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GREENSTONE RESOURCES LTD.

Summary

Greenstone Resources Ltd. has interests in mineral properties in Latin America, the Chibougamau area of northwestern Quebec and in southeastern British Columbia where work is being carried out through joint ventures with sister company Dragoon Resources Ltd.

The potential of the Colombia and Costa Rica gold properties is difficult to assess. Both are small deposits which conceivably could generate some cash flow but are considered to have limited potential for significant tonnages of mineable material.

The January 10, 1990 RBC Dominion Securities report on Greenstone cites the Millie Mack gold-silver-lead-zinc prospect in southeastern B.C. as being the most significant of the company's properties. In my opinion, this project is still a long way from being a viable deposit.

The company's best prospects may be in the Chibougamau area where it has interests in 80 mineral properties.

Comments re Greenstone's various properties are as follows:

Latin America

Both of the Latin America properties are reportedly near the production stage. The 100% owned Oronorte high grade gold project in Colombia has reserves of 145,000 tons with a diluted grade of 0.64 oz/ton gold. Values are contained in a 0.55 metre wide quartz vein. Underground mine development is apparently complete and a 110 tpd mill was in the tune-up stage in January.

The Recio property in Costa Rica includes a large epithermal quartz vein stockwork zone. Better gold values are in several zones including two slated for open pit development (166,000 tons - 0.09 oz/ton) and two underground deposits (218,000 tons - 0.301 oz/ton).

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Chibougamau Area, Quebec

Greenstone has interests in some 80 properties in the Chibougamau area - information is available on only several of these as follows:

Scott Lake

This property, a 50/50 joint venture with Thunderwood Resources, is situated 20 km southwest of Chibougamau and includes a small massive sulphide deposit originally defined by Les Ressources Camchib Inc. Geological reserves are 777,000 tons grading 0.41% copper, 6.87% zinc, 0.34 oz/ton silver and 0.01 oz/ton gold.

The deposit is developed in altered volcanics along the south contact of a quartz porphyry or felsic dome. Geophysics indicated anomalous areas along the north contact of the felsic dome and some 10500 metres of drilling was carried out by operator Thunderwood Resources. A copper-rich stringer sulphide zone, up to 150 metres thick, was intersected stratigraphically below a zinc-rich exhalite or cherty horizon. Best values were 0.31% zinc and 0.06 oz/ton silver over 13 metres. Additional drilling is planned for June to further test this zone which the company compares to early results obtained at the Aur Resources Louvicourt property.

Tache Lake

Greenstone owns 100% of this property in which Bitech Corporation has the right to earn 50% by spending \$1.5 million. The first drill hole of the 1990 program in January intersected 4 massive sulphide horizons all carrying zinc and gold values. The best result was 8.3% zinc and 0.320 oz/ton gold over 11 metres.

No additional results of consequence have been reported to date.

Gwillim Gold

This is a former gold producer which reportedly has reserves in all categories of 332,680 tons grading 0.301 oz/ton gold. Flanagan Mcadam Resources and Muscocho Explorations were earning a 50% interest in this property but considering the current affairs of these companies, this deal is probably dead.

Lada

This property is adjacent to the Joe Mann gold mine south of Chibougamau. Drilling is planned for 1990.

British Columbia Properties

Most of Greenstone's interests are in southeastern B.C. and are subject to joint venture agreements with sister company Dragoon Resources. Details are as follows:

Eskay Creek

The company jointly owns (with Dragoon and possibly Swift Minerals) a block of claims 3 miles south of the Prime/Stikine deposit. A drilling program was attempted in late November under predictable horrendous weather conditions. Current status is unknown.

Southeast B.C.

Several properties are being actively investigated including the Millie Mack prospect near Arrow Lakes northwest of Nelson. Gold-silver-lead-zinc mineralization is principally within a flat (thrust fault) zone up to 5 metres in thickness which is intermittently exposed around the periphery of Blue Grouse Mountain. This "5800 Layer" consists of friable, graphitic argillite with silicified inclusions and as such is very difficult to sample by way of drilling. Nevertheless, the company suggests potential reserves of 17 million tons grading 0.06 oz/ton gold and 2 oz/ton silver within the flat sheet or zone. This figure assumes consistent values throughout the zone which has been sampled only at a few locations around its periphery.

Work is currently being directed to a "higher grade" zone in order to define at least 2 million tons grading 0.15 oz/ton gold (equivalent) at a strip ratio of less than 2:1. Because of the difficulties encountered in sampling, bulk samples are being processed in a 50 tpd portable mill on site.

Mike Bapty, a capable mining engineer (ex-Cominco), is in charge of the program.

The McNeil Creek project, near Cranbrook, is directed to the search for a Sullivan type lead-zinc deposit at the Lower-Middle Aldridge Formation contact. The company has reported 106 ft. of sediments in one hole with pyrite, pyrrhotite and minor

sphalerite and galena. Best results were from a 3 ft. quartz vein above the favourable contact which assayed 18% combined lead-zinc and 2.6 oz/ton silver.

Two drills were on the property in January - no results of consequence are known.

The Gold Creek property, also in the Cranbrook area, includes syenite intrusions in late Precambrian sedimentary sequences. Heavy mineral concentrates have yielded a number of anomalous gold values and copper staining is widespread - the target is epithermal gold-copper.

The Tiger copper-lead-zinc-gold-silver prospect is a skarn developed in limestone adjacent to a syenite plug. Drilling is planned for 1990.

