

→ June

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PROPERTY FILE



GRANGES

EXPLORATION LTD.



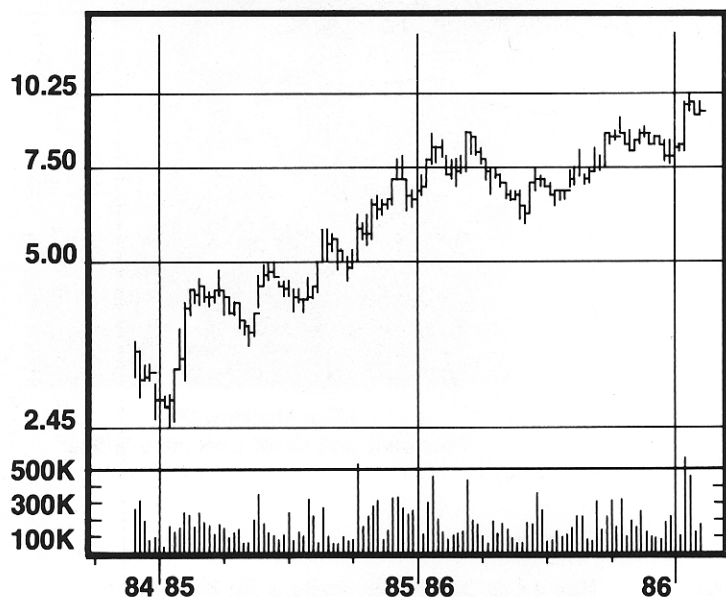
Mike Muzylowski
President and Chief Executive Officer

Review of Major Projects

Project	J.V. Partners	GXL Interest	Reserve Detail	Comments
1. Trout Lake, Manitoba	HBM&S, Manitoba Minerals Outokumpu	19.83%	5,242,000 tons averaging 0.056 oz. Au, 0.54 oz. Ag, 7.0% Zn, 2.22% Cu, per ton — proven and probable reserves at January, 1987. Additional 2,500,000 tons indicated by underground exploration drilling — higher than average mine grade.	Mine is 4 mi. from HBM&S smelter at Flin Flon, Manitoba. Production target is 750,000 tons in 1987. Net cash flow of Cdn. \$4,000,000 to GXL in 1987. Operating cost approx. Cdn. \$26 per ton.
2. Tartan Lake, Manitoba	Abermin	50%	529,000 tonnes (582,000 tons) averaging 10.52 grams per tonne (0.307 oz. Au per ton) in Main Zone — proven and probable reserves at January, 1987 (Kilborn). GXL reserve calculation is 512,000 tons grading 0.349 oz. Au per ton.	Capital cost estimated at Cdn. \$17 million. Mine is 8 mi. from Flin Flon, Manitoba. Production at 250 tonnes per day (275 tons) to commence in early 1987, with a planned increase to 500 tonnes per day (550 tons). Operating costs estimated at Cdn. \$175 per oz.
3. Crofoot, Nevada	Hycroft Resources & Development Corporation	51% +	15,000,000 tons averaging 0.032 oz. Au per ton, leachable, proven, mineable reserves at January, 1987. Stripping ratio 1.0/1 waste/ore.	Production to commence in late 1987 at 2,500,000 tons in first year — increasing to 3,000,000 annually. Operating cost estimated at U.S. \$205 per oz. Mine is 110 mi. NE of Reno, Nevada.
4. Lewis, Nevada		51% +	6,000,000 tons averaging 0.032 oz. Au per ton — proven and probable mineral reserves at February, 1987. Stripping ratio 0.7/1 waste/ore.	Mine currently is producing at 1,200,000 tons per year. Operating improvements will increase efficiency of processing plant. Property adjoins Crofoot and contains the north extension of the same ore bodies. Operating costs estimated at U.S. \$245 per oz.
5. Puffy Lake, Manitoba	Pioneer Metals Corporation	20% + (carried)	1,300,000 tons averaging 0.23 oz. Au per ton — proven and probable reserves at January, 1987	Production to commence in late 1987 at 500 tons per day. Operating cost estimated by Pioneer at U.S. \$175 per oz. Capital cost calculated at Cdn. \$18.1 million.
6. Windflower, British Columbia	Windflower Mining Ltd. 82KNW073,76	60%	Gold discovery — 200,000 tons averaging 0.30 oz. Au per ton — proven and probable reserves at January, 1987. High potential for a substantial increase in tonnage. Underground exploration program under consideration for 1987.	GXL holds option to earn 60% interest by spending Cdn. \$1,500,000 by December, 1988. (\$1,000,000 expended to date). Preliminary metallurgical studies are underway. Property is 45 mi. SE of Revelstoke, B.C.
7. Morgan Lake, Manitoba		100%	High grade zinc discovery — with good precious metal values. 300,000 tons averaging about 15% Zn and 0.10 oz. Au per ton — proven and probable reserves at January, 1987.	Additional drilling planned in 1987 to test the area around a deep hole which intersected a true width of 21 ft. grading 0.355 oz. Au, 1.98 oz. Ag per ton and 16.55% Zn. Property is subject to a 10% net profits interest.
8. Mishibishu Lake, Ontario	MacMillan Energy Corporation	50%	Gold discovery — zone over 1000 ft. with grades of 0.11 to 0.64 oz. Au per ton across widths of 10-15 ft. A strong anomaly 4000 ft. to the west indicates another gold bearing zone.	Diamond drilling underway. Property completely surrounds the Magnacon gold deposit of Muscocho-Westfield, on which a substantial underground program is in progress. Property is north of Sault St. Marie, Ontario.
9. Hayden Hill, California	Silver State Mining Corporation	50%	Gold deposit — 11 million tons grading 0.032 oz. Au per ton.	Silver State to spend U.S. \$2,750,000 by December, 1989 to earn 50% interest. Additional reverse circulation drilling planned.
10. Alberts Lake, Manitoba		100%	Gold discovery — 400,000 tons grading 0.22 oz. Au per ton.	Property is 8 mi. SE of Tartan Lake. Metallurgical work indicates very fine grind to improve gold recovery. Closer spaced drilling in 1987.
11. Bigstone Lake, Saskatchewan	Sask. Mining & Development Corporation	50%	Copper/zinc deposit — 3,950,000 tons of 1.8% Cu and 1.1% Zn. This includes 1.6 million tons of 2.9% Cu and 340,000 tons of 11.2% Zn.	Deposits open to depth. Possibility of additional deep drilling under review.
12. Capoose Lake, British Columbia	Cominco 93F040 93F16E	75%	Silver/gold deposit — 31.2 million tons grading 1.05 oz. Ag and 0.015 oz. Au per ton.	Property is accessible by road.
13. Pine Bay, Manitoba		100%	Polymetallic deposit — 662,000 tons averaging 2.88% Cu with minor values in Au, Ag and Zn.	Road access and power available on site. Shaft down to 600 foot level. Subject to a 20% net profits interest.
14. Francis Lake, Manitoba	Sherritt Gordon Mines	34.2%	Polymetallic discovery — gold/silver/zinc/copper/lead.	Property is 3 mi. from Lynn Lake, Manitoba and accessible by road.
** Granges Placer, Yukon		100%	New acquisition	1986 production — 3000 oz. au. Estimated 1987 production 3000-4000 oz. Au.

