

Stratabound Minerals Corp. (TSXV:SB)

Site Visit

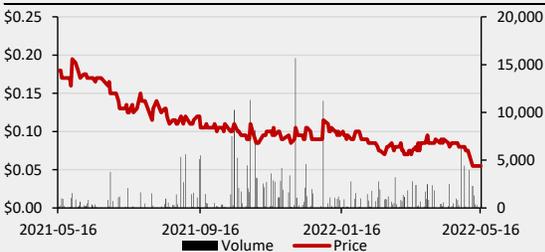
Site Visit: Revisiting the Historic Mother Lode

May 17, 2022

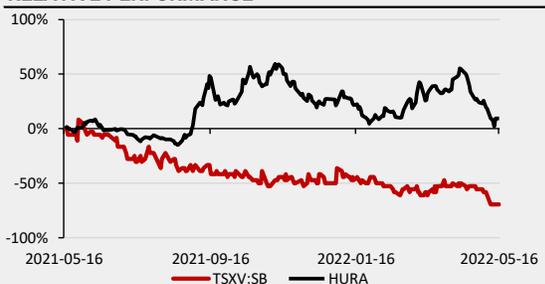
(Currency is C\$ unless noted otherwise)

Closing Price (C\$/sh)	\$0.06	
Rating	NA	
Target (C\$/sh)	NA	
Return to Target	NA	
52 Week Low / High (C\$/sh)	\$0.06 / \$0.20	
CAPITALIZATION		
	Basic	Diluted
Shares Outstanding (M)	177.7	217.9
Market Capitalization (C\$M)	\$9.8	
Enterprise Value (C\$M)	\$10.8	
Cash and Cash Equivalents (C\$M)	\$2.7	
Total Debt (C\$M)	\$3.7	

STOCK CHART



RELATIVE PERFORMANCE



MAJOR SHAREHOLDERS

Management (7.09%), Coast Capital Management, LP (17.5%), Jerritt Canyon Canada Ltd. (6.75%)

DISCLOSURE CODE: 1,2,3,4

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, S&P Capital IQ

Company Description

Stratabound Minerals Corp. engages in the exploration and evaluation of mineral resource properties in North America. The company primarily explores for lead, zinc, silver, copper, gold, and cobalt deposits. Its flagship project is the Golden Culvert property that covers an area of 84 square kilometers located in the southeast Yukon Territory; and McIntyre Brook Project located in New Brunswick. Stratabound Minerals Corp. is based in Toronto, Canada.

We recently visited Stratabound's Fremont Au project in California. During the visit we toured the company's project facilities, including the office and core shack, examined drill core, visited various locations on the deposit surface, and engaged in discussion with the company's management and geology team. **We were impressed with the exceptional infrastructure access, significant past work completed on the project, and the exploration potential at Fremont.**

- Excellent infrastructure facilitates exploration and future development.** The company's Fremont project is located near the town of Bear Valley in Mariposa County, California. The project is accessed via a paved county road that crosses through the property, with gravel access roads and dirt trails leading to drill sites. In addition, power lines cross through the property, leading to a power substation located adjacent to the company's office and core facilities. Overall, the infrastructure is excellent, allowing easy access to various parts of the property for exploration work and laying the foundation for future development.
- Historic mining camp, with significant work in recent decades.** The project hosts a portion of the famous "Mother Lode", an orogenic gold system that runs for ~200km north-south along the foothills of the Sierra Nevada mountains. The project was the host of underground mining operations dating from the "Gold Rush" of the late 1840s until the 1940s, when operations were shut down due to the Second World War. In the 1980s, a previous operator performed drilling and development work, bringing the project to feasibility status before work was halted due to a declining gold price. Further work, including significant diamond core drilling, was conducted over the past decade by California Gold, which was subsequently acquired by Stratabound.
- Exploration upside is still significant.** Despite the long history of mining and exploration in the region, the property remains underexplored, and we see significant exploration upside potential. The company recently reported results from property-wide soil sampling, showing a 4km-long gold-in-soil anomaly that runs the entire N-S length of the property. The ~1M oz Au resource, contained entirely within the Pine Tree-Josephine area, covers only about 1km of this trend. Past drilling has delineated mineralization in multiple other areas along the trend, including Queen Specimen, Crown Point and Chicken Gulch.

Valuation:

**We do not currently rate Stratabound Minerals. However, we view its Fremont project as having significant advantages for future development work.** Given year-round, excellent access to the project, we anticipate the company will have both exploration and preliminary development news for the remainder of 2022. We look for exploration results, an updated resource estimate, and permitting progress to be major share price drivers in the coming months. **Upcoming catalysts:** 1) Surface and drilling results from Fremont (ongoing); 2) Updated resource estimate (2022); and 3) Baseline environmental and permitting work (ongoing).

