

**STRATABOUND MINERALS CORP.**  
**INTERIM MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008**

November 28, 2008

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, 2007, the annual Management Discussion and Analysis dated April 28, 2008, and the unaudited financial statements prepared by management for the period ended September 30, 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 completed earlier this year. At Captain, 13 holes were drilled in 2008, bringing our total to 25. Assay results from both of the New Brunswick drill programs continue to be positive, while a deep drill hole at Melchett Lake, Ontario intersected zinc and copper at sub-economic levels.

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 1.37 g/t gold (185,000 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. For details, see News Releases dated February 14 and February 27, 2008.

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.

The New Brunswick Research and Productivity Council is currently carrying out preliminary metallurgical investigations on the Captain deposit to assess methods for recovering payable metal concentrates. Copper recoveries are proving to be excellent and results of cobalt leaching tests are expected shortly.

Grid construction, geophysical and geochemical exploration, basal till sampling and trenching programs have been 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 have identified additional drill targets for base metals and gold.

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 the first nine months of 2008 the Company spent \$2,125,165 on exploration and acquisition of its mineral properties, compared with \$881,053 during the same period of 2007. 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 2008.

At September 30, 2008, the Company had a working capital deficit of \$105,630 compared with working capital of \$440,836 at September 30, 2007 and \$1,959,479 at year end. On November 24, 2008, Stratabound accepted an offer from an investor group to purchase 6,497,945 units at \$0.07 per unit for proceeds of \$454,856, subject to regulatory approval (see "Subsequent Event" for details).

### **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**

<b>2008/2007</b>	<b>Sept 30/08</b>	<b>June 30/08</b>	<b>March 31/08</b>	<b>Dec 31/07</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue – interest income	2,657	7,520	16,712	3,705
Loss before write-offs & income taxes	82,700	49,989	170,410	206,390
Net and comprehensive loss	82,700	49,989	170,410	125,655
Basic and diluted loss per share	0.002	0.001	0.006	0.002

<b>2007/2006</b>	<b>Sept 30/07</b>	<b>June 30/07</b>	<b>March 31/07</b>	<b>Dec 31/06</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue – interest income	5,506	3,917	762	2,816
Loss before write-offs & future income tax	163,113	50,207	59,210	172,949
Net loss for the period	163,113	59,239	91,210	212,202
Basic and diluted loss per share	0.005	0.005	0.003	0.008

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 2 to the Financial Statements. Detailed capitalized exploration and development costs for the first nine months of 2008 and 2007 are presented by project below under the heading "Additional Disclosure".

General and administrative expenses in the first nine months of 2008 were \$329,988 compared with \$282,715 incurred during the corresponding period in 2007. The increase is attributable to an accrual of \$41,620 pertaining to Part XII.6 tax on flow-through expenditures. The general and administrative amounts include stock-based compensation costs of \$118,701 for 2008 and \$112,119 for 2007, items not involving cash, pertaining to stock options granted to employees, consultants and directors. Investor communications expenses during the first nine months of this year were higher than the previous year due to higher costs of printing and shipping proxy materials for the Annual General Meeting. Also, a new website was developed for Stratabound. Consulting fees were lower this year as the Company's contract with a group providing business development services was not renewed. All other general and administrative costs remained at similar levels to the corresponding period of the previous year.

Stratabound incurred a net and comprehensive loss of \$303,099 for the nine-month period ended September 30, 2008, little changed from the \$313,562 recorded for the corresponding period 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 exploration for base metals during 2007 and 2008 has focused largely on the Captain/CNE claims.

Stratabound's property expenditures for the third quarter of 2008 on the Bathurst base metal properties totaled \$299,269. Cumulative expenditures to September 30, 2008 are \$4,133,733.

### ***Captain Copper-Cobalt-Gold Deposit***

The 100%-owned Captain 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.

Twenty-five holes have been completed to date, 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. 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 80 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.

Metallurgical testing of the Captain deposit is underway at the New Brunswick Research and Productivity Council in Fredericton to assess methods for recovering payable metal concentrates. Copper recoveries are proving to be excellent, in the 97-98% range, and results of cobalt leaching tests are expected shortly.

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.

Basal till sampling was conducted to search for new mineralized bodies near the known Captain deposit. Results of the survey are pending.

An induced polarization anomaly was detected on the east flank of the known deposit. Follow-up work is required to determine whether it is caused by buried mineralization.

