



# EAGLECREST EXPLORATIONS LTD.

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NEWS RELEASE

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## **EAGLECREST ACQUIRES THE FREDONIA PROJECT AREA IN ANTIOQUIA, COLOMBIA**

**VANCOUVER, BC - Eaglecrest Explorations Ltd. (EEL-TSX.V; EAT-Frankfurt)**, (“Eaglecrest”; the “Company”) today announced that, further to the Letter of Intent previously disclosed on December 8, 2009, on August 13, 2010 (the “Signature Date”) it signed the definitive agreement (the “Agreement”) with Bullet Holding Corp. (“Bullet”) to purchase up to a 75% interest in the mineral title of the 15,000 hectare Fredonia Area (“Fredonia”), located in Antioquia, Colombia. This is the first of several projects Eaglecrest has been evaluating for acquisition in the highly prospective and gold-rich, 300-kilometre long Middle Cauca Belt that extends from AngloGold-Ashanti’s 13 million ounce La Colosa gold project through Medellín.

“The acquisition of the Fredonia project is a major turning point for Eaglecrest as a company. With the San Simon Bolivian project anchoring our portfolio, this acquisition provides another significant land position within an unexplored portion of a world-class gold belt where gold production dates back 500 years. We are eager and energized to capitalize on this extraordinary opportunity and are confident that this project will be a substantial source of added value for the Company,” cheered Eaglecrest’s President Hans Rasmussen.

Geologically, the belt extends as far south as the giant La Colosa gold project and continues under most of the Fredonia land. There are mapped intrusive rocks with surface gold mineralization throughout the property. Mr. Rasmussen explained further, “Now that we have a signed agreement, we will engage our Medellín-based team and begin regional geophysics, geochemistry and geology compilation to identify those areas most likely to host typical porphyry gold-copper targets, like La Colosa. Such a typical target can be from 500 metres to two kilometres in diameter. Because of the large land package, we anticipate that several of these targets are likely to exist. Our team is highly experienced in exploring these types of targets from the Andes of Chile and Argentina to the Alaska Range, USA, and we feel that once we identify areas of interest, we can quickly evaluate them by employing modern technology, skilled consultants and our extremely deep knowledge base.”

### Fredonia Project Area:

The Fredonia project is positioned within one of the most prospective and productive gold belts of Colombia, with more than 500 years of gold mining history combined with a number of significant modern day discoveries.

The project is located between the Cauca River Valley and the city of Medellín, in Antioquia, in the Middle Cauca Belt, between the Eastern and Western Cordillera of the Andes Mountains. Its infrastructure is excellent, with vehicle access by both asphalt and dirt road and electrical lines crossing the property in various locales.

There are a number of significant projects currently being advanced by multi-national exploration and mining companies surrounding Fredonia to the north and south. The northern portion of the Fredonia Project area has the historic producing mines of Titiribi, Cerro Vetas and El Zancudo, which produced gold from high-grade vein

structures averaging typically 5 grams per tonne gold or higher. To the south of the Fredonia Project is the Quebradona project, recently discovered by AngloGold Ashanti/B2Gold. Gold grades from the 43 drill holes at Quebradona have included intervals of over 300 metres of 1+ gram per tonne gold, which is typical of porphyry-style gold mineralization in deposits such as at La Colosa. Farther south of Quebradona and in the same geologic belt lies the famous 500-year-old Marmato mining district, which has produced significant gold, zinc, lead and silver from high-grade vein structures.

Fredonia is a large area of principally unexplored ground but based on Eaglecrest's experience, the initial reconnaissance exploration by Bullet, the proximity to significant proven gold resources, and preliminary geophysical work, there is a high-probability for the discovery of one or more large porphyry-style gold deposits. The mineral title consists of 29 concessions covering, 15,000 hectares of which have been granted by the government. Because there still remain several areas under application status within this property package, it is anticipated that granted mineral title in the Fredonia project covered by this Agreement will grow further.

Fredonia was selected as part of Eaglecrest's project generation program, employing experience at the management and Board level arising from their involvement with porphyry gold discoveries from Argentina and Chile to Alaska, that range in size from three to 17 million ounces of gold. Several other projects are currently being evaluated for acquisition by Eaglecrest in the same belt near Fredonia.

#### Fredonia Project Agreement:

The terms of the Agreement are:

- Within five days after approval by the Exchange, Eaglecrest will issue to Bullet:
  - 1,000,000 common shares without nominal or par value in the capital of Eaglecrest, at the deemed price of CAD\$0.32 per share
  - warrants at the deemed price of US\$0.001 each, entitling Bullet to purchase up to an aggregate of 1,000,000 common shares without par value in the capital of Eaglecrest at a price per Warrant Share of CAD\$0.40 – the warrants are valid at any time until 4:30 p.m. PST two years from the Signature Date
- Over the three-year term of the agreement, Eaglecrest will make cash payments to Bullet. For more details on the cash payments, see agreement filed at [www.sedar.com](http://www.sedar.com)
- Over the three-year term of the agreement, Eaglecrest is required to spend US\$2,800,000 in exploration of the area, including annual tax payments to keep the mineral titles in good standing
  - Within six (6) months of the Signature Date, Eaglecrest will have spent at least US\$100,000 in expenditures on Fredonia for 12.5% interest
  - At the end of twelve (12) months from the Signature Date, Eaglecrest will have spent an additional US\$1,000,000 in expenditures, or US\$1,100,000 in aggregate for additional 12.5% interest or 25% total ownership
  - At the end of twenty-four (24) months from the Signature Date, Eaglecrest will have spent an additional US\$1,100,000 in expenditures, or US\$2,200,000 in aggregate for additional 25% interest or 50% total ownership
  - At the end of thirty six (36) months after the Signature Date, Eaglecrest will have spent an additional US\$600,000 in expenditures, or US\$2,800,000 in aggregate
- Eaglecrest can earn an additional 25% interest (to 75% total ownership) by making the expenditures described above within thirty-six (36) months, and by taking selected targets to feasibility over the following five-year period, or by the eighth (8<sup>th</sup>) year from the Signature Date
- Bullet will maintain its 25% Free Carried Interest until the 3<sup>rd</sup> Anniversary after signing the Definitive Agreement, or until a Feasibility Study is completed by Eaglecrest, whichever occurs first
- At this point, Bullet shall have the following options:
  - Continue in the project by providing twenty-five percent (25%) of the funds going forward, or
  - Be subject to an industry-standard dilution formula

- If either party is diluted to ten percent (10%) ownership or less, they will have the right to convert the interest into a two and a half percent (2.5%) Net Smelter Return
- At any time either party will have the right to sell their interest in the project for a fair market value per equivalent ounce as determined by an independent evaluation

The agreement for the acquisition of the Fredonia project is subject to acceptance by the TSX Venture Exchange. Any shares issued pursuant to the agreement will be subject to a four-month hold period.

### **About Eaglecrest**

Eaglecrest Explorations Ltd.'s mandate is to increase shareholder value by employing deep expertise both at the Board level and on the ground to systematically explore, develop and monetize promising gold projects in Colombia and Bolivia.

The management and geologic teams at Eaglecrest are comprised of industry experts who have experience with gold discoveries while working during the past two to three decades for both junior and major mining companies. With this team and the improving sentiment towards gold, Eaglecrest plans to accelerate the evaluation and capitalization of its Bolivian assets, as well as initiate its anticipated exploration programs at and around, the Fredonia project, Colombia.

*If you would prefer to receive news releases via email please contact Jennie Guay ([jennie@chfir.com](mailto:jennie@chfir.com)) and specify "Eaglecrest news" in the subject line.*

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