**Fremont is located within Mariposa County, California, in the foothills of the Sierra Nevada Mountains.**

**A prime location with excellent infrastructure access.** Stratabound's Fremont gold project is located in northern California, in the foothills of the Sierra Nevada Mountains east of San Francisco. The project is located just north of the small town of Bear Valley in Mariposa County. Given the climate in this region, exploration and development work can be conducted on the property year-round.

Fremont is road accessible, with the paved highway 49, also known as the Golden Chain Highway, transecting the property. Gravel roads connect to Stratabound's facilities, including a building that hosts offices, a garage, core cutting and processing area and core storage. Power lines also transect the property, with an electric substation located adjacent to the company's building and core storage facilities. Gravel roads and dirt tracks lead from the main road to drill pad and other sampling locations.

**Figure 1: Map of California showing the location of the Fremont project as well as other mining projects in the state.**



Source: Company Reports

**Figure 2: Photograph showing part of the Pine Tree-Josephine deposit, with red-orange oxide mineralization outcropping on surface, with power lines in the foreground.**



Source: RCS Site Visit

**Fremont hosts a portion of the famous Mother Lode within the historic California Gold Rush region.**

**Located within a famous geologic terrain.** Fremont is located along the “Mother Lode”, a ~200km-long trend of orogenic gold deposits. This region was the host of the famous California Gold Rush, starting in 1848 at Sutter’s Mill, located +100km north-northwest of Fremont. While the original gold discovery consisted of nuggets in placer deposits, miners quickly discovered the gold-bearing Mother Lode deposits within the Sierra Nevada foothills that were the source of the placer deposits. Mining along the Mother Lode continued in various locations from the 1840s until the 1940s, when the mines were forced to close during the Second World War. Over 20M oz Au were produced along this trend up to 1944.

Deposits within the Mother Lode typically consist of one or more gold-bearing quartz veins and associated sulphide replacement mineralization. The deposits may have varying depths and degrees of oxidation starting from surface, and historic operations typically consisted of underground mining focused on the gold-bearing quartz veins, from which the gold could be removed by conventional milling. However, at depth the gold within sulphide replacement deposits tends to be refractory.

**Figure 3: Photo showing drill core from Fremont, including a gold-bearing quartz vein within the Mother Lode.**



Source: RCS Site Visit

**Fremont has seen significant past work, including feasibility-stage work in the 1980s and more recent drilling and metallurgy.**

**Significant historic and modern work lays the foundation at Fremont.**

Much like other locations along the Mother Lode, the Fremont property was the host of underground mining operations producing ~126k oz Au from the 1840s-1940s. The property hosted multiple mines, operated at times by different companies, with the Pine Tree, Josephine, and smaller Queen Specimen mines being the most prominent along the main Mother Lode trend. Historic mine infrastructure includes two connected shafts, multiple adits, and 800m of historic workings

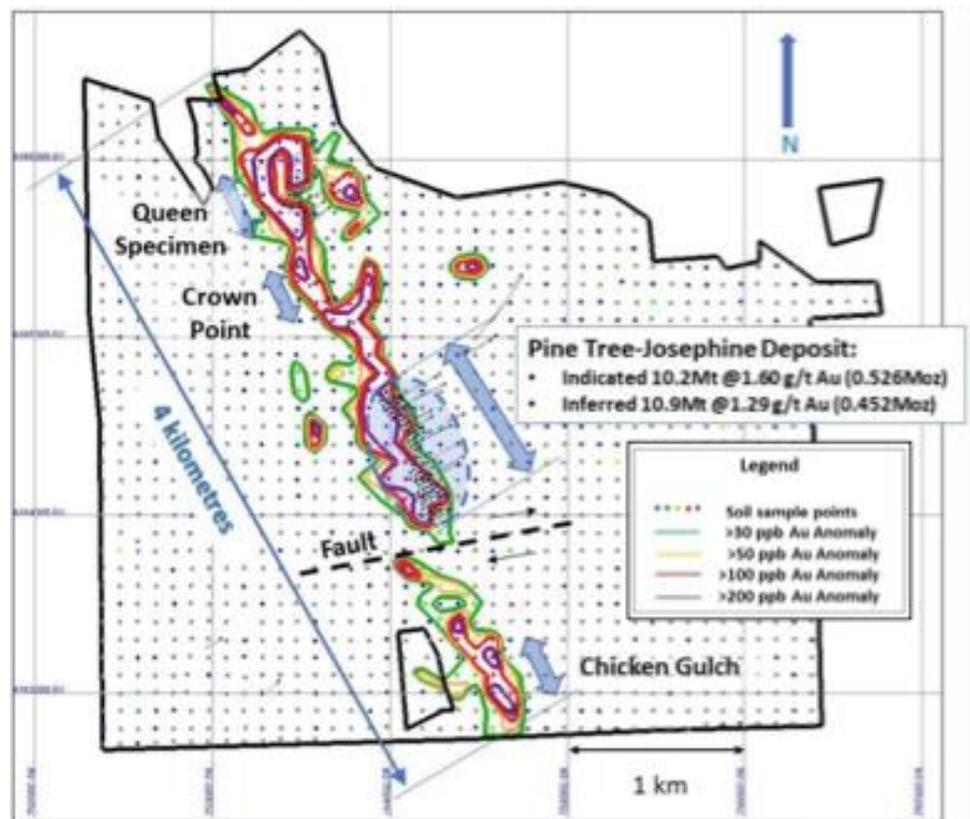
During the 1980s, the property was re-visited, with an exploration program, including RC drilling, focused on delineating mineralization within the Pinetree-Josephine area. A feasibility study was completed in the late 1980s, before a drop in the gold price, among other factors, led the project to be halted. The proposed project also included a roaster to treat the refractory sulphide ore, and this led to additional permitting challenges.

