

CREW NATURAL RESOURCES LTD. (CWT-V)
MORAGA RESOURCES LTD. (MGR-V)

RED DOG RESERVE REPORT - Dr. G.Wright, P.Eng., president Crew Natural Resources Ltd., reports a preliminary mineral inventory study has been completed for the Red Dog property located near Port Hardy on northern Vancouver Island, B.C. SEE MAP OVERLEAF PAGE 1. Moraga Resources may acquire a 50% interest by spending \$3,500,000 on exploration by 30Jul94. Should Moraga acquire the 50% interest, Crew can convert its 50% working interest to a 20% carried interest, plus a 20% working interest. There is an underlying 3% net smelter return royalty to the vendors.

Based on existing data, an independent consultant used block modelling techniques with 40 foot assay composites. The geologic reserve was calculated within the block model using a 400 foot spherical search pattern, on a bench by bench basis. The study concluded the Red Dog Hill and Slide Creek zones together contain a geologic reserve of about 203,000,000 tons grading 0.17% copper, 0.006 oz.gold/ton and 0.004% molybdenum for a copper equivalent of 0.334% above a 0.2% copper equivalent cut-off. See table below:

CUT-OFF GRADE	TONNAGE	AVERAGE GRADES			AVERAGE Cu EQUIV.
		Cu%	Mo%	Au%	
0.200%	203,000,000	0.165	0.004	0.006	0.334%
.300	197,000,000	.219	.005	.008	.431
.400	41,000,000	.275	.006	.010	.564

The study also examined a preliminary pit layout for the Red Dog Hill zone to evaluate recoverable reserves within a profit-optimized pit using a copper at 75.6 cents per lb. (Cdn). Using average industry costs of \$2.00 per ton for mining and administration, and \$2.40 per ton for milling costs, the optimized pit would contain 45,250,000 tons grading 0.26% copper, 0.006% molybdenum and 0.01 oz.gold/ton, or a 0.52% copper equivalent, above a 0.2% copper equivalent cut-off. The stripping ratio for such a pit would be low as the deposit is mineralized virtually from the surface. Waste rock would consist of internal dykes and a thin layer of soil. The 45,250,000 tons of material within this pit would contain a total of 23,300,000 lbs. copper, 5,430,000 lbs. molybdenum and 453,000 ounces of

gold. Further drilling is planned during 1991. The other prospective zone on the property, the M-2 zone, will be examined in future programs. (SEE GCNL No.83, 30Apr91, P.1 FOR PREVIOUS INFORMATION)

92L 200