### ***CNE Claims***

A gradient induced polarization survey was completed on the CNE claims. A basal till soil survey has also been completed outside the known CNE zinc-lead-silver-gold deposit. A number of anomalies have been identified that are coincidental with the IP survey. These anomalies will be followed up during the next year in the hopes of identifying new massive sulphide deposits.

A compilation and verification of all previous drill holes on the CNE deposit and surrounding claims is in progress. Once completed, a 3D model of the deposit will be created and used in conjunction with 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 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.Geo. 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 provided earlier this year 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 1.37 g/t gold (185,000

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 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. Assays are consistent with previous results from the two zones and have not yet been factored into the resource estimate.

Stratabound has been working on the original ten claims since 2004, and numerous drill targets remain untested on these initial claims. 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.

On the new claims, soils were sampled along a coincident induced polarization/magnetic anomaly located about 700 metres northeast of the SGZ, revealing 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. A sample of angular float collected here comprises altered mafic-volcanic rock containing 2.17% zinc and 0.18% nickel. 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 located on the new claims, 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.

Exploration will focus on defining the extent of the zinc-bearing carbonate rocks and will 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 which require testing by diamond drilling and/or trenching.

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 third quarter of 2008 were \$102,502. Cumulative expenditures to September 30, 2008 are \$2,105,482.

### **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. 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. Prospecting and re-logging of core are in progress to identify new drill targets. Green Point expenditures for the third quarter of 2008 were \$3,229. Cumulative expenditures to September 30, 2008 are \$12,623.

## **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. The major claim holders in the Melchett greenstone belt are Stratabound, Teck Cominco and Dofasco.

During the third quarter, a deep hole was drilled on the Relf Lake target, intersecting minor sub-economic zinc and copper intervals.

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.Geol., is the Qualified Person on this project as defined in National Instrument 43-101.

Second quarter expenditures were \$385,303. Cumulative expenditures to September 30, 2008 are \$737,948.

## **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 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. Stratabound subsequently staked four additional properties along the highway at Aroostook, Beechwood-Upper Guisquit, Four Falls, and St. Thomas. Stratabound's land holdings in the area currently amount to 145 claims totaling 2,320 hectares.

A small initial drill program in 2007 intersected only weak mineralization. No significant work has been conducted in 2008.

The Company does not intend to renew its option on the Big Presque Isle claims, but will retain 100% ownership of the five remaining Highway Properties.

John Duncan, P.Geol. 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.

Stratabound's expenditures for the third quarter of 2008 on the Highway properties totaled \$312 for claim renewal. Cumulative expenditures to September 30, 2008 are \$246,170.

### **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.

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 previously 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.

Third quarter costs at Ramsay Brook were \$1,380 for claim renewals. Cumulative expenditures to September 30, 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.

An initial program of prospecting and soil sampling was conducted earlier this year on both claim groups. Cumulative expenditures to September 30, 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](http://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.

There were no expenditures during the third quarter. Cumulative expenditures on the Enja property to September 30, 2008 were \$299,804 not including a 2007 Quebec Mining Tax refund of \$63,303 in the third quarter.

### **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.

There were no expenditures on the property for the third quarter of 2008. Cumulative expenditures to September 30, 2008 are \$227,414.

### **Liquidity**

At September 30, 2008, the Company had a working capital deficit of \$105,630 compared with working capital of \$440,836 at September 30, 2007 and \$1,959,479 at year end. The Company has fulfilled its commitment to spend \$2,061,779 on applicable flow-through expenditures.

On November 24, 2008, Stratabound accepted an offer from an investor group to purchase 6,497,945 flow-through units at \$0.07 per unit for gross proceeds of \$454,856 subject to regulatory approval (see "Subsequent Event" for details).

Earlier this year, 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. To date \$30,000 has been received and the Company anticipates receipt of the remaining \$20,000 by March of 2009 after submission of a final report.

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 2008.

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, 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.

While the Company has been successful at raising funds for the past 22 years, there can be no assurance that it will continue to do so. Equity financing opportunities require favorable market conditions and commodity prices which are currently absent.

### **Additional Disclosure**

General and administrative costs for the nine months ended September 30, 2008 and 2007 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, consultants and directors.

