

NO.108(1990)
JUNE 5, 1990

George Cross
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<u>MORAGA RESOURCES LTD. (MGR-V)</u>						
HOLE NO.	INTERVAL METERS	LENGTH METERS	COPPER %	MOLY %	GOLD OZ/T	END OF HOLE(M)
EC-171*	6.7 - 254.0	247.3	0.36	0.008	0.015	290
EC-172	247.5 - 253.5	6.0	.14	.005	.004	459
And	262.5 - 274.5	12.0	.20	.013	.007	
sEC173	101.0 - 134.0	33.0	.08	.005	.014	
And	326.0 - 456.3	130.3	.22	.012	.010	456
Incl.	326.0 - 338.0	12.0	.50	.011	.014	
	338.0 - 365.0	27.0	.04	.014	.0066	
	365.0 - 456.3	91.0	.24	.012	.010	

• Previously reported

DRILL RESULTS - Maurice J. Young, president, Moraga Resources has reported assays from a new

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drill hole on McIntosh Mountain, on the Expo property northern Vancouver Island, B.C. Moraga can earn a 45% interest from BHP-Utah by spending \$2,700,000 on exploration over five years. EC-173 was collared about 300 meters south of EC-171 and appears to have intersected the Hushamu zone at depth, which would extend the known mineralized zone laterally to the south and is open to depth. The intersection is above the valley bottom where the main Hushamu zone is located. EC-173 can be interpreted to add significantly to the 144,000,000 tons of possible ore at Hushamu. Ore grade material beneath McIntosh Mountain creates the possibility to improve stripping ratios and upgrade the geologic reserve to the mineable category, currently standing at 57,500,000 tons grading 0.32% copper, 0.008% molybdenum and 0.012 oz.gold/ton. The alteration, host rocks and mineralization are consistent with those found at the nearby Island Copper mine, the Hushamu deposit and the Red Dog deposit. Assays are pending from EC-174 and EC-175, the other holes in the Phase I drill program. A 2,000 meter program of in-fill and step-out drilling on the southern extension of the Hushamu zone is expected to begin mid-June.

Drilling will also begin shortly on the Red Dog property, 2 km west of the Hushamu zone, in which Moraga has an option to earn a 50% interest from CREW NATURAL RESOURCES LTD. (CMT-V) by spending \$4,000,000 on exploration by 30July94. Moraga is operator. Should Moraga earn 50%, Crew receives an option to convert its 50% working interest to a 40% interest, comprising a carried interest and a 20% working interest. The agreements are subject to regulatory approval.

The Red Dog property consists of 28 claims where geological interpretation from 24,000 feet of drilling indicates inferred reserves of over 150,000,000 tons of copper/gold mineralization in two zones averaging 0.40% copper equivalent. The average is comprised of average grades of 0.2% copper, 0.007 oz.gold/ton and minor molybdenum and silver credits.

Preliminary reserve estimates in one of these zones, the Red Dog Hill zone, include more than 50,000,000 tons grading 0.32% copper, and 0.012 oz.gold/ton at a strip ratio of 0.36:1. Within this zone is a higher grade inventory grading 0.42% copper and 0.017 oz.gold/ton with an estimate stripping ratio of 0.1:1. (SEE GCNL No.104, 30Apr90, P.1 FOR PREVIOUS DATA AND MAP)

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