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*George Cross*

*Reliable &*

MORAGA RESOURCES LTD. (MGR-V)

**TONS INCREASED - STRIP RATIO REDUCED IN INDEPENDENT STUDY**

Maurice J. Young, president of Moraga Resources reported open pit mineable resource in Hushamu zone of 456,000,000 tons containing 4,600,000 oz.gold, plus 2.4 billion lbs.copper, 99,200,000 lbs molybdenum available to a 1.5:1 strip ratio

including;

87,000,000 tons of 0.295% copper, 0.01 oz.gold/t plus 0.023% molybdenum available to a 0.8:1 strip ratio

The evaluation was completed by independent engineers Steffen, Robinson, Kirsten Inc.

The most significant result of the computer designed pit is the dramatic reduction in strip ratios from the initial and expanded pits. This low strip ratio pit will provide the initial ore for 5 years at a projected production rate of 55,000 tons per day.

The further reserve of 369,000,000 tons, which will provide an additional 21 years of mine life, has been determined by interpolation of the geology and assay results from recent drilling south of the main Hushamu zone and underlies a large, gold-enriched silicious breccia zone.

This is a preliminary study and additional sensitivities using varying commodity prices and costs will be examined.

The Hushamu deposit is the second major copper-gold-molybdenum porphyry deposit outlined in the northern Vancouver Island porphyry belt and lies within the large Expo property located 15 miles northwest of BHP-Utah's 55,000 tons per day Island Copper Mine, 15 miles west of Prot Hardy.

Additional drilling will begin immediately to further define the geological reserves within the larger pit limits. Drilling will also test for extensions to both the south and west where the ore zone remains open

Moraga is continuing engineering studies relating to metallurgy, transportation, operating costs and capital requirements.(SEE OTHER RECENT REVIEW IN GCNL NO.189, SEPT.29,1990)

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