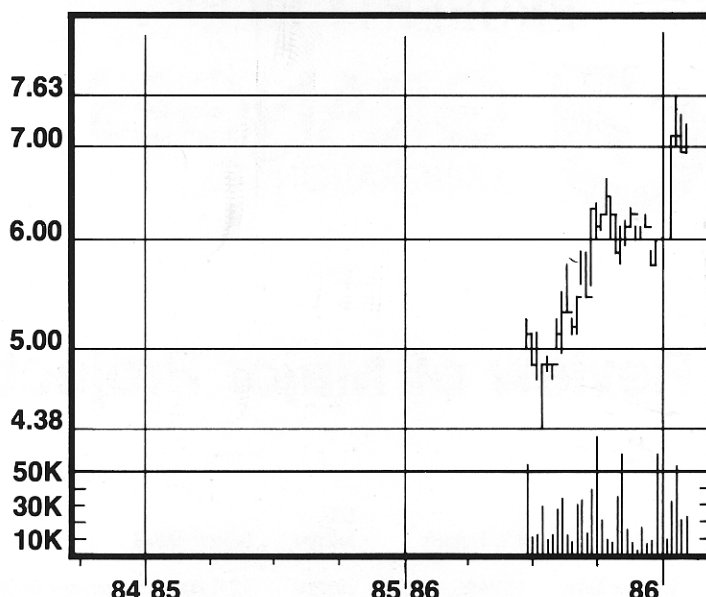
XREF'D

TORONTO STOCK EXCHANGE



From: Nov. 19, 1984 To: January 30, 1987 CDN\$

AMERICAN STOCK EXCHANGE



From June 18, 1986 To: January 30, 1987 US\$

SYMBOL: GXL

Granges currently manages over 80 mineral exploration projects in Canada and the U.S.A. The company's exploration budget in 1986 was Cdn.\$11,000,000 and it plans to spend Cdn.\$13,000,000 in 1987. The focus of exploration is on gold.

DIRECTORS & OFFICERS

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CORPORATE INFORMATION

Solicitors: DuMoulin Black 1004 - 595 Howe Street Vancouver, B.C. Canada V6C 2T5	Co-transfer Agents: Canada Trust, Toronto, Ontario, Canada Orion Royal Bank Limited, London, England Bank of New York, New York, U.S.A.
Auditors: Coopers & Lybrand 1111 West Hastings Street Vancouver, B.C. Canada V6E 3R2	Shares Listed: American Stock Exchange Toronto Stock Exchange The Exchange, London, England (Rule 535) Luxembourg Stock Exchange (Eurobonds)
Transfer Agent: Canada Trust 1055 Dunsmuir Street Vancouver, B.C. Canada V7X 1P3	Shares Authorized: 50,000,000 Common
Bankers: Lloyds Bank Canada 1090 West Georgia Street Vancouver, B.C. Canada V6E 3V7	Shares Issued: 13,859,417

Annual and Quarterly Reports available to shareholders and other interested parties on request.

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