eResearch

Initiating Report **December 14, 2009**

GREENOCK RESOURCES INC.

($0.065; TSX-V: GKR)

Recommendation
Speculative Buy

Risk
High

Price (December 11, 2009)
$0.065

52-Week Range
$0.20 - $0.05

Target Price (12 Months)
$0.50

Shares O/S
17.17 million

Market Cap
$1.1 million

Average Daily Volume
50-day:	40,900
200-day:	30,100

Year-End
December 31

Salient Statistics
Book Value Per Share	$0.34
Price/Book Value	0.19x
Properties Per Share	$0.35
Monthly Burn (2009e)	$33,300
Monthly Burn (2010e)	$58,300

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UPFRONT

Greenock Resources Inc. ("Greenock" or the "Company") is focused primarily on furthering its 70%-owned Kakanda copper project, which is located in the Democratic Republic of Congo (DRC). An updated feasibility study, which is expected in mid-2010, should garner increased investor attention to the Company's shares. At the same time, the Company will be progressing on its recently-acquired Needles gold property in Nevada. Copper and gold are at the forefront of investor interest in commodities. Success with either, or both, of these endeavours should make the current share price look cheap. Add in the potential for the Company's Australian copper/nickel/platinum/uranium prospect, plus its substantial equity interest in a publicly-quoted Australian uranium company, and Greenock represents an intriguing speculative investment in the junior mining sector.

RECOMMENDATION

We recommend Greenock as a Speculative Buy for risk-tolerant investors. Our twelve-month Target Price is $0.50.

PROFILE

Greenock Resources Inc. (formerly Simberi Mining Corporation) is a Canadian-based mineral development company focused on early- to mid-stage properties that have high potential for near-term production. Its flagship Kakanda project (copper) is located in the Democratic Republic of Congo (DRC). The Company is also active at its Needles property (gold) in Nevada, and its Merlot property (copper, nickel, platinum group) in Australia.

HIGHLIGHTS

Greenock:

- ► Has a resource estimate at its flagship Kakanda project (70% owned) in the DRC of over 18.5 million tonnes of Indicated Resources and over 10.7 million tonnes of Inferred Resources (NI 43-101 compliant). A new feasibility study is expected to be completed by June 2010;
- ► Partnered with La Générale des Carrières et des Mines ("Gecamines") which allows the Kakanda project to be developed sooner and more efficiently due to Gecamines's strong financial resources. Gecamines owns the remaining 30% of the project;
- ► Operates in the DRC, traditionally viewed to be an above-average investment risk. However, the country's risk profile has improved since 1997 with the ending of the Mobutu regime;
- ► Acquired 100% interest in the Needles project located in Nevada (USA). The project contains zones of epithermal gold and silver mineralization mined between 1919 and 1939. Nevada produced 6 million ounces of gold in 2008. This property has similar geological characteristics to the nearby Round Mountain operating gold mine (Barrick-Kinross) which, to date, has produced 10 million ounces of gold;
- ► Reorganized its Australian properties in 2008 with: (1) the purchase of the 20% remaining interest of the Merlot Project; and (2) the termination of the joint venture with Caldera and Ellendale on the Mount Narlee and Mount Sarah projects; and
- ► Sold its Lambina property to Raisama Limited for 2 million shares. Raisama Limited is a newly-listed company on the Australian Stock Exchange (ASX), with the symbol RAI. Raisama holds a number of uranium properties including the Sunday Creek project, adjacent to the Kintyre project, which was recently purchased by Cameco and Mitsubishi for US$500 million.

THE COMPANY

Greenock Resources Inc. is a Canadian-based international mineral development company that is focused on the development of a portfolio of base and precious metal properties.

The Company, through its subsidiaries, owns the following projects or investments:

1. The Kakanda tailing copper-cobalt project (70%), the Company's flagship project;
2. The Needles gold project (100%) in Nevada, USA.
3. Merlot property (100%) in Australia that contains gold, copper, nickel, platinum and uranium; and
4. Two million shares of Raisama Limited (recent market cap = A$1.07 million, or C$0.06 per Greenock share).

STRATEGY

Our assessment indicates that the Company pursues a conservative strategy with respect to investment risk. In particular, the Company: (a) acquires properties that are located in pro-investment regions, and which have significant potential because initial or extensive exploration already has been completed on them; and (b) develops prospects to improve its reserve base and extend the life of its mines.

