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WESTERN CANADIAN INVESTMENTS

DRAGOON RESOURCES LTD.(DGN-V)
GREENSTONE RESOURCES LTD.(GRE-T,M;Nasdaq)

PRODUCTION FEASIBILITY - EXPLORATION PROGRAMS REVIEWED
SULLIVAN LOOK-A-LIKE SEARCH DRILLS MAJOR SUCCESS

Dragoon holds interests and is the operator of 14 exploration projects, nearly all in the Slocan-Kootenay silver lead zinc (gold) areas of southeastern B.C. (SEE MAP OVERLEAF) and is seeking to acquire properties in Nevada and possibly in Costa Rica. Dragoon has assembled a team of 10 key professionals and consultants, several with over 20 years mine operating experience with large Canadian mining companies. The team is headed by Michael Bapty, mining engineer, under the direction of Dragoon president Robert J.McGowan, mining engineer, who has 10 years underground mine management experience in eastern and western Canada as well as 15 years experience in mine evaluation and project financing.

In early 1988, Greenstone Resources acquired a 50% interest in several properties from Dragoon and bought 1,000,000 shares of Dragoon at 46¢ each. Ian Park and Jim Anthony, directors of Greenstone became directors of Dragoon. On Feb.16,1989, Peter Loretto, M.B.A. was appointed a Dragoon director. One of Greenstone's largest shareholders is Claridge Investments, Ltd., which is controlled by the Bronfman family of Montreal. Dragoon and Greenstone have formed an operating company on a 50/50 basis named, South Kootenay Goldfields Inc.

SIX KEY PROJECTS REVIEWED

082KSW051

MILLIE MACK: 80 units were acquired by Greenstone by payment of $500,000 cash and 200,000 treasury shares valued at $6.00 each for a total purchase price of $1,700,000, now fully paid. The property, located 30 km east of Burton, 30 km south of Nakusp, Lower Arrow Lake, Slocan area, B.C., is potentially a major, large bulk tonnage, open pit gold-silver project. A production feasibility study is now underway at a cost of $3,100,000, including $850,000 being spent on bulk underground sampling and underground drilling. The study is scheduled to be completed by the end of 1989.

Dragoon has an option to acquire a 50% property interest by paying 55% of the acquisiton, development and other costs to the completion of a feasibility study. This option is exercisable by Dragoon for 120 days after delivery of a feasibility study recommending production. The current program is funded by Greenstone Resources. The property has good road access and power is available. The mineralization is in a detachment-fault shear zone of fractured carbonaceous graphitic slate containing quartz pods overlying the Rossland volcanic rocks and underlying slates and argillites of the Jurassic age Slocan group. The shear is 20 to 100 feet thick, dipping at 12 degrees to the southeast, outcropping continuously over 3 miles on all four sides of the mineralization. Previous small, underground production in the late 1800's graded 1.0 oz.gold/t and 50 to 200 oz.silver/t. Recent small scale operations indicate the entire shear zone could be mined at a much higher, 5,000 to 10,000 ton per day range. The main zone covers 269 acres, an area 1 mile by 1/2 miles, which has been extensively trenched, channel and panel sampled.

- CONTINUED ON PAGE TWO -

SOLOMON GOLD CORP.(SGT-Alberta)
THE VALHALLA GOLD GROUP CORPORATION (VGG-V)

BIG HURRAH GOLD PRODUCTION FINANCING DISCUSSIONS UNDER WAY

Laurence J.Nagy, president, has reported Solomon Gold has started discussions to raise $8,500,000 with which to bring the Alaskan, Big Hurrah gold mine into production at 200 tons per day.

Solomon Gold has received the first draft of the mine feasibility study recommending "very profitable" production of the Big Hurrah gold property located 45 miles east of Nome and 12 miles from tidewater, Alaska. Valhalla Gold Group owns 46.6% of the issued shares of Solomon Gold. Solomon can earn a 70% interest in the Big Hurrah, by spending US $3,000,000 over three years. When Solomon has earned its interest, GOLDEN ZONE RESOURCES INC.(GZN-V) will hold a 17.6% interest and STRATFORD AMERICAN RESOURCE CORPORATION (SQS-V) 12.4% interest. The study by Kenwatin Engineering Inc. (Vancouver, B.C.) is expected to be finalized in early May 1989.

