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MORAGA RESOURCES LTD. (MGR-V)

COPPER RESERVES UPGRADED - Maurice J. Young, president, reports Moraga Resources Ltd. has received an updated Expo project interim report from Steffen Robinson & Kirsten Consulting Engineers. Moraga can earn a 45% interest from BHP UTAH MINES LTD. by funding exploration and making option payments. The study provides a new evaluation of the Hushamu copper/gold/molybdenum deposit located about 28 km NW of BHP Utah's Island Copper mine, Port Hardy, north Vancouver Island, B.C. The computer generated reserves were calculated for three pit options based on NSR copper equivalent Canadian prices of 68¢, 78¢ and 88¢ with gold at C\$397.73 per oz. (US\$350 x 113.5) and molybdenum at C\$3/lb. metal recoveries of 85% for copper, 70% for gold and moly were used based on preliminary metallurgical work. Additional metallurgy is underway.

Ore resources range from 62,000,000 tons for the 68¢ pit to 107,000,000 tons for the 88¢ pit. The results for the 88¢ Main Pit indicate mineable resources of 107,000,000 tons averaging a copper equivalent grade of 0.53% and a strip ratio of 0.7:1, based on a 0.32% copper equivalent cut-off and a 50° pit slope. The 68¢ Main Pit has a mineable resource of 62,000,000 tons averaging a copper equivalent grade of 0.67% and a strip ratio of 0.6:1 based on a 0.42% copper equivalent cut-off grade. The preliminary study indicated the reserves can be classified in the possible to probable category, but the gold and moly content may need to be determined by closer spaced drilling. Moraga considers the ultimate potential reserve in the Hushamu zone to be over 300,000,000 tons with a strip ratio of less than 1.5:1. A recently completed drill program of eight holes (EC-181- 188) totalling 7,700 feet was designed to expand the area drilled on 400-foot centres to test the extension of the deposit along the Northwest trend and also the south edge of the main pit. Assays will be released shortly. (SEE GCNL No.214, 5Nov90, P.1 FOR EARLIER DATA)

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