In the medium term, the Company's focus will be to:

1. Complete an updated feasibility study for the Kakanda tailing project by June 2010;
2. Commence drilling and upgrade the Hard Rock resource at Kakanda;
3. Evaluate development options on its projects, either by seeking financing partners or issuing equity (require $4 million financing for the Kakanda exploration program, as recommended by MPH Consulting Limited's updated report);
4. Explore the Merlot Australian property;
5. Seek a JV partner to help develop its Merlot property; and
6. Complete a NI 43-101 report on the Needles project in Nevada, expected in early 2010.

INVESTMENT PERSPECTIVES

Although the Company's potential is largely dependent upon how management can increase the value of Kakanda, we have identified five factors that could have a significant influence on enhancing company value.

(1) Kakanda Property Attributes:

- The Kakanda project is located in the region that hosts one of the world's richest deposits of copper and cobalt;
- Previous owners and the Company have spent over $15 million in exploration expenditures on the project;
- A feasibility study on the Kakanda project was completed in 2007 by Bateman Mineral & Industrials Ltd. (Bateman). The report estimated a resource for the Kakanda project as follows:
  - Tailings: 18.5 million tonnes of Indicated Resource containing 494.9 million lbs of copper and 60.8 million lbs of cobalt; and
  - Hard rock: 11.3 million tonnes of Inferred Resource containing 809.4 million lbs of copper and 49.8 million lbs of cobalt.
- The Bateman study was updated by MPH Consulting Limited (MPH) in December 2008 to comply with NI 43-101 standards. The MPH report confirmed the tailings deposits reported in the Bateman study, but adjusted the hard rock deposits down slightly to 10.7 million tonnes of Inferred Resource; and
- The MPH report also updated the discounted cash flow (DCF) model for the tailings project as follows:
  - Undiscounted cash flow for the project is US$592.5 million;
  - The project's internal rate of return (IRR) is 37% before tax;
  - Payback period is approximately 2.25 years; and
  - The project's net present value (NPV) at a 20% discount rate is US$116.3 million. (If the project is five years to commencement, the NPV per share is $2.72; if three years, it is $3.92.)

More details are provided in the Valuation section beginning on page 4.

(2) Positive Long-term Outlook on Copper Price: The price of copper increased significantly over the last 10 years, moving from under US$1.00 per lb to as high as US$4.00 per lb before the global economic slowdown that began in summer 2008. Although the price retreated in summer 2008 to under US$1.50 per lb, it has improved since and currently is over US$3.00 per lb. According to Metal Bulletin Research and the London Metal Exchange (LME), the price of copper could stay above US$3.00 per lb through 2012. In any event, we think it unlikely that the price of copper will return to its historic low at under US$1.00. We also believe that the price for copper assumed in the MPH cash flow model of US$1.75/lb is reasonable, given the positive long-term forecast of the LME.

(3) The Central African Copper Belt: The Kakanda project is situated inside the Central African Copper Belt (CACB). The CACB is reported to contain in excess of 10% of the world's copper resources and about 34% of the world's cobalt deposits. Some of the world's biggest copper projects are being developed in the region. They are:

- The Tenke Fungurume project (57.75% owned by Freeport McMoRan, 24.7% owned by Lundin Mining, and the remaining owned by Gecamines, a Congolese state mining company). This project has an estimated life of 40 years, and currently produces 115,000 tonnes per annum of Grade A quality copper and 8,000 tonnes per annum of cobalt;
- Dikulushi Copper project (owned by Anvil Mining (90%) and a Community Trust (10%). This project, in production since October 2002, produced 11,047 tonnes of copper and 1.1 million oz of silver in 2008. The project is estimated to host 53,800 tonnes (M&I) and 25,700 tonnes of (Inferred) copper;

- Kamfundwa Copper Mine: owned by Harambee Mining Corp. (Harambee), Gecamines, and Swiss Sogemin (Sogemin). Harambee has concluded a deal with Gecamines and Sogemin to develop the Kamfundwa copper-cobalt deposit. Operations have been suspended since early 1999 due to the volatile security situation;
- Kolwezi Copper - Cobalt Mine (100% owned by Adastra Minerals Inc.); and
- Lonshi Copper - Cobalt Mine (owned by First Quantum Minerals).

