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NEWS RELEASE

ELMTREE GOLD PROJECT UPDATE

Calgary, February 5, 2004

Stratabound optioned the Elmtree Deposit property in northeast New Brunswick following its early success with new gold discoveries near Ramsay Brook and Simpson's Field in the same region. With Elmtree, Stratabound has control of a gold deposit which may eventually form the nucleus to a cluster of regional mining operations.

The Elmtree Deposit is situated 19 kilometres from the city of Bathurst, a regional hub for mining and logging operations. The gold mineralization was discovered by Lacana Mining Corp., and was explored by trenching and diamond drilling from the mid- to late 1980s. Lacana, an emerging silver and gold producer, was taken over in mid-project by Corona Corp. Exploration emphasis shifted westward from the Maritimes to Hemlo in Ontario and Eskay Creek in British Columbia, and Lacana's New Brunswick exploration office was closed, its exploration staff dispersed, and the properties abandoned.

Geologists' views on gold mineralization have evolved in subsequent decades, and gold prospects in the Maritimes are now being re-examined for their bulk-tonnage potential. In the Botwood Basin of central Newfoundland, well-regarded producers such as Barrick Gold, Placer Dome, Meridian Gold, Agnico-Eagle, Noranda and Goldcorp have backed a variety of junior explorers. They see potential for both sediment-hosted ("Carlin-type") and intrusion-related gold deposits. These are major producing gold deposit types in Nevada, Peru, Russia and China. The possibilities are enticing, and bear examining in the Botwood equivalents found in northern New Brunswick.

In northeastern New Brunswick gold is present within a 60-kilometer long, rift-like belt of Lower Paleozoic sedimentary and intrusive rocks. Mineralization is frequently found close to the unconformity between Ordovician-aged calcareous mudstone and limestone and Silurian conglomerate and turbidite deposits. Sheets of gabbro commonly formed as sills within the sediments. Gold mineralization probably coincides with late granitic intrusions, present throughout the belt. It occurs within the gabbros, often localized in zones of alteration and brittle fracturing, associated with quartz-carbonate veins and microveinlets, pyrite and sometimes arsenopyrite and stibnite. It also occurs in the surrounding sediments as disseminated mineralization, again associated with pyrite, arsenopyrite and stibnite. Areas of grinding and "shear" along contacts between gabbro sills and their surrounding sediments may contain the highest gold tenor, but the overall gabbro/sediment package represents the "big target".

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To our knowledge Elmtree is one of the best examples of a thick, low-grade gold system that has remained in relative obscurity, even during the surge in gold exploration of the early and mid-1990s. At today's bullion prices it is an ideal exploration target.

At Elmtree there are two currently known zones, the sediment-hosted **Discovery Zone (DZ)** and the gabbro/sediment-hosted **West Gabbro Zone (WGZ)**. Lacana completed 4 holes at **DZ** and 64 at **WGZ**. Assessment records indicate that the area between the two targets (670 metres) has additional unexplored gold potential based upon soil geochemistry and geophysical results.

The four **DZ** holes tested a strike length of 122 metres down to a maximum vertical depth of 46 metres. Reported mineralized intervals are from 0.6 to 7.6 metres wide in trenches and drill holes. One surface grab sample assayed 17.1 g/t (0.50 oz/ton) gold and 524.6 g/t (15.3 oz/ton) silver. The best drill intersection was 2.19 g/t gold over 5.6 metres. The **DZ** is greatly under-explored, and these results clearly warrant additional drilling to determine grade and extent and whether it too will develop into a deposit like the **WGZ**.

Based on Lacana's drilling and trenching the **WGZ** is at least 245 metres in length and was still mineralized at depths of 204 metres. It is open to depth and in the direction toward the Discovery Zone. Mineralization is exposed at surface and portions of the zone may be amenable to open pit development. Trenches returned strong results. From east to west they were:

Width in Feet	Grade in oz/ton	Width in Metres	Grade in g/t
28	0.216	8.6	7.40
30	0.224	9.1	7.67
22	0.155	6.7	5.31
30	0.131	9.1	4.86
12	0.077	3.7	2.64

Mr. Glenn Lutes, the Qualified Person on the Elmtree Project, is re-examining Lacana's results on behalf of Stratabound. One avenue of pursuit has been to examine the bulk tonnage potential between assay-defined boundaries and within geological units rather than "cherry-pick" the high-grade intervals. Lutes has re-calculated Lacana's assay composites across the entire width of the gabbro (see "wall-to-wall" in table below). This approach should reduce the possibility of erroneous high-grade correlations between holes, and provide a realistic basis for evaluating the possibility of bulk mining the entire gabbro. Any mineralization within the adjacent sediments can also be included within any future resource estimate. The following holes were drilled by Lacana directly beneath the trenches, and are also listed from east to west. Lutes' re-calculation of the data is shown in the last three columns of the table below:

Drill Hole	Lacana Width (Metres)	Lacana Grade (g/t)	Wall-to-Wall Width (Metres)	Wall-to-Wall Grade (g/t)	Estimated True Width (Metres)
86-52	14.02	6.15	23.10	3.82	19.0
86-53	2.75 and 6.37	4.37 and 3.01	18.29	1.84	12.7
86-54	4.27	4.48	16.30	1.72	14.0
86-55	9.88	4.72	18.04	2.88	12.8
86-56	2.74	3.93	13.65	1.50	9.0
86-57	3.84 and 1.00	2.47 and 13.36	21.34*	1.31	20.0
86-58	-	-	23.22	0.70	27.0**
86-59	3.20	3.57	16.65	0.74	16.0

- * not including 2.13 m. of hanging-wall argillite (width open) at the collar grading 1.30 g/t
- ** collared in oxidized gabbro; lost core at top

All 68 drill holes are being re-calculated in this manner as we complete the data review.

Lacana's work predates contemporary best practice guidelines and National Instrument 43-101, and Stratabound will need to verify the accuracy of the Lacana results as well as explore new possibilities. Notwithstanding the "dated" database, several "historical" resource estimates for Elmtree are to be found in the geological literature. These historical estimates of resources in the **WGZ** include one that was filed by Lacana quoting a "drill indicated geological reserve" of "approximately 500,000 tons grading 0.140 oz per ton gold" (454,000 tonnes @ 4.79 g/t). New Brunswick Geological Branch resource estimates range up to 700,000 tons at a grade of 0.15 oz/ton (635,000 tonnes @ 5.14 g/t).

Compilation and evaluation of the existing drill hole database is progressing. Plans for a new drill campaign on both the **WGZ** and **DZ** are being prepared. Trenching and drilling are also planned elsewhere on the property, as the soil geochemical and geophysical compilations indicate multiple new exploration targets.

Contacts: Stan Stricker, P.Geol, President, (403)258-3630
Jerry Blackwell, P.Geo, Director, (604)682-7970

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.