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# George Cross News Letter

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## INDO METALS LTD.

[IOM-V] 23,422,316 SHS.

ZINC METALLURGY REVIEW - James D. Clucas, president, reports Indo Metals Ltd. has completed preliminary testwork and has initiated the next phase on its previously announced zinc oxide metallurgical research program. In addition, Indo reports results of exploration completed this summer on its Oxide property located in the Nelson Mining Division, Kootenay Arc, southeast BC

The preliminary metallurgical work was completed at the Lakefield Research Limited laboratories in Ontario. Laboratory test work on two samples of zinc oxide material collected by Indo from Kootenay Arc deposits resulted in the samples being upgraded from 8% to 27% zinc. Indo considers these results sufficiently encouraging to warrant additional metallurgical testwork on a larger

sample. Indo has now collected a large surface trench sample of mineralized material from its Oxide property, which has been sent to Lakefield Research for metallurgical testing under Indo's direction with the objective of advancing a proprietary technology to treat such material.

Since early in 1999, Indo has been conducting a worldwide review of areas known to contain significant amounts of zinc oxide mineralization. This search has lead to Indo 100% optioning four properties in the Kootenay Arc region including the Oxide property from COMINCO LTD. [CLT-T, M].

Historically, metallurgical problems in treating this type of mineralization stopped properties such as the Oxide from being explored and developed. Indo believes new processing technologies already in existence and others currently being researched may lead to the development of open pit, high-grade, low cost zinc mines in the region.

The Indo summer field programs verified previous reports that high-grade zinc oxide mineralization occurs on the Oxide property. The Oxide property contains zinc and lead oxide mineralization that can be traced for a minimum strike length of 1.4 km. Widths of up to 23 metres of oxidized sulphides have been previously located and oxidization has developed over significant down-dip extensions of the mineralized zone. Previous sampling by past operators reported 24% zinc 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 about 2 metres of strike length gave a value of 23% zinc and 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. A channel sample across 5 metres at this locality ran 14% zinc. 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 to a high of 53% zinc and averaged 39.8% zinc. These results are generally consistent with results obtained by prior sampling that returned between 38% and 40% zinc from high-grade composite sampling of this area. High grade sampling from the second Cominco trench gave values from 6.5% zinc to 35.7% zinc with an average value of 22.4% zinc.

Also on the property, and two km northwest of the Oxide Zone, an area known as the Last Chance has been located by geochemistry. 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.

Indo is currently conducting a detailed geological mapping and sampling program on the Oxide property and plans to follow up this work with a diamond drill program to test the near surface zinc oxide mineralized areas over an 800 metre north-south strike length. Indo plans to complete the drill program later this fall, weather permitting.

In another development, Indo Metals has reached an agreement with its creditors to accept shares for debt for \$131,000, subject to regulatory approval. (SEE GCNL NO.63, 31Mar99, P.3 FOR PROJECT OPTION TERMS)