(4) Strategic Joint Ventures: A strategic joint venture was formed between Gecamines and PTM Minerals (Cayman) Ltd. in 2007 to develop the Kakanda project. PTM is a wholly-owned subsidiary of Greenock. In December 2008, Gecamines and PTM signed a memorandum of understanding (MOU) to establish a joint venture, Kakanda Mining Development, to explore the Kakanda tailing deposits. The MOU allows Greenock to be a major shareholder with a 70% interest. This strategic joint venture is a positive development in reducing project risk and improving project financing. Other strategies for the Kakanda project include:

- Partner with an operating partner with African experience;
- Obtain political risk insurance to reduce investor experience; and
- Explore the Hard Rock resource which remains open at depth with potential for significant resource additions.

(5) Other Significant Properties: A substantial portion of the *e*Research Investment Considerations is weighted toward the Kakanda project. However, the Company also holds interests in other projects and investments in Australia, as well as the newly-acquired gold property in Nevada (USA). In our opinion, these properties and investments also could contribute significantly to investor interest in the Company (see Properties, page 12).

VALUATION

COMMENT: *In order to bring Kakanda forward, Greenock will need to partner. Thus, we assume that the Company will sell up to a 50% share of its current 70% interest, such that its ownership of Kakanda could range anywhere from 35% upwards. In our following valuation approaches, we are taking a conservative approach and are using a 35% interest.*

We provide various valuation methods to determine an appropriate value for the share price of Greenock Resources Inc. These methods are:

1. Market Capitalization-Resource Valuation, for Kakanda.
2. Discounted Cash Flow (DCF) Valuation, for Kakanda.
3. Property Ratio Valuation, also for Kakanda.
4. Per Attributable Resource Ounce (Gold) Valuation, for Needles.
5. Book Value, for Merlot.
6. Market Value, for the Raisama investment.

(1) Market Capitalization-Resource Valuation

*e*Research Approach

Under this methodology we:

- Evaluate the market capitalization-to-resource ratio (MK/R Ratio);
- Choose companies operating in the same region as Greenock, shown in the table below. In our analysis, we take into account the fact that these companies are at different stages of the mining cycle and have a difference in the quality of their respective resources;
- Assume US$1.75/lb for copper and US$13/lb for cobalt to calculate the copper equivalent. The amount of copper equivalent in million pounds is estimated by these companies and *e*Research.

- The MK/R Ratio indicates the value of the market capitalization over estimated copper (underground); the lower the ratio, the higher the potential for stock price appreciation.
- Our ratio does not take into account the production cost per unit, which differs among these companies.

TABLE 1: Market Capitalization Value and Resources Data
(Stock Price: As of December 11, 2009)

Company	Stock Symbol	Stock Price	Shares O/S (M)	Market Cap (M)	EV (M)	Copper Eqiv. (M	MK/R Ratio
Greenock Resources	GKR: TSX-V	$0.065	17.17	$1.1	$1.1	2,022	0.0006x
Africo Resources	ARL: TSX-V	$0.95	72.6	$69.0	nm	1,298	0.0532x
Anvil Mining	AVM: TSX-V	$3.19	117.6	$375.1	$324.6	4,711	0.0796x
Katanga Mining	KAT: TSX-V	$0.68	1,907.4	$1,297.0	$1,252.6	12,173	0.1065x
Peer Average						5,051.0	0.0600x
Peer Average (excluding Greenock)						6,060.8	0.0798x

Note : Copper (and copper equivalent) estimated by companies (either NI 43-101 or non-NI 43-101 compliant)
Source: The Company and *e* Research

Comparison Analysis

- The current MK/R Ratio for Greenock, at 0.0006x, is low compared with the peer average ratio of 0.0798x. The peer average ratio reflects the fact that Anvil Mining (Anvil) and Katanga Mining (Katanga) are in production and that the quality of their resources is higher (Anvil has over 20.3 million tonnes of proven and probable (P&P) reserves and Katanga has over 66 million tonnes of P&P reserves).
- The MK/R Ratio of Africo, at 0.0532x, is approximately 90 times higher than that of Greenock. However, this company is at the same stage of the mining cycle as Greenock. Even when we excluded the Hard Rock Inferred Resource estimate from the ratio, Africo's ratio is still about 60 times higher than that of Greenock. Compared to Africo, we believe that Greenock's stock is significantly undervalued.
- In our valuation of the potential price over the next 12 months, we take into account the $4 million capital spending (and the number of new shares to be issued) as suggested by the MPH report. Thus, we assume that the number of shares outstanding will be 30 million at the end of the next 12 months.
- We believe that, should Greenock be successful in obtaining the required financing and complete the updated feasibility study on the Kakanda project, its MK/R Ratio could reach to the 0.040x - 0.050x range.

