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George Cross

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WESTERN CANADIA

DRAGON RESOURCES LTD. (DGN-V)

GREENSTONE RESOURCES LTD. (GRE-T,M,NASDAQ)

MILLING TO BEGIN - Walter J. Clemens, director, reports Dragoon Resources Ltd. and partner Greenstone Resources Ltd. have mobilized a 50 ton per day flotation mill to process ore from the 4,407-acre Millie Mack property, 30 km east of Burton, B.C. in early Jan/90. Greenstone holds a 100% interest in the Millie Mack claims, in which Dragoon can earn a 50% interest by paying 55% of the acquisition, development and other costs to completion of a feasibility study.

The mill will be used in conjunction with a test mining program to determine mining grades, recoveries and production costs. Up to 4,000 tons will be processed in this Phase III program from nine different zones in the flat-lying open pit orebody.

The partners want to establish 2,000,000 tons of mineable reserves with a grade exceeding 0.15 oz.gold/ton (or equivalent) and a stripping ratio of less than 2 to 1. It is possible the reserves could warrant a 1,500 ton-per-day operation. The companies also wish to confirm and possibly improve the latest metallurgical testing that indicates a gold recovery of 92.5% and silver recovery of 86.7% in a bulk flotation concentrate. In addition, they will assess production costs and methods with a view to reducing the currently estimated economic break-even grade of 0.05 oz.gold/ton

The program will evaluate high grade zones where recent results include bulk sample values of 0.21 oz.gold/ton. Lower grade faces will also be mined and processed. Results of the new program will be available in Feb/90. (SEE GCNL No. 178, 15Sep89, P.1 FOR EARLIER MILLIE MACK DATA)

At the Dragoon/Greenstone 3,200-acre polymetallic Tiger property 28 miles north of Cranbrook in SE B.C., a compilation has been completed of the recent field program. Dragoon and Greenstone are earning a 100% interest by making option payments of \$168,000 over several years. (SEE GCNL No. 67, 7Apr89, P.2) Surface mapping and sampling have identified a gold/silver/copper/lead/zinc structure that appears to be continuously mineralized along a 12,200-foot strike length. Recent assays range up to 24.8% copper, 62.4 oz.silvert/ton and 0.337 oz.gold/ton. (SEE GCNL No. 186, 27Sep89, P.1 FOR PREVIOUS TIGER RESULTS)

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