The Big Hurrah open pit, mineable reserves total 400,000 tons grading 0.296 oz.gold/t. With an estimated recovery of 90.8% and 12.8% dilution, recoverable gold totals 109,620 ounces. A stripping ratio of 28:1 has been calculated but it is anticipated that the ratio will be improved with further pit design. The open pit would operate from May 1 to October 30 and stockpile sufficient ore to feed a 200 tons per day mill continuously for 12 months of the year. The total mine, milling and overhead costs are estimated at US [illegible]/ton or US $197.60/ounce of recovered gold.

The capital costs of bringing the Big Hurrah mine to production is estimated at US $8,500,000 including working capital. Payback would be achieved within 2.3 years with an internal rate of return of 38.0%.

The preliminary study results suggest at present gold prices, the project could be very profitable. (SEE GCNL NO.237, P.1, 9DEC88 for much detail & GCNL NO.228, 27NOV88 for detail of all 1988 drill hole assays).

REYMONT GOLD MINES LTD. (RMT-ALBERTA)

FEASIBILITY STUDY UNDERWAY

Reymont Gold Mines Ltd. reported that a feasibility study, to be completed by Dec.31,1989, has started on the 2,000 acre Longstreet property in Nye county, Nevada. Under a recent agreement with NANECO RESOURCES LTD. (NRL-Alberta), Reymont can earn a 50% interest in the Longstreet project by bringing the deposit to production.

Nearly 500 reverse circulation holes have been drilled in the past four years with three mineralized zones being identified. Drill indicated reserves on the Main zone are currently 4,000,000 tons grading 0.024 oz. gold/ton, 0.53 oz.silver/t. Similar grades are inferred from exploration on the North and Rim zones where the current potential reserves total about 5,600,000 tons.

A positive feasibility study could lead to the start of heap leach mine construction by mid-1990. A heap leach mine for the Main zone reserves would last 5 years, producing about 16,000 oz.gold and 85,000 oz. silver per year at recoveries of 85% and 20% respectively. Mine life could be extended and production increased with additional proven reserves from the North and Rim zones.

pg.1

Pg. 2

DRAGOON RESOURCES LTD. (DGN-V)
GREENSTONE RESOURCES LTD. (GRE-T,M;Nasdaq)

CONTINUED FROM PAGE ONE - On the basis of previous exploration and production, the average grade is estimated to be 0.08 oz.gold/t, 4.5 oz.silver/t and 1% combined lead/zinc. Assuming a factor of 12 cubic feet per ton and a thickness of 20 feet, potential tonnage in the main zone would be 20,000,000 tons or about 1,000,000 tons per vertical feet, representing a mineral inventory in excess of 1,000,000 ounces gold, 50,000,000 oz. silver. This tonnage is expected to be available to a 7.5 to 1 stripping ratio. Preliminary metallurgical tests indicate conventional flotation and cyanidation will provide precious metal recovery of 80% to 86%. The presence of graphite and arsenic does not appear to significantly affect bulk recoveries.

The current program of bulk sampling is forecast to verify the average grade of contained metal. These results, expected in the next few weeks, will be more accurate than those provided by diamond drilling since much of the drill core was lost owing to the friable nature of the mineralized formation.

The study will consider a 5,000 ton per day operation, producing 104,000 oz. gold, 5,000,000 oz. silver and 12.0 million pounds zinc-lead per year at a cost of $196 US per equivalent gold oz. for a projected annual operating profit of $45,000,000 US, giving a 10 month payout on a plus 14 year mine life. If Greenstone and Dragoon elect to focus on higher grade areas in the early years to accelerate payback, annual profits could exceed $46,000,000, assuming operating costs of $18.00 per ton. While the first objective of the feasiblity study will be a 5,000 to 10,000 ton per day operation, the work will also consider the possibility of a smaller tonnage, higher grade production.

82G5W

McNEIL - 13.9 square miles, 20 km southeast of Cranbrook, B.C. A lead-zinc-silver zone and a separate gold zone are hosted in a sedimentary formation. The McNeil is a Sullivan look-a-like. South Kootenay Goldfields Inc. holds an option to acquire 100% of the property by completing option payments of $100,000 over several years plus the payment of a 3% net smelter return royalty to a $2,000,000 end price.

The Dragoon technical team has extensive experience working with the Sullivan deposit and the lower middle Aldridge formation that hosts it.

