

INDO METALS ACQUIRES SALMO BASE METAL PROPERTIES

The Mother Lode

July, 1999

→ Oxide

The VSE has accepted for filing an agreement dated April 19, 1999, between Ed, Wayne and John Helgren, and Indo Metals Ltd. whereby Indo Metals has been granted an option to acquire a 100 per cent interest in eight silver, zinc and lead-bearing mineral claims known as the Aspen property near Salmo. Consideration is \$241,600 (\$1,600 firm) in exploration commitments over five years and the issuance of either 110,000 shares (20,000 shares firm and issuable up front) or 100,000 shares (10,000 shares firm and payable up front) and paying \$1,200. The property is subject to a 2 per cent net smelter return royalty.

The VSE has also accepted for filing an agreement dated April 10, 1999, between Cominco Ltd. and Indo Metals whereby Indo Metals has been granted an option to acquire a 100 per cent interest in the Star property in the Nelson mining division of British Columbia. Consideration is \$1-million in exploration commitments over five years and the issuance of 300,000* shares (50,000 shares firm and issuable up front). The property is subject to a 2 per cent net smelter return royalty with respect to mineral production and Cominco has been granted a right of first offer with respect to minerals produced from the property on exercise of the option by Indo Metals. Cominco has also been granted the right to participate up to 50 per cent in future financings of Indo Metals as long as the April 10, 1999 agreement is in good standing.

[*Indo Metals will be limited to issuing 200,000 shares until the company

from: <http://www.canada-stockwatch.com> provides to the VSE an acceptable geological report. The number of shares may be subject to adjustment in the event the report does not support the proposed consideration, but will not exceed the number of shares (i.e. 300,000 shares) set under the April 10, 1999 agreement.]

Mr. James Clucas reports Indo Metals has entered into an arrangement with Lakefield Research Ltd. whereby Lakefield will carry out a test program under Indo's direction, to develop a novel and proprietary technique for treatment of zinc oxide minerals. The objective is an efficient process for upgrading minerals containing approximately 10 per cent zinc to produce a concentrate containing 50 per cent zinc ready for smelting. The staged test program, currently under way, is anticipated to take approximately three months to complete.

The Kootenay Arc has been host to several substantial past producers of zinc and lead, mostly from underground sulphide deposits. Indo has recently optioned several properties in the region, including the Oxide property from Cominco. The Oxide property has both zinc and lead oxide and sulphide mineral potential. The deposit is bounded by a north-striking, subvertically dipping fault zone. Within this structural zone is found zinc and lead oxide mineralization that can be traced for a minimum strike length of 1.4 kilometres. Widths of up to 23 metres of oxidized sulphides have been previously located and oxidization has developed over significant down-dip extensions of the zone. Zinc and lead

oxide mineralization along with gold and silver values, occurs in porous, earthy limonite.

Previous sampling by past operators has reported 24% (as oxide) over 2.75 metres in the area of the Oxide adit. Work conducted by Cominco in 1998 near the Oxide adit was able to partially expose the mineralized zone, and a composite sample taken along approximately two metres of strike length gave a value of 23% zinc (as oxide) and 5% lead (as oxide). An additional trench completed by Cominco located approximately 250 metres south of the Oxide adit gave a complete exposure of the oxide zone at that locality. A channel sample across five metres at this locality ran 14% zinc (as oxide). The trench was located on a geochemical anomaly that clearly defines the oxide zone. Grab samples taken from the Oxide adit trenching by Cominco in 1998 ran from a low of 18.6% zinc (as oxide) to a high of 53% zinc (as oxide) and averaged 39.8% zinc (as oxide). These results compare favourably with results obtained by prior sampling that returned between 38% and 40% zinc (as oxide) from high-grade composite sampling of this area.

High-grade sampling from the second Cominco trench gave values from 6.5% (as oxide) to 35.7% zinc (as oxide) with an average value of 22.4% (as oxide). It is the company's intention to carry out a program to evaluate the quality and quantity of oxide and sulphide resources that exist on the property. ■

Fast turnaround, quality service, competitive prices



Eco-Tech LABORATORIES LTD.
REGISTERED ASSAYERS, GEOCHEMISTS, ANALYTICAL CHEMISTS

**FIRE ASSAYING • ATOMIC ABSORPTION
MULTI ELEMENT ICP ANALYSES
CLASSICAL AND INSTRUMENTAL ANALYSES
BIO-GEOCHEMISTRY**

KAMLOOPS
HEAD OFFICE
LABORATORY
10041 East Trans Canada Hwy
Kamloops, BC V2C 6T4
Tel: (250) 573-5700
Fax: (250) 573-4557
Email: ecotech@mail.wkpowerlink.com

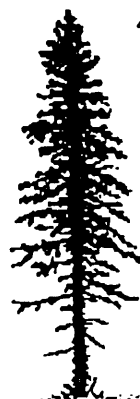
STEWART
Railway St. & 6th Ave.
P.O. Box 937
Stewart, BC V0T 1W0
Tel: (250) 636-2580
Fax: (250) 636-2580

RENO
c/o Minerals Exploration
Geochemistry
2235 Lakeshore Drive
Carson City, NV 89704
Call Shea Clark Smith at
Tel: (702) 849-2235

Atco Lumber Ltd.

Box 369
Fruitvale, B.C.
V0G 1L0

Main Office (250) 367-9441
Fax: 367-6210



"FORESTS FOREVER"



LIFE WITHOUT MINING?

THINK ABOUT IT