

OXIDE PROJECT FARMED OUT - Michael A. Reimann, director.

reports Indo Metals Ltd. has entered a letter of understanding for ZincOx Resources BV to explore and develop the Oxide property located in the Nelson Mining District of southeast BC. Under the proposed agreement ZincOx will subscribe for a private placement for 300,000 units of Indo, each

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unit consisting of one share at 10¢ per share and a two-year warrant exercisable at 10¢ per share the first year and 20¢ per share the second year.

ZincOx has also been granted an option by Indo to acquire a 70% interest in the property by paying Indo's option payment and exploration commitments on the Property of \$160,000 and \$600,000 respectively over the next three years. Indo will be responsible for issuing COMINCO LTD. [CLT-T] with Indo shares during the same period. Indo's residual 30% interest in the property will be carried through Feasibility, but thereafter will be a full contributing interest subject to normal dilution clauses. ZincOx will be the operator and will have the right to increase its interest in the property from 70% to 80% by paying Indo US \$5.00/tonne of contained (recoverable) zinc in the mineable reserve category of the feasibility study.

Indo completed a summer field program and verified previous reports high-grade zinc oxide mineralization occurs on the Oxide property. The Oxide property contains zinc and lead oxide geochemical expressions of a mineralized zone that can be traced for a minimum strike length of 1.4 km. Widths of up to 23 metres of oxidized mineralization have been previously located in the vicinity of trench T-1, and oxidization has developed over significant down-dip extensions of the mineralized zone. Work conducted by Cominco in 1998 near the Oxide adit, was able to partially expose the mineralized zone, and a composite sample taken along about 2 metres of strike length gave a value of 23% zinc and 0.5% lead. An additional trench completed by Cominco about 250 metres south of the Oxide adit gave a complete exposure of the Oxide Zone at that locality and graded 12.4% zinc and 0.8% lead over 5 metres.

Also on the Oxide property, an additional exploration target, known as the Last Chance prospect, has been located by geochemistry two km northeast of the Oxide Zone. Historical work has indicated zinc mineralization is locally highly oxidized and hosted by dolomites. The zone has been traced by high geochemical responses over a length of 400 metres and a width of about 100 metres.

Limited hard data permits estimates of zinc oxide tonnage potential ranging from 800,000 to 1,500,000 tons along the Oxide Fault. All of the limited sampling indicates expected grades of 8% to 15% zinc.

Two separate and covered areas offer possible additional potential for zinc oxide tonnage. Each of these areas: contains a segment of the Oxide fault or its equivalent; involves a late (tensional) cross fault which intersects and offsets the oxide fault; includes a volume of Reeves dolomite: is mostly covered by overburden and as a result untested by previous work.

ZincOx is an unlisted British company with headquarters in London and a metallurgical office in Belgium. The company is devoted exclusively to the identification and development of zinc deposits in which the main ore minerals are zinc oxides.

The most recent advances in commercial zinc oxide beneficiation were developed by Reunion Mining at the Skorpion deposit in Namibia, under the direction of Noel Masson, chairman of ZincOx. Following the take-over of Reunion Mining last year by Anglo American plc, Mr. Masson has been joined at ZincOx by the former management team from Reunion Mining.

The private placement above replaces the \$30,000 private placement announced 31Jan2000. In addition, Indo has amended the underlying agreement on its Oxide property whereby Indo has made a cash payment of \$3,000 and agreed to issue 300,000 shares to the

underlying owners in lieu of making a \$30,000 payment on 1Feb2000. The foregoing is subject to regulatory approval. (SEE GCNL NO.21, 1Feb2000, P.7 FOR PREVIOUS PRIVATE PLACEMENT INFORMATION)

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NO. 64 (2000)
MARCH 31, 2000

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MARCH 31, 2000
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