The property has many similarities to the Sullivan property and has the potential for hosting significant silver-lead-zinc orebodies of several types. The McNeil is underlain by the middle and lower zones of the Aldridge formation. Sandwiched between these two zones there is frequently a build up of sulphides which is the main characteristic of the Sullivan orebody. On sections of the property, unlike many properties in the area, the contact between the middle and lower Aldgridge is estimated to be only 750 feet below surface. The middle lower Aldridge intersection is host to the Sullivan orebody 22 miles to the northwest.

Aldridge formation units on the McNeil property close to the Sullivan horizon contain a geochemical anomaly 7,500 feet long by 600 feet wide with silver, lead, zinc mineralization on surface which could reflect either a large tonnage, which is the first target, or a medium tonnage 'pooled' type deposit found to be related to Sullivan mineralization, which is the second target. At the Sullivan mine, large 'pooled' deposits were found trapped below gabbro sills. A similar sill exists on the McNeil in association with the geochemical anomaly. Radiometric dating has shown that lead samples from the McNeil property are of similar age to the Sullivan ores. Six parallel northwest trending shear zones occur on the property. The shears are up to 16 feet wide and 1,000 feet long with surface showings which assayed up to 55% lead, 12.4 oz. silver/t, and 0.124 oz. gold/t.

- CONTINUED OVERLEAF PAGE 2 -

COMINCO RESOURCES INTERNATIONAL LIMITED (CRN-V,T)

COMINCO RESOURCES ACQUIRES OPTION ON 50% OF NICKEL PRODUCTION FACILITY - Cominco Resources International Limited has acquired an option to earn a 50% interest in a nickel production facility and ore stockpile at Riddle, Oregon. The company is participating in an agreement with U.S.A. Investments Inc. The participants are studying the feasibility of re-equipping and re-opening the Riddle, Oregon ferronickel plant, which suspended operations in 1986.

Engineering, environmental and marketing studies are underway to determine the feasibility of resuming nickel production during the second half of 1989.

Cominco Resources will provide initial funding of some US $1,500,000. If further work is undertaken, Cominco Resources will provide the funds needed to complete the start-up fo the facility Cominco Resources will recover its investment before any other distribution of cash flows from the project is made to the parties.

A stockpile containing 6,000,000 tons of lateritic nickel ore grading 0.7% nickel is situated adjacent to the smelter. This material could supply the facility for several years. Preliminary studies suggest that production from the current stockpile could reach approximately 1,000,000 pounds per month of contained nickel in the form of ferronickel. The facility could also produce two other saleable products; ferrosilicon for use in the metals industry, plus granular slag for use in sandblasting. Additional information will be released when current studies are completed.

CHENI GOLD MINES INC. (CZG-V,T,M)

EMPLOYEES ON STRIKE - On April 5, 1989, certain employees of Cheni Gold Mines Inc. at the Lawyer gold silver mine, represented by the International Union of Operating Engineers, Local 115 and the Tunnel and Rock Workers' Union, Local 168, went on strike. The impasse in collective bargaining arose over the Unions; apparent unwillingness to recognize certain management rights which the company considers fundamental to efficient operation of the minesite. A significnat number of employees returning from rotational leave, representing most operational departments, have exercised their lawful right to continue to work notwithstanding the strike. The company intends and expects to continue its operations as provided by the laws of B.C.

QPX MINERALS INC. (QPX-V,T)

PRELIMINARY FEASIBILITY STUDY COMPLETED AT QR - T.J. Ryan president of QPX Minerals Inc. reported that a $2,600,000 exploration program at the QR gold deposit, 58 km southeast of Quesnel, B.C., has increased geological reserves in the Main and West zones by 25% and confirmed mineable reserves in the Main zone at 105,000 ounces of gold.

