



EAGLECREST EXPLORATIONS LTD.

August 26, 2009
NEWS RELEASE

EEL-TSX.VENTURE
EAT.FSE FRANKFURT

EAGLECREST UPDATE: **NEW HIGH GRADE SURFACE GOLD DISCOVERED AT SAN SIMON**

Eaglecrest Explorations Ltd. ("Eaglecrest" or the "Company") provides the following update on its achievements during 2009, including the discovery of significant new gold zones at its San Simon gold project in northeastern Bolivia.

On August 11, 2009, the TSX Exchange announced that it accepted Eaglecrest's \$2.24 million equity placement – made possible by investments from over 50 new and existing shareholders. With that funding in place, the Company has formed a Finance Committee to focus on securing funding from institutional sources and developing institutional awareness of the Company's achievements. Institutional funding and coverage will increase investor awareness across a broader spectrum of investors as we further develop the project.

As part of the district-wide exploration program (described in the Company's October 20, 2008 news release), we have focused the geologic team on maximizing exploration data across the entire district. We did this with minimal cost — in part by using data that was previously collected but underutilized by past exploration teams. We also leveraged our management and technical teams' outstanding experience in making multiple discoveries.

We are very excited about our discoveries in the Paititi-San Francisco-Buriti trend. This zone appears to have significant potential for open-pit style gold resources. The Paititi-San Francisco-Buriti zone was given highest priority for surface sampling over the past nine months because of its proximity to the Company's existing infrastructure, and it has the strongest, most continuous gold-arsenic soil geochemistry (refer to news release dated July 9, 2007), which indicates significant potential for the rocks beneath the soil to be gold-rich. In this zone, soil sample assay results ranged from below detection to 1.57 grams/tonne gold. The nearby Sao Francisco mine (located 150 kilometres to the southeast of San Simon in Brazil) currently has economic open pit mining with an average gold grade of 0.9 grams per tonne.

With the funds we just raised, we are beginning a surface trenching program to further refine new drill targets we have identified along the Paititi-San Francisco-Buriti trend. Every new trench and rock chip sample strengthens our conviction that we are over a large mineralized zone; with perhaps the best potential in the San Simon district for proving up an open-pit gold resource. Ultimately, the mapping and sampling from outcrop and trench exposures will be used to prioritize multiple zones along this Paititi-Buriti trend for a drilling program planned this fall.

MINING THE DATA AT THE PAITITI ZONE

In 2001, Kilborn Engineering created the first 3D geologic model for the Paititi zone, which clearly demonstrated potential for a near-surface gold resource. At the same time, 197 tonnes of bulk samples were collected from the surface and the average gold grade was 1.64 grams per tonne gold. A total of 52 drill holes drilled in 1996, 1999 and 2000 were the basis for the Kilborn 3D geologic model.

In the past six months, the Company has built a 3D geologic model using industry-standard computer software and incorporating 40 of the 52 drill holes drilled prior to 2002. The new model demonstrates that Paititi has potential for an open-pit style gold resource – like the Sao Francisco mine (which, again, has economic open pit mining with an average gold grade of 0.9 grams per tonne).

While the volume and average grade of mineralization indicated by the Paititi model cannot be determined until further infill drilling is completed, the 3D model demonstrates there are high-grade gold intervals that form coherent, north-dipping layers that are within 100 metres of the surface. Because the mineralization begins at surface, new exploratory holes can be drilled to shallow depths (less than 200 metres) to sample both the high-grade as well as the lower grade gold mineralization that is known to be prevalent (based on prior surface bulk sampling mentioned above).

HIGH-GRADE GRADE GOLD MINERALIZATION DISCOVERED AT THE BURITI ZONE

While conducting surface sampling and mapping along the east-west trending Paititi-San Francisco-Buriti trend (late 2008), our team collected a total of 68 surface rock chip samples, which returned gold values that varied from below detection up to **16.2 grams per tonne gold** (see January 14, 2009 news release). Based on these significant findings, the exploration team raised the priority of the entire Paititi-San Francisco-Buriti zone and continued sampling.

Subsequently, we were able to announce the expansion of surface high-grade gold zones at the Buriti gold zone (see www.eaglecrestexplorations.com/Paititi-Buriti_June2009.pdf). Rock chip assay results from samples over a **300-metre wide gold-mineralized zone at Buriti** returned gold results that varied from below detection to **10.85 grams per tonne gold**.

POTENTIAL FOR NEW GOLD RESOURCES

Based on these new surface sample results, (as well as samples collected east of Paititi), the Paititi-San Francisco-Buriti gold trend now has about **seven kilometres** of strike length east-west. Because the gold mineralization comes to the surface and blows out to a width of over 300-metres in places along the seven kilometre trend, there is now potential for at least **two open-pit style gold resources** — one at Paititi and one at Buriti.

