

GCNL NO. 83

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**GREENSTONE RESOURCES LTD. (GRE-T,M; Nasdaq)**

**SECOND PHASE EXPLORATION AT MILLIE MACK TO PROCEED**

A \$700,000 second phase exploration program will start immediately on the Millie Mack property held 50/50 by Dragon Resources and Greenstone Resources. The resumed program is designed to upgrade reserves to the proven and probable categories and substantially expand possible reserves. (SEE GCNL NO.67, APRIL 7,1989 for detail of the property acquisition agreement.)

The property is located 30 km east of Burton, 30 km south of Nakusp, Lower Arrow Lake, Slocan area, B.C.

The current expenditure of \$700,000 is part of an overall \$3,100,000 program designed to bring the property to the end of a feasibility study by Dec.31,1989.

Preliminary results from a recent \$800,000 bulk sampling program have outlined an open pit zone estimated to contain 1,700,000 tons grading 0.14 oz.gold/t, 6.5 oz.silver/ton. Robert J.McGowan, president of Dragon suggests the zone may contain 3,000,000 tons of a similar grade. Earlier sampling programs had shown grades of 0.08 oz.gold/t, 4.5 oz.silver/t and 1% combined lead/zinc. The bulk sampling program also sampled a second zone which is indicated to have a larger tonnage potential. Assay results from this second zone are expected to be reported shortly.

The mineralization is in a detachment fault shear zone of fractured carbonaceous graphitic slate containing quartz pods overlying the Rossland volcanic rocks and underlying slates and argillites of the Jurassic age Slocan group. The shear is 20 to 100 feet thick, dips at 12 degrees to the southeast, outcropping continuously over all four sides of the mineralization. The sampling program was done with a 3 yard front end loader cutting approximately vertical surface face samples at regular intervals on three sides of the mineralized outcrop. Each sample was from 30 to 100 tons reduced prior to assaying. The new sampling will explore the fourth side.