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**September 06, 2005.
NEWS RELEASE**

**EEL-TSX.VENTURE
EAT – FRANKFURT**

**COMPANY RECEIVES ENVIRONMENTAL LICENSE FOR THE 500 TONNE PER DAY
UNDERGROUND DEVELOPMENT AND GOLD RECOVERY PLANT OPERATION**

Eaglecrest Explorations Ltd. (EEL-TSX.VENTURE & EAT.FSE FRANKFURT) is pleased to report that the Company received approval of the Category II Environmental Impact Assessment study (EIA) for a 500 tonne per day (tpd) underground development and gold recovery plant in the Doña Amelia zone on the Company's San Simon Property in northeast Bolivia from Bolivia's Ministry of Mines and Vice-Ministry of Natural Resources and Environment within the Ministry of Sustainable Development who issued the Environmental License on August 10, 2005. The Doña Amelia zone covers 40 square kilometers (km) in the central part of the 298.84 square km San Simon Property.

The Directory of Environment at the Vice-Ministry of Natural Resources and Environment instructed the Company to prepare a Category II EIA on September 13, 2004 for the proposed underground exploration development and gold recovery plant. Baseline water and sediment sampling was conducted during the period April, 2004 to January, 2005, under the supervision of Klohn Crippen of Vancouver, Canada. The sample program comprised 8 sets of samples collected from 16 sites during both the wet and dry seasons. The report, prepared by independent consultants, Inprotec, Bolivia and Klohn Crippen assesses the impact of the underground development and 500 tpd gold recovery plant in the Doña Amelia zone on water, flora, fauna, social and economic issues on the San Simon plateau (300 m above the Amazon basin) and the immediate surrounding region.

The gold recovery plant is a zero emission plant and tailings dam circuit, in other words, water used for milling and tailings discharge will be sent to the tailings dam and then will be re-circulated to the plant reducing the fresh water requirements from local water sources. The sediments in the water discharge from the underground development will be allowed to settle prior to the water being discharged to the existing water system in a controlled manner. The report concludes that the environmental and social economic impacts are minor and reversible following the closure of the program and rehabilitation of the area.

The gold recovery plant on site has a 450 tpd crushing circuit (jaw and cone crushers) and a 150 tpd milling circuit (6 by 8 feet ball mill, jig, shaking table, flotation cells and vacuum filter). Metallurgical testing by the Company's Mineral Processing Engineer Gary Hawthorn, P.Eng. (B.C.) indicate an overall gold recovery of 95% divided between approximately 50% gold concentrate and approximately 50% gold bullion, both of which will be sold to an international smelter.

Feed for the gold recovery plant will initially come from two inclined shafts and drifts (TD-1 in the Trinidad area and MD-1 in the Manganeso area) developed down dip on selected parts of the more than 4.2 km strike length of the main quartz vein/structure (MQV) in the Doña Amelia zone. Underground development has been contracted to AMTRAC Ltda. Bolivia. An estimated 20,000 tonnes of MQV will be extracted from the two decline shafts and drifts during the period August 2005 to May 2006 and transported to the gold recovery plant in the Manganeso area where it will be processed in batches to determine the true in-situ gold grade of the MQV.

Fire Assays for calculation of daily metallurgical balance of the gold recovery plant will be conducted in the on-site Fire Assay Laboratory operated independently by ANALAB S.R.L. of Lima, Peru under the overall supervision of Mr. Hawthorn. This Fire Assay Laboratory will also process underground and drill core samples from the ongoing diamond drill program.

The diamond drilling, 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 604-684-7160 or by E-Mail: eel.tsxv@telus.net.

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