Scenario Analysis

MK/R Ratio (x)	Copper in M lb	Potential MK (M)	Shares O/S (M)	Price/Share
0.005	2,022	$7.1	30	$0.24
0.010	2,022	$14.2	30	$0.47
0.020	2,022	$28.3	30	$0.94
0.030	2,022	$42.5	30	$1.42
0.040	2,022	$56.6	30	$1.89
0.050	2,022	$70.8	30	$2.36

Market capitalization is based on 70% interest.

- The above table takes different values of MK/R ratios for Greenock over the next 12 months. $4 million in capital expenditure is assumed for the Kakanda project.
- Our scenario analysis shows Greenock's stock price ranging from $0.24 per share (ratio of 0.005x) to $2.36 per share (ratio of 0.050x). At 0.050x, Greenock's stock price would be valued on the same basis as that of Africo Resources.
- We do not expect Greenock's ratio to reach Anvil's or Katanga's, since these companies are in production and Greenock is several years behind.

- However, if the Company is successful in obtaining financing for the next 12-month period, we think it is reasonable for the Company's ratio to approach that of Africo Resources within one year.
- Within the next 6 months, provided the Company completes an updated feasibility study on Kakanda, we believe the ratio should be at least 0.010x and the corresponding stock price should be at $0.47 per share.

(2) Discounted Cash Flow (DCF) Valuation

PRODUCTION AND CASH FLOW (MPH Report for Tailings Resource)										
Item	**Units**	**Year 0**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**
Total tonnes mined	000"s Mt		854	2,276	2,846	2,846	2,846	2,846	2,846	1,000
Total Cu produced	Tonnes		9,581	25,551	31,938	31,938	31,938	31,938	31,938	11,224
Total Co produced	Tonnes		1,050	2,800	3,500	3,500	3,500	3,500	3,500	1,230
Gross revenue	US$ millions		72.23	179.33	224.16	224.16	224.16	224.16	224.16	79.32
Operarting cost	US$ millions		23.89	60.44	78.08	78.04	84.51	78.86	78.86	27.71
CAPEX	US$ millions	-116.72	-127.77	-104.27						
Cash flow (CF)	US$ millions	-116.72	-79.42	14.61	146.08	146.12	139.65	145.30	145.30	51.61
Cumulative CF	**US$ millions**	**-116.72**	**-196.14**	**-181.53**	**-35.45**	**110.67**	**250.32**	**395.62**	**540.91**	**592.52**

Assumptions: Copper price = US$1.75/lb; Cobalt price = US$13/lb

- In our DCF model, we rely on the 2008 MPH report, which revised the cash flow model done in 1997 by Bateman. The total cumulative cash flow for the project (Tailings only) is $592.5 million (pre-tax). The life of the mine is 8 years, for a total of 9 years (including one year for mine construction).
- If different discount rates (10%, 20%, and 30%) are used, the corresponding stock price is shown in the table below:

Discounted Cash Flow	Project Value (US$ millions)	Greenock 70% (US$ millions)	Greenock 35% (US$ millions)	Shares/OS (millions)	Share Price (own 70%)	Share Price (own 35%)
Project Gross Revenues	1,452					
Project Cumulative Cash Flow	593					
NPV at a 10% discount rate	273	191	67	30	$6.37	$2.23
NPV at a 20% discount rate	116	81	28	30	$2.71	$0.95
NPV at a 30% discount rate	46	32	11	30	$1.07	$0.37

