

DRAGON RESOURCES LTD. (DGN-V)

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

McNEIL CREEK EXPLORATION REVIEWED - Dragon Resources Ltd. has reported

the 1989 exploration program on the 50% option McNeil property near Kimberly, B.C. completed in February 1990, has found promising base metal values at the Sullivan contact with massive sulfide vein intersection.

Pervasive gold mineralization has also been found in gabbros which may have the potential for a near surface disseminated open pit deposit.

Ten drill holes tested for bedded sulfides within the Middle and Lower Aldridge formations. Important occurrences of stratabound zinc mineralization were intersected including 1.74% zinc over 1.3 feet in hole M-89-3 and 0.52% zinc over 4.0 feet in M-89-7 which penetrated to the Sullivan type deposit. Drill hole M-89-8 penetrated to the Sullivan contact at 3052 feet, intersecting 79.7 feet of sulfide-rich material with elevated zinc values.

A further 10 drill holes tested shallow massive sulfide structures located by geophysics in Middle Aldridge hydrothermally altered sediments. Results were encouraging. At the Sullivan site, these fractures hosted economic deposits such as the Northstar, located on the flanks of the main deposit. Among the better values intersected: 0.75% copper and 0.121 oz. of gold per ton over 3.0 feet in hole M-89-11; 13.99% lead, 2.12% zinc and 4.02 oz. of silver per ton per 2.3 feet in hole M-89-14. These fracture filled zones appear to be identical to the nearby Vine and St. Eugene deposits.

A massive sulfide boulder found near one of these fractures assayed 72.5% lead and 20.6 oz. silver per ton

suggesting that ore grade material comes through to surface. Further prospecting is planned. A surface trench to the west of the McNeil Creek fault on a gabbro intrusive assayed 0.145 ounces of gold per ton over 10.6 feet. This intrusive is more than 3,000 feet long. A second trench on the same structure assayed 0.02 oz. gold/t over 25.6 feet. On the basis of these results, gabbro core from previous holes is now being assayed for gold.

The 1990 program will include further surface work to define shallow drill targets. A deep test of the Sullivan contact is also planned.

Dragon has now negotiated a \$750,000 flow through financing. (See GCNL No.14 and No.245 Dec. 21, 1989)

82G SW
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