Over the past decade, significant work resumed on the project, with diamond core and RC drilling and surface sampling leading to a NI43-101 compliant resource in August 2021 (526K oz @ 1.60 g/t Au Indicated and 452K oz Au @ 1.29 g/t Au Inferred). Stratabound recently conducted a surface trenching program to further delineate mineralization within the oxide cap. PEA-level metallurgical work has also been completed, yielding up to 93% leach recoveries over 10 days for the oxide cap zone, 94% gravity + flotation concentrate recoveries for the quartz-hosted sulphide zone, and 86% gravity + flotation recoveries for the sulphide replacement zone.

**Fremont still has significant exploration potential, as evidenced by the 4km long gold-in-soil anomaly.**

**Despite the long history, the project remains underexplored.** While exploration and mining have occurred since the mid-19<sup>th</sup> Century, Fremont remains an underexplored property. Stratabound recently reported results from a property-wide soil sampling program that yielded a significant, 4km long by 285m wide gold-in-soil anomaly stretching N-S along the Mother Lode trend. This is a relatively high-grade soil anomaly, with samples ranging from 30 to 5,210 ppb Au, averaging 412 ppb Au. The current resource only covers ~1km of the trend, within the Pine Tree-Josephine area. As well, drilling has been completed at the Queen Specimen area, to the north, which will likely be included in the next resource update. Only limited drilling has been completed elsewhere, encountering gold in the Crown Point and Chicken Gulch areas. We also note that drilling has only delineated mineralization ~350m below surface. Orogenic Au deposits can often have large vertical extents, and mineralization here remains open at depth.

**Figure 4: Map view of the Fremont project, showing the 4km long gold-in-soil anomaly and the main target areas.**



Source: Company Reports

**Stratabound has brought on an experienced team to lead its permitting efforts.** As with any mining project, there are challenges at Fremont, the most prominent of which is permitting. The project is located in California, and, in particular, northern California. Although the region has a rich history of mining, and there have been mines built in recent years, the state and region are not necessarily known as modern mining jurisdictions. However, Stratabound has brought on the right people to manage the permitting for this project. Notably, on the visit, we had a chance to meet David Cochrane, a member of the company’s Technical Advisory Council who is leading the

permitting efforts. He previously was a VP for Sutter Gold and led the permitting of its Lincoln Gold Mine, located 100km north of Stratabound's Fremont project. We also had a chance to meet other experienced consultants who have been brought on to assist in the permitting process.

We also note that metallurgy is an important factor to consider with this project. The overall plan for the project is to have a surface heap-leach mine to process the oxide material, followed by a sulphide mine producing a concentrate to be sent elsewhere for processing. Currently, the company is proposing to truck concentrate to one of the multiple roasters in Nevada or truck to the coast and ship concentrate abroad to facilities abroad that are used to process similar material. As stated previously, metallurgical work has demonstrated good recoveries both for leaching of the oxides and for production of a concentrate from the sulphide material.

**Overall, we came away with positive impressions of the potential at the Fremont project.** The project has several notable advantages for both exploration and development. We particularly note the excellent infrastructure, extensive past work on the project, and exploration upside potential. While there are challenges with Fremont, as at any project, we believe this is a project well-poised for exploration and development.

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Disclosure Statement  
 Updated March 14, 2022

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			SELL / Tender	0%
			NA	2%
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Company Name	Ticker Symbol	Disclosures
Stratabound Minerals Corp.	TSXV:SB	1,2,3,4

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