

INDO METALS LTD.

[IOM-V] 21,788,650 SHS.

BILLITON INVESTS IN INDO - Jim Clucas, president, reports

Indo Metals Ltd. has signed a letter of intent for Billiton Metals Canada Inc. to explore its 14.25-square km Oxide property, six km east of Ymir, 25 km south of Nelson, Kootenay Arc area, Nelson Mining Division, southeast BC. (SEE MAPS OVERLEAF P.2) Indo acquired rights to the Oxide and three other Kootenay Arc zinc properties early in 1999 from **COMINCO LTD.** [CLT-T, M] due to their potential to host significant resources of near surface, high-grade zinc oxide mineralization. Indo believes recent metallurgical advances may make previously ignored zinc oxide mineralization exploitable by new low cost extraction techniques. The proposed agreement calls for Billiton to make an initial investment of \$600,000 by way of a private placement in Indo of which Indo, the initial operator, will use \$450,000 to conduct a trenching and drilling in 1999/ 2000.

Under the terms of the proposed agreement, Billiton would subscribe to a private placement in Indo for \$600,000 in exchange for the right to option the Oxide property. The private placement would consist of 1,500,000 flow-through shares for \$450,000 and 500,000 non flow-through shares for \$150,000 at 30¢ per share. A full two-year warrant would be attached to each share for a total of 2,000,000 Series A warrants, exercisable in the first year at 40¢ and 50¢ in the second year. In addition, Indo would issue 2,000,000 Series B three-year warrants exercisable at 65¢ the first year and 75¢ the second years, but only after Billiton spends \$500,000 on exploration pursuant to Billiton exercising its property option.

Following delivery of the initial results, Billiton may earn a 50% interest in the project by investing \$2,400,000 over four years, after the companies would establish a joint venture to spend an additional \$4,000,000 on the property. Prior to the joint venture having spent the \$4,000,000, Billiton may elect to earn a further 20% interest in the project, for a total 70%, by providing Indo with project financing to the start of commercial production. The proposed agreement is subject to due diligence by Billiton and regulatory approval.

Indo completed a summer field program and verified previous reports high-grade zinc oxide mineralization occurs on the Oxide property. The 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.

-CONTINUED ON PAGE TWO-

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P. 1 of 2

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CONTINUED FROM PAGE ONE - Work conducted by Cominco in

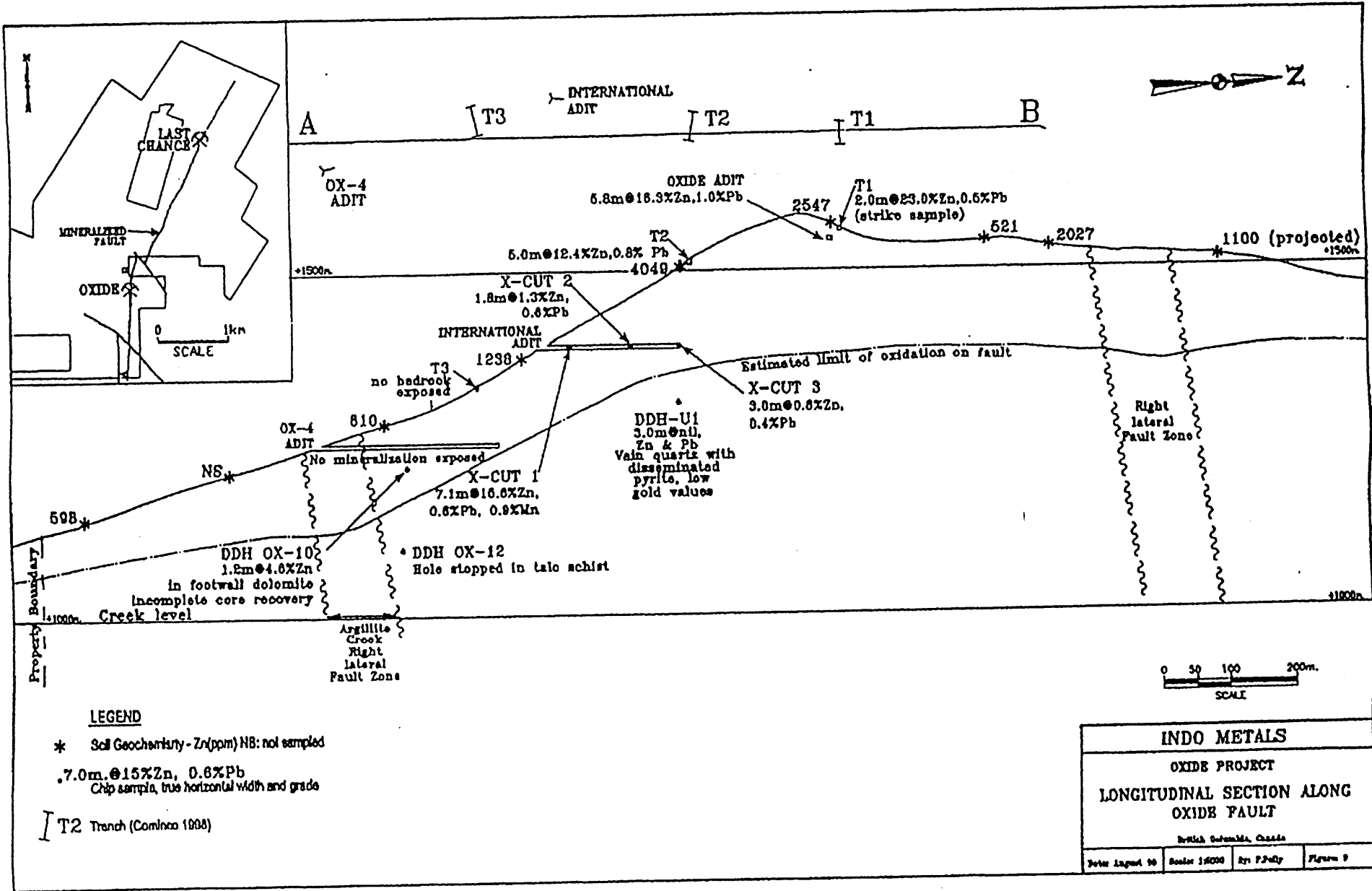
1998 near the Oxide adit, partially exposed the mineralized zone, and a composite sample taken along about two metres of strike length gave a value of 23% zinc and 0.5% lead. An additional trench completed by Cominco about 250 metres south of the Oxide adit gave a complete exposure of the Oxide zone at that locality and graded 12.4% zinc and 0.8% lead over five 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 indicated zinc mineralization is locally highly oxidized and hosted by dolomites. The zone has been traced by high geochemical responses over 400 metres and a width of about 100 metres. Indo plans to conduct a 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 as soon as weather permits. (SEE GCNL NO.207, 28Oct99, P.4 FOR PREVIOUS OXIDE PROJECT DATA)

INDO METALS LTD.
OXIDE ZINC PROJECT
SOUTHEAST BRITISH COLUMBIA

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82FSW p. 20f2



PER YEAR

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