



# EAGLECREST EXPLORATIONS LTD.

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NEWS RELEASE

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## **EAGLECREST SEEKS ADDITIONAL GOLD ASSETS IN COLOMBIA: SIGNS AGREEMENT TO ACQUIRE 75% OF VENECIA PROJECT**

Eaglecrest Explorations Ltd. (“Eaglecrest”; the “Company”) (EEL-TSX.V; EAT-Frankfurt) today announced it has executed a binding letter agreement pursuant to which it has been granted an option (the “Option”) to acquire a 75% interest in the mineral title of the Venecia Project (“Venecia”), located in Antioquia, Colombia. Venecia is a property package owned by Colombian Mines Corporation (“Colombian Mines”) which consists of 1,985 hectares of mineral title. This is the second of several projects the Company is pursuing for acquisition along the 300-kilometre (km) Middle Cauca Gold Belt that extends from the La Colosa gold resource (owned by AngloGold Ashanti) through to Medellín.

### SUMMARY

- Option to purchase up to a 75% interest in the mineral title of the Venecia Project, located in Antioquia, Colombia; 100% owned by Colombian Mines
- Venecia has 1,985 hectares of mineral title on the Middle Cauca Gold Belt
- Venecia has potential for a porphyry-style gold discovery, based on exploration conducted by Colombian Mines
- Drilling could begin early-2011 after about six months field work
- Venecia has excellent year-round access, adequate supplies of power and water to the property, and a skilled workforce nearby
- This completes the package as Eaglecrest holds an option for up to 75% of the Fredonia Project on three large concessions that surround Venecia

“The Venecia project is a strategic acquisition that complements and fills in some gaps in the Fredonia concessions we recently optioned from Grupo de Bullet. We are hopeful that this acquisition will further emphasize our new focus on gold exploration in Colombia,” reported Eaglecrest CEO, Hans Rasmussen. “Colombian Mines’ geologists have done an excellent job at advancing the project and demonstrating the potential for a porphyry-style gold discovery. The preliminary data Colombian Mines has already collected implies we should have a drill-ready target in early 2011.”

“Adding the Venecia Project area effectively surrounds Bellhaven Resources’ La Mina porphyry copper-gold project and is prospective for similar mineralization,” commented Dr. Richard Jemielita, Eaglecrest’s Qualified Person in Colombia, with 20 years experience exploring for gold in the Andes Mountains of South America.

The Venecia project was selected as part of Eaglecrest’s project generation program which is focused on multi-million ounce porphyry-gold resources. The property adjoins the western edge of the La Mina concession, where Bellhaven Resources has recently announced drill intercepts of 72.7 to 142.5 m of 0.7 to 1.07 g/t gold

(see Bellhaven Resources news release of September 9, 2010). Venecia lies approximately 20 km north of AngloGold Ashanti/B2Gold's Quebradona gold – copper porphyry project, where drill intercepts of up to 380 m of 1.15 g/t gold have been reported. To the north, the historic producing mines of Titiribi, Cerro Vetas and El Zancudo are found.

Eaglecrest will continue to focus on the existing projects and new projects in the Middle Cauca Gold Belt, which is Colombia's most prolific gold belt. The belt hosts the 500 year-old Marmato mining district with NI 43-101 compliant resources currently at 9.7 million ounces of gold (see Medoro Resources Ltd website for the NI 43-101 report) and the 12.9 million ounce La Colosa project (see AngloGold Ashanti news release of May 6, 2008).

### The Venecia Project

Colombian Mines Corporation's 100% controlled Venecia Property covers 1,985.09 hectares. Recent work by Colombian Mines' geologic team has identified mineralized rock outcrops that have up to 3.8 grams per tonne (g/t) gold, and up to 0.6% copper over a one metre channel width in an area of very sparse outcrop (see Colombian Mines Corporation news release of September 1, 2010). A total of 180 soil samples, also collected on a widely-spaced grid, confirmed that gold and copper trends from Venecia spread into the La Mina concession and to the east, north and west into the Eaglecrest concessions.

The Company plans to conduct detailed surface evaluation of the Venecia Property over the next six months to include geological mapping, high-resolution magnetic surveying, stream sediment and soil grid geochemistry, and additional rock chip sampling. The results of this work will be used to generate high-quality drill targets by early 2011 on Venecia and the three surrounding concessions in the Fredonia Project area.

Paved and gravel roads provide excellent year-round access to the Property from Medellín (2½ hours) and Venecia (15 minutes). Adequate supplies of power and water are situated on and near the property, and an adequate workforce is readily available from the nearby towns of Venecia, Fredonia and Bolombolo. The primary surface use of the property is agricultural, consisting of cattle grazing, coffee plantations and citrus groves.

The Option agreement provides for negotiation of a definitive agreement setting out the terms in more detail within the next six months, but the essential Option terms are as follows:

1. On signing, US\$30,000 in cash, and within 6 months, US\$50,000 in exploration expenditures, 250,000 shares and warrants exercisable to purchase an additional 250,000 shares for two years at a price equal to the greater of \$0.45 (the "Minimum Warrant Exercise Price") and the Market Price at the time of signing the definitive agreement (the "Signature Date") plus a 25% premium.
2. Within 12 months after the Signature Date, an additional US\$80,000 in cash, an additional US\$950,000 in exploration expenditures, an additional 125,000 shares and warrants exercisable to purchase an additional 125,000 shares for two years at a price equal to the greater of the Minimum Warrant Exercise Price and the Market Price at the Signature Date plus a 25% premium.
3. Within 24 months after the Signature Date, an additional US\$75,000 in cash, an additional US\$1,000,000 in exploration expenditures, an additional 125,000 shares and warrants exercisable to purchase an additional 125,000 shares for two years at a price equal to the greater of the Minimum Warrant Exercise Price and the Market Price at the Signature Date plus a 25% premium.

4. Within 36 months after the Signature Date, an additional US\$350,000 in cash, an additional US\$1,000,000 in exploration expenditures, an additional 125,000 shares and warrants exercisable to purchase an additional 125,000 shares for two years at a price equal to the greater of the Minimum Warrant Exercise Price and the Market Price at the Signature Date plus a 25% premium.

The definitive purchase option agreement is expected to be signed in six months. Upon Eaglecrest exercising the Option and acquiring a 75% interest in the property, a joint venture will be formed and CMJ will have the option to either fund its 25% of expenses, sell its interest in the property at its fair market value or have Eaglecrest fund CMJ's share of expenses, in which event Eaglecrest will receive 100% of proceeds from production until it has been repaid such funds plus interest at the U.S. Prime Rate plus 5%. The Option agreement is subject to acceptance by the TSX Venture Exchange.

### **About Eaglecrest**

Eaglecrest Explorations Ltd. is systematically exploring, developing and monetizing promising gold projects in Colombia and Bolivia.

The management and geologic teams at Eaglecrest are comprised of industry experts experienced with gold discoveries over the past three decades while working with both junior and major mining companies. With this team and the increased sentiment towards gold, Eaglecrest looks to accelerate the evaluation and capitalization of its Bolivian asset, shifting its focus to securing interests in, and initiating the anticipated exploration programs at the Fredonia project, Colombia, located south of Medellín.

*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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