- The MPH report did not include the Hard Rock resource estimate. In our opinion, this 10.7 million tonnes of resource should also be included in the DCF valuation because it is considered, as stated in the Bateman Report, to be a provisional Indicated Resource.
- We assume the number of outstanding shares to be 30 million (the same as the number of shares assumed in the Market Capitalization Approach, because we expect any financing to build the mine would be done off balance sheet at the PTM level).
- Our valuation of Greenock over the next 12 months is based on the following:
  - We assume the most conservative discount rate at 30%.
  - We believe Greenock would have to seek partners with strong financial resources to build up the mine. As a result, its ownership of the project would be reduced.
  - If Greenock owns 70% of the project, we derive a value for Greenock of $1.07 per share.
  - If Greenock owns 35% of the project, we derive a value for Greenock of $0.37 per share.
  - We add $0.05 per share as a result of our valuation of the Hard Rock Inferred Resource of 10.7 million tonnes, to calculate an Intrinsic Value of $0.42 per share.

(3) Property Ratio Valuation Method

Greenock Resources Inc. is compared to four peers in our Property Ratio table below.

- All peers have major copper-cobalt properties;
- Except for Redhawk Resources, all peers are located in the DRC; and
- Redhawk is located in Canada, and is similar in size to Greenock.

Table 2: Corporate Comparison

Property Comparison	**Greenock Resources Inc. GKR : TSX-V**	**Africo Resources Ltd. ARL : TSX**	**El Niño Ventures Inc. ELN : TSX-V**	**Katanga Mining Limited KAT : TSX**	**Redhawk Resources Inc. RDK : TSX-V**
Stage	Exploration	Exploration	Exploration	Producer	Exploration
Financial Statement Date:	Sep 30, 2009	Sep 30, 2009	Jul 31, 2009	Sep 30, 2009	Sep 30, 2009
Corporate:					
Share Price (50-day avg)	$0.09	$0.89	$0.09	$0.76	$0.22
Shares O/S	17,171,183	72,646,614	72,646,614	1,907,380,413	83,360,820
Market Cap (Based on 50-day avg)	$1,545,406	$64,386,694	$6,654,430	$1,456,284,945	$18,564,455
Mineral Properties:					
Book Value (Cost) (1)	$5,941,461	$120,671,269	$14,209,629	$1,102,745,000	$13,547,191
Market Value	$1,224,511	$48,043,914	$5,368,716	$797,409,945	$18,221,007
Difference	($4,716,950)	($72,627,355)	($8,840,913)	($305,335,055)	$4,673,816
Property Ratio	**0.21**	**0.40**	**0.38**	**0.72**	**1.35**
Average Ratio (Peers)	0.71				
Adjusted Book Value (1)	$9,941,461				
Adjsuted Property Ratio	0.24				
Selected Ratio	1.25				
Common Equity (Per Statements)	$5,918,401				
Adjusted Common Equity (Selected Ratio)(2)	$12,426,826				
Equity Per Share (Per Statements)	$0.34				
Adjusted Equity Per Share (Selected Ratio) (3)	$0.41				

Note 1: Book Value is at date shown; Adjusted Book Value is adjusted for $4 million in CAPEX over the next 12 months.
Note 2: Equity is adjusted for additional equity (estimate $5 million) over the next 12 months based on our Selected Ratio.
Note 3: Adjusted Equity Per Share is calculated based on the assumption of 30 million shares outstanding.
Note 4: We use the 50-day average price for the period ending December 11, 2009 for all companies in our table.
Source: *e*Research

*e*Research Approach

*e*Research's method of property valuation takes into account the following:

- The book value of the property is at the time of the latest financial statements, and the market value is at the date indicated in the table;
- The property value is adjusted for cash and cash equivalents, which after allowing for working capital requirements, are assumed to be used for exploration purposes;
- We estimate the amount of capital expenditures to be spent over the next 12 months by the Company and adjusted the book property value accordingly;
- Our Property Ratio shows the market premium over the book value of the property; and
- The Selected Ratio we chose for the Company (see "Analysis of the Property Ratio" following) reflects our expectation for the Company's potential, after a careful analysis of the property, the expected drill program, the potential of the property, and the timelines that the Company is expected to achieve over the next 12 months.

Analysis of the Property Ratio

The Property Valuation Approach is based upon an analysis of the Property Ratio, which measures the premium the market currently places on a company's mineral properties. All else being equal, a higher premium indicates the market is anticipating greater future value from the assets in the ground, while a lower premium may represent an undervalued asset. Our analysis utilizes the latest available financial statements for the respective companies.

