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WESTERN CANADA

MORAGA RESOURCES LTD. (MGR-V)

NEW HOLES SUGGEST DOUBLE TONS OF RESERVES -Maurice Young, president of Moraga Resources has reported a recent step-out hole (EC173) on the Hushamu zone on the Expo property, near Port Hardy, Vancouver Island, B.C. suggested double reserves to 300,000,000 tons. Results to date are suggesting higher grade zones in the order of 0.35% copper and 0.015 oz/ton silver within the deposit. Additional reserves may be added to the NW where soil sampling in road cuts has confirmed copper-gold. The earlier geological total was calculated at 158,000,000 tons. The holes have suggested an additional 1,000 foot width to the zone which now appears to be 2,460 feet long, 1,000 feet wide and 650 feet deep. The overall length of the zones is 5,400 feet. The first results of the partially completed fence of in-fill holes indicate the extension will be confirmed. The EC176 hole has been drilled to a total depth of 840 feet at -45° to the south and has established 400 feet of southerly extension. Assaya are;

<u>HOLE</u>	<u>DEPTH</u> <u>METRES</u>	<u>INTERVAL</u> <u>METRES</u>	<u>WIDTH</u> <u>METRES</u>	<u>COPPER</u> <u>%</u>	<u>SILVER</u> <u>OZ/TON</u>
EC176	256	15.24-186.73	171	.28	0.012
	incl.	36.24-186.73	150	.31	0.012
	incl.	78.24-186.73	108	.38	0.014

The results for the 23 samples in the remainder of the hole are due early next week.

In 1989 Moraga Resources acquired an option to earn a 45% interest in BHP-Utah's Expo property. It is located 15 miles northwest of their 55,000 tons per day Island Copper Mine. It is Moraga's intent for the BHP-Utah/Moraga joint-venture to be the mill-feed supplier once BHP-Utah's source has been depleted.

The Expo property covers 30,000 acres of geologically attractive ground on which BHP-Utah has spent \$5,000,000 on exploration work.

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