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NEWS RELEASE**

**EEL-TSX.VENTURE
EAT - FRANKFURT**

UNDERGROUND EXPLORATION DEVELOPMENT CONTRACT SIGNED

Eaglecrest Explorations Ltd. (EEL-TSX.VENTURE & EAT.FSE FRANKFURT) is pleased to report that the Company has signed a contract with AMTRAC Ltda. for a total of 900 metres (m) of underground mine development consisting of a total of 300 m of declines and 600 m of drifts in two locations at the Company's San Simon property. The TD-1 decline will be developed west of the Trinidad/Mina Vieja pit in the Trinidad area while the MD-1 decline will be developed 2.0 kilometers (km) to the west in the Manganeso area near the gold recovery plant. Both declines are within the Doña Amelia zone that covers an area of 40 square km within the Company's 298.84 square km San Simon project in northeast Bolivia.

AMTRAC Ltda. is a Bolivian company owned and administrated by Peter O'Toole, an Irish Civil Engineer, who has been involved in the mining industry in Bolivia for over 15 years. AMTRAC and Mr. O'Toole have extensive experience in underground development in Bolivia, including projects in both the Andean plateau and the Amazon basin.

The TD-1 decline in the Trinidad area will target Dilation Zone A which is defined by diamond drill holes TRD03-026, TRD003-032, TRD04-086 and TRD04-089, and will be the first decline developed starting in June 2005. A 3.0 by 3.0 m decline with a 45 degree slope will be developed along the downdip direction (north to south) of the main quartz vein/structure (MQV) for 150 m. At the end of the decline, two 2.5 by 2.5 m drifts, each of 150 m length, will be developed along strike of the MQV, one to the east and one to the west, to intersect several MQV diamond drill hole intersections. It is estimated that this development would produce 8,000 tonnes of quartz vein ore from the MQV that will be trucked 8.2 km to the gold recovery plant in the Manganeso area where it will be processed through the plant in batches to determine the true in-situ gold grade of the quartz vein of the Doña Amelia zone. The gold recovery plant is anticipated to produce approximately 50% flotation gold concentrate and approximately 50% jig plus table concentrate with an estimated 50% gold bullion for an overall gold recovery estimated at 95%. Both concentrates will be sold to an international smelter. The TD-1 decline is scheduled to be completed in October 2005.

The MD-1 decline will target the Dilation Zone defined by diamond drill holes TRD04-057,

TRD04-075, TRD04-077, TRD04-092 and TRD04-095, and will be developed subsequent to the completion of the TD-1 decline in October 2005. This decline will have a similar design with two drifts at the bottom of the decline and it is estimated that this development would also produce 8,000 tonnes of quartz vein ore from the MQV. The trucking distance to the gold recovery pilot plant for processing of MD-1 ore is less than 800 m. The MD-1 decline is scheduled to be completed in February 2006.

The underground exploration development and bulk sampling program is being supervised by Tor Bruland, P. Geo. and Don Allen, P. Eng., both of whom are Qualified Persons under the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects.

On behalf of the Board of Directors,

Carl A. Erickson
President, Eaglecrest Exploration Ltd.

Additional information on the company's project is available on our website www.eaglecrestexplorations.com, the SEDAR website (securities related information electronic filed with the Canadian securities regulatory authorities) www.sedar.com or by contacting Paul Zdebiak at 604-687-7272 or by E-Mail: eel.tsxv@telus.net

The TSX Venture Exchange has neither approved nor disapproved the information contained herein.