-cutting	36,596									36,597
Metallurgy	30,390			12,000						42,390
Salaries and benefits	10,000			10,000					7,000	27,000
Stock-based compensation	30,178	2,012		38,226		6,036			30,178	106,630
Trenching	51,720									51,720
Government incentives	(50,000)	(3,577)				(71,764)				(125,341)
Total	4,178,521	227,414	243,778	2,102,521	12,998	291,343	246,455	11,156	741,603	8,055,790
Write-offs							(217,423)			
Cost – Dec 31, 2008	4,178,521	227,414	243,778	2,102,521	12,998	291,343	29,032	11,156	741,603	7,838,366

Related Party Transactions

During the year, the Company paid rent of \$4,200 (2007 - \$4,200) for office space owned by officers of the Company, a related party transaction. Consulting fees of \$8,100 were paid to a director and officer of the Company for corporate and website development activities.

Change in Accounting Policy

Effective January 1, 2008, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") standards: Section 3862 Financial Instruments – Disclosures; and Section 3863 Financial Instruments - Presentation, which replaced Section 3861 Financial Instruments – Disclosure and Presentation. The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements.

Effective January 1, 2008, the Company adopted CICA Section 1535, Capital Disclosures, which requires disclosure of the Company's objectives, policies and processes for managing capital. In addition, disclosures will include whether companies have complied with externally imposed capital requirements. The adoption of these requirements had no material impact on the Company's financial statements.

International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board has confirmed that IFRS will be adopted as Canadian GAAP for publicly accountable enterprises on January 1, 2011. The Company is presently considering the effect these standards will have on its financial statements.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At December 31, 2008 and April 29, 2009 the number of issued common shares was 42,484,168 (fully diluted 48,553,901).

Options outstanding at April 29, 2009

Number of Options	Exercise Price \$	Expiry Date
175,000	0.20	June 27, 2009
200,000	0.15	April 21, 2010
1,075,000	0.20	Nov. 13, 2011
940,000	0.27	Aug. 30, 2012
50,000	0.42	Oct. 2, 2012
TOTAL 2,440,000		

Warrants outstanding at April 29, 2009

Number of Warrants	Exercise Price \$	Expiry Date
2,679,733	0.15	December 31, 2010
TOTAL 2,679,733		

Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support representations that, having exercised reasonable diligence, interim and annual filings contain no misrepresentations and give a fair presentation of the financial condition of the Company for the periods presented.

Risks and Uncertainties

The business of exploration and mining is full of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations to be conducted by the Company will be subject to all of the operating risks normally attendant upon mineral exploration and development. Failure to obtain financing can result in delay or indefinite postponement of exploration and development projects with the possible loss of such properties. While the Company has been successful in the past at raising funds, there can be no assurance that it will continue to do so. Equity financing opportunities require favorable market conditions and commodity prices that cannot be assured.

Whether a mineral deposit once discovered will be commercially viable depends on a number of factors, some of which depend on the particular attributes of the deposit, such as size, grade and proximity to infrastructure. These factors are beyond the control of the Company. The Company must also compete with a number of companies that may have greater technical or financial resources. The Company is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery.

The exploration and development of mineral properties and the marketability of any minerals contained in such properties can be affected by many other factors beyond the control of the corporation, such as metal prices, availability of adequate refining facilities, or the imposition of new government regulation affecting existing taxes and royalties or environmental and pollution controls.

The directors of the Company are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act* (Alberta) which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act* (Alberta).

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

Additional information on the Company's projects including news releases, maps and photos can be viewed on the Company's website www.stratabound.com.

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.