Because the Paititi-San Francisco-Buriti gold trend remains open to the west and east, a priority for the geologic team remains to continue sampling and mapping to better understand the full potential of the zone. Several newly exposed outcrops and sub-cropping rocks have visible gold in hand samples as well as in panned, crushed samples of the rock – leading our team to conclude the area has extensive gold mineralization that was overlooked by previous geologic teams. Identifying the potential for gold resources in these open pit zones should be faster and less expensive than identifying potential in areas that require deeper, higher-density drilling.

THE MARKET CONTINUES TO IMPROVE

The market is changing quickly: in the past eight months, gold producers have signaled the beginning of an energized financing cycle similar to the one in 2001-2002 when gold began its ascent above \$255 per ounce. Some examples include:

- *Newmont Mining Corp.* raised \$1.2 billion in cash — half of which came in notes paying 3%.
- *Newcrest Australia Ltd.* planned a \$500 million share offering, but was quickly oversold to a \$750 million placement.
- *Kinross Gold Corp.* had \$705 million in cash at the end of the 3rd Quarter 2008 and they raised an additional \$360 million in a secondary share offering.

- *Kinross Gold Corp.* has subsequently announced financing several junior explorers — specifically because they believe that several under-funded juniors could lead to significant gold discoveries.
- *Iamgold Corporation* raised over \$300 million in an equity financing — some of the funds directed towards acquisitions.
- *Osisko Mining Corp.* has raised over C\$400 million in equity placement and another C\$75 million in convertible debt, then in August allowed Goldcorp to take 12.9% ownership of the company, all to fund development of their multi-million ounce Malartic gold discovery in Canada.
- *Red Back Mining Inc.* raised \$160 million to fund development in Ghana and they quickly attempted an acquisition of Moto Goldmines in the DRC Congo.
- Many new gold funds have formed with private money to purchase distressed assets from undervalued junior and major mining companies.

EAGLECREST'S TIMING IS PERFECT AS DEMAND FOR NEW DISCOVERIES IS INCREASING

There are about 30 major gold mining companies and several junior mining companies that contribute annually to approximately 74 million ounces of global gold production. Many of the major mining companies are not replacing mineable reserves, thus they are hopelessly showing declining production and reserves. Major and junior mining and exploration companies are all cutting staff and contractors to save fixed costs and improve their bottom line. These cuts affect their ability to perform effective exploration.

On a global scale, gold production is declining in the historic major gold mining regions like USA/Canada, Australia and South Africa which are perceived to have political stability, infrastructure, experienced mining personnel, and access to capital. Explorers are stepping out to new frontiers with varying degrees of political risk. Eaglecrest is pleased that Bolivia remains pro-mining, as evidenced by new mines at San Cristobal (*Sumitomo*) and San Bartolome (*Coeur d'Alene Mines*).

Because of the cuts suffered at major mining companies and their lack of efficiency in chasing opportunities, new gold deposits will be found by well-financed junior exploration companies, comprised of motivated management and experienced technical staff like the team we have assembled at Eaglecrest. We have successfully implemented since early 2007 new ideas for working with old data. Now the Board of Directors is discussing how we can begin to add high-quality gold projects to complement San Simon, particularly those projects that are known to our board members to have been overlooked by major mining companies.

FUNDAMENTALS STRONGER THAN EVER

Eaglecrest's fundamentals are strong – in fact **stronger than ever**. Our board of directors, as well as our technical team in Bolivia, remains 100% committed to confirming a world-class gold discovery at San Simon at a time when the market is anxious for such a discovery.

Management is confident that with our new geologic knowledge of gold distribution at San Simon, both from surface sampling and drilling results, we can complete the following objectives over the next 18 months:

- In preparation for drilling, complete trenching, mapping and sampling in strategic areas including eastern Trinidad and targets along the Paititi-San Francisco-Buriti trend.
- Secure institutional funding to finance the Company's drilling objectives.
- Drill the new exploration targets at Paititi and at Buriti.
- Complete NI 43-101 resource models for Buriti and Paititi zones.
- Drill in the Trinidad-Mina Vieja gold shoots, specifically the two adjacent gold shoots to the L463 Gold Shoot.
- Complete a NI 43-101 resource calculation for three of the Trinidad-Mina Vieja gold shoots.

With the continued support of its shareholders, the Board, the geological team and I look forward to achieving Eaglecrest's goals.

Thank you.

On behalf of the Board of Directors,

"Hans Rasmussen"

Hans Rasmussen
President, Eaglecrest Explorations Ltd.

The technical information in this news release has been reviewed and approved by Dr. Odin Christensen, a technical consultant and Eaglecrest board member, who is a Qualified Person in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Contact Information

Paul Zdebiak
Eaglecrest Explorations Ltd.
Phone: 604-687-7272
e-mail: eel.tsxv@telus.net

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS: This news release concerns certain "forward-looking statements," including but not limited to, the statements regarding the Company's strategic plan, work programs and exploration budgets at the Company's San Simon Project. The forward-looking statements express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations or beliefs as to future events and results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with industry risks, risks associated with foreign operations, environmental risks and hazards and other risks.

www.eaglecrestexplorations.com