### **General and Administrative Expenses**

**Nine months ended September 30,**

	<b>2008</b>	2007
	<b>\$</b>	\$
Part XII.6 tax on flow-through expenditures	<b>41,620</b>	-
Consulting fees	<b>38,100</b>	48,300
Wages and benefits	<b>36,741</b>	39,774
Filing fees & investor communications	<b>44,275</b>	28,315
Professional fees	<b>24,263</b>	22,885
Office	<b>20,926</b>	26,117
Rent	<b>3,150</b>	3,150
Depletion and amortization	<b>2,211</b>	2,055
Stock-based compensation (non-cash item)	<b>118,701</b>	112,119
<b>TOTAL</b>	<b>329,988</b>	282,715

Detailed capitalized exploration and development costs for the nine months ended September 30, 2008 and 2007 are broken-down by project as follows:

**Capitalized Exploration and Development Expenses**

Nine Months Ended September 30, 2008	Bathurst Properties, NB \$	Otish Mnts Que. \$	Ramsay Brook, N.B. \$	Elmtree, N.B. \$	Green Point, NB \$	Enja Que. \$	Highway Properties, Western NB \$	Loch Lomond, Southern NB \$	Melchett Lake, Ont. \$	Nine months ended Sept 30, 2008 \$	Nine months ended Sept 30, 2007 \$
<b>Cost – Jan 01, 2008</b>	<b>3,044,860</b>	<b>222,780</b>	<b>242,398</b>	<b>1,634,718</b>		<b>336,814</b>	<b>238,508</b>	<b>7,802</b>	<b>281,943</b>	<b>6,009,823</b>	<b>4,544,420</b>
Acquisition & renewals	13,641	6,199	1,380	1,998	7,454	14,000	1,008	72	33,138	<b>78,890</b>	44,200
Assays and analyses	137,949			56,443			856	2,712	64	<b>198,024</b>	58,053
Core shack	11,868			11,770						<b>23,638</b>	7,805
Drilling	480,172			167,546					361,803	<b>1,009,521</b>	315,227
Geochemistry	82,523			22,700						<b>105,223</b>	148,461
Geology and supervision	209,965			149,457	5,169	6,257	5,798	570	23,822	<b>401,038</b>	214,951
Geophysics	45,813									<b>45,813</b>	2,050
Insurance	3,625			3,625						<b>7,250</b>	7,250
Line-cutting	34,419									<b>34,419</b>	8,591
Metallurgy	30,000			12,000						<b>42,000</b>	18,000
Salaries and benefits	7,000			7,000					7,000	<b>21,000</b>	
Stock-based compensation	30,178	2,012		38,226		6,036			30,178	<b>106,630</b>	56,465
Trenching	51,720									<b>51,720</b>	
Government incentives	(50,000)	(3,577)				(63,303)				<b>(116,880)</b>	(137,000)
<b>Cost - September 30, 2008</b>	<b>4,133,733</b>	<b>227,414</b>	<b>243,778</b>	<b>2,105,482</b>	<b>12,623</b>	<b>299,804</b>	<b>246,170</b>	<b>11,156</b>	<b>737,948</b>	<b>8,018,108</b>	<b>5,288,473</b>

### **Related Party Transactions**

During the first nine months of 2008, the Company paid rent of \$3,150 (2007 - \$3,150) 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 development activities.

### **Change in Accounting Policy**

Effective January 1, 2008, the Company adopted the recommendations of CICA Handbook Section 1535 – Capital Disclosures. See Note 4 to September 30, 2008 financial statements. The Company has also adopted the recommendations of CICA Handbook Section 3862 – Financial Instruments. See Note 5 to September 30, 2008 financial statements. These new requirements are for disclosure only and do not impact the financial results of the Company.

### **Subsequent Event**

On November 24, 2008, Stratabound accepted an offer from an investor group to purchase 6,497,945 flow-through units at \$0.07 per unit for gross proceeds of \$454,856 subject to regulatory approval. Each unit consists of one flow-through share and one non-flow-through share purchase warrant exercisable on or before 24 months from closing at an exercise price of \$0.15 per common share in the first 12 months and at \$0.20 per common share for the next 12 months. An agent will receive a finder's fee in the form of 389,876 units with each unit consisting of a common share and a common share purchase warrant on the same terms and conditions noted for the flow-through unit warrants, and a 2-year option to acquire 454,857 common share units at an exercise price of \$0.07 per unit with each unit consisting of one common share and a common share purchase warrant, also exercisable on the same terms and conditions as the flow-through unit warrants. Proceeds of the offering will be used to advance our current mining projects.

### **Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares without par value. At September 30, 2008 the number of issued common shares was 37,124,702 (fully diluted 40,514,702). There are currently no warrants outstanding.

#### **Options outstanding at November 28, 2008**

<b>Number of Options</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
250,000	0.20	March 5, 2009
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
700,000	0.40	Jan 9, 2013
<b>TOTAL</b>	<b>3,390,000</b>	

### **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).

### **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](http://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.*