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Reliable K

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MACDOUGALL DEVELOPMENT CORP. (MDK-V)

DRILLING BEGINS - David Bottom, president, reports

MacDougall Development Corp. has begun drilling on its 100%-owned claims, 45 miles north of La Ronge, Saskatchewan. The company recently acquired a three-year extendable option on the Beano claims near Zeballos, on the west coast of Vancouver Island, B.C.

The terms of the option include a \$100,000 payment to BILLIKIN RESOURCES INC. (BIL-V) from any production in the first year and a 5% net smelter return in subsequent years for which MacDougall will earn a 100% interest. Previous work on the claims has outlined several high grade pods including the Ridge zone which returned 2.07 oz.gold/ton (uncut) across 5.0 meters and 1.66 oz.gold/t across 5.7 meters. Several other targets have been identified in the nearby Creek zone as well.

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