

DRAGON RESOURCES LTD. (DGN-V)

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

NEW GOLD/SILVER ZONE - Walter J. Clemens, director,
FOUND AT MILLIE MACK reports Dragoon Resources Ltd.
and Greenstone Resources Ltd. have
discovered a new 1,500 foot zone of highly mineralized
open pit material on the Millie Mack property 30 km.
east of Burton in the Slocan area of B.C.

The new zone, known as the Black Bear extension, is
located on the west side of the 5800 layer, a flat-lying
mineralized structure mineable by open pit methods.
Samples from the Black Bear have assayed up to 0.142
oz.gold/ton and 0.765 oz.silver/t. Trenching is in
progress to expose the footwall and channel sampling will
determine initial grades which will be followed by bulk
sampling. Drilling will be used to confirm thickness.
The zone remains open to the south.

A second discovery has been made on the north end
of the 5800 layer where stripping has uncovered a new
face where samples graded as high as 0.85 oz.gold/t and
4.20 oz.silver/t. This zone will also be channel
sampled and drilled.

Reverse circulation drilling to date on the eastern
Millie Mack high grade zone obtained recoveries averaging
only 75% and even lower for diamond drilling due to the
friable (crumbly) nature of the rock. Reverse circula-
tion drilling assays to date are as follows:

HOLE	THICKNESS	GOLD	SILVER	GOLD EQUIV.	Due to the
	FEET	OZ/TON	OZ/TON	OZ/TON	' location of the
89-02	9.8	0.078	9.25	0.210	' orebody and low
89-05	10.0	.137	4.73	.205	' stripping ratio
89-07	10.0	.056	5.98	.141	' these grades
89-12	10.0	.070	1.69	.094	' are considered
89-15	10.0	.102	12.22	.277	' well above an
89-16	15.0	.120	4.88	.190	' economic level.
89-26	9.8	.149	2.25	.181	' A 145 ton bulk

' sample has been
mined over a thickness of 18 ft. from another area that
was drilled. This procedure will aid in determining the
correlation between actual grade and drill results;
assays are expected shortly.

The property contains other promising areas such as
the Poorman showing in the 3650 layer currently being
sampled and the west side of Blue Grouse Creek where
initial float samples returned 0.12 oz.gold/t. Heavy
equipment is being moved in and drilling is planned.
East of Blue Grouse Mtn., two shear zones that may be a
mineralizing feeder system for the 5800 layer have
returned 0.18 oz.gold/t and 10.0 oz.silver/t on surface.

Greenstone holds a 100% interest in the Millie Mack
property in which Dragoon can earn a 50% interest by
paying 55% of the acquisition, 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.
(SEE GCNL No. 155, 14Aug89, P.1 FOR MORE DETAILS)

Geor

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