* 93A121

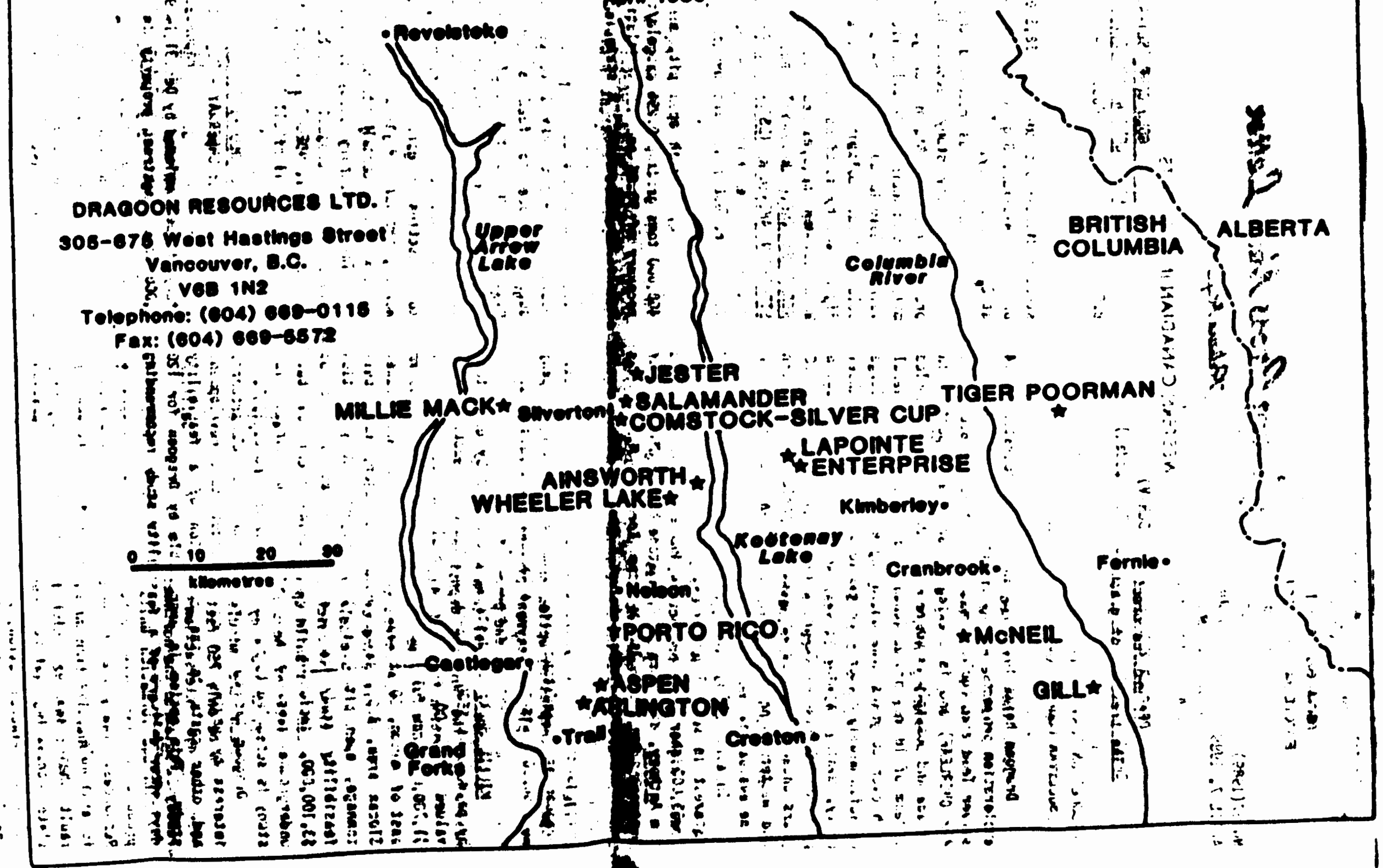
QPX has earned a 20% interest in the QR deposit and may earn 50% under its option agreement with **PLACER DOME INC.** (PDG-V,T,M) To earn the full 50% interest, subject to a 5% net profits interest, QPX must spend $6,000,000 on the property. Placer Dome has a prior right to proceeds of production of $8,000,000.

Steffen Robertson and Kirsten has completed a preliminary feasibility study concluding that the Main zone can be mined by open pit methods over 5 years at 400 tonnes per day. The West zone, if geologic reserves of 39,000 ounces can be confirmed as mineable, will be incorporated early in the mining schedule. Preliminary data shows the Main zone has mineable reserves of 814,000 tons at 0.13 oz.gold/t and waste to ore ratio of 4:1 can be mined profitable using a 400 t/day gravity-flotation mill with a capital cost of $10,000,000.

Underground mining of the West zone with 152,000 tons of 0.26 oz.gold/t (to be confirmed by additional drilling) and the Mid-West zone with 65,000 drill indicated ounces as well as the newly discovered East zone could extend the mine life.

DRAGOON RESOURCES LTD. (DGN-V)
GREENSTONE RESOURCES LTD. (GRE-T, M; Nasdaq)
MINERAL PROPERTY HOLDINGS LOCATION MAP
SOUTHEASTERN B.C.

April 1989



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