- Greenock's current Property Ratio of 0.21x is far less than the average ratio of 0.71x for its peers.
- We are choosing a ratio of 1.25x as the most appropriate for Greenock at the present time, based on the assumed timely completion of a new feasibility report on the Kakanda project; and
- At the Selected Ratio of 1.25x, the intrinsic value of Greenock Resources Inc. is $0.41 per share.

(4) Per Attributable Resource Ounce (Gold) Valuation

This valuation methodology pertains to the Needles property in Nevada. Since the Company has not yet established reserves, we value this gold property on the basis of "per attributable resource ounce".

Our matrix below sets out the following:

(1) A range of values for the price of gold, in the ground, from US$5 per ounce to US$30 per ounce; and
(2) A size of deposit ranging from 300,000 ounces to 700,000 ounces.

Our exercise provides a range of values for Needles from C$1.42 million, or $0.05 per share, to C$19.91 million, or $0.66 per share.

Taking the in-ground price of gold to be US$15/ounce and a 500,000-ounce deposit, the Intrinsic Value for the Needles property would be $7.1 million, or $0.24 per share.

Success with the drill bit will not be instantly reflected in the share price. It will take time, years, to delineate an ore body, assess the potential, build the mine shaft(s) and the milling structure (if Greenock does it themselves), process the ore, and sell the output on the market.

COMMENT: *If it seems likely that a sizable gold property exists at Needles, it is possible that Greenock could receive an offer, either for the whole company or for the project alone.*

Table 3: Matrix of Values Per Attributable Resource Ounce

Per Attributable Gold Resource Ounce (in-the-ground)	US$5	US$10	US$15	US$20	US$25	US$30
Market Cap (C$ @C$1=US$1.055)						
Using 300,000 Resource Ounces	$1,421,801	$2,843,602	$4,265,403	$5,687,204	$7,109,005	$8,530,806
Using 400,000 Resource Ounces	$1,895,735	$3,791,469	$5,687,204	$7,582,938	$9,478,673	$11,374,408
Using 500,000 Resource Ounces	$2,369,668	$4,739,336	$7,109,005	$9,478,673	$11,848,341	$14,218,009
Using 600,000 Resource Ounces	$2,843,602	$5,687,204	$8,530,806	$11,374,408	$14,218,009	$17,061,611
Using 700,000 Resource Ounces	$3,317,536	$6,635,071	$9,952,607	$13,270,142	$16,587,678	$19,905,213
Value Per Share (30M shares)						
Using 300,000 Ounces	$0.05	$0.09	$0.14	$0.19	$0.24	$0.28
Using 400,000 Ounces	$0.06	$0.13	$0.19	$0.25	$0.32	$0.38
Using 500,000 Ounces	$0.08	$0.16	$0.24	$0.32	$0.39	$0.47
Using 600,000 Ounces	$0.09	$0.19	$0.28	$0.38	$0.47	$0.57
Using 700,000 Ounces	$0.11	$0.22	$0.33	$0.44	$0.55	$0.66

Source: *e*Research

(5) Book Value

The Merlot property is in early-stage exploration and, therefore, we are attributing a value to it of its current book value of approximately $560,000, or $0.03 per share.

(6) Raisama Investment

Greenock owns 2 million shares of Raisama Limited, an Australian mining company quoted on the Australian Stock Exchange, with the symbol RAI. A recent stock price was A$0.535, which is about C$0.515 and, therefore, Greenock's interest is worth about C$1.03 million, or $0.06 per Greenock share. (See also page 15).

(7) Conclusion

- The Intrinsic Value under the various methodologies are summarized as follows:
  1. The Market Cap Valuation method, the Intrinsic Value was determined to be $0.47 per share (Kakanda).
  2. The DCF Valuation method, the Intrinsic Value was calculated to be $0.37 per share (35%) (Kakanda).
  3. The Property Ratio Valuation method approach was calculated to be $0.41 per share (Kakanda).
  4. The Per Attributable Resource Ounce (Gold) Valuation method, the Intrinsic Value was calculated to be $0.24 per share (Needles).
  5. The Book Value of Merlot is calculated to be $0.03 per share.
  6. The Raisama investment is worth $0.06 per share.

- Our Valuation conclusion is based on the following assumptions:
  (1) The Company will obtain the required financing for its exploration program;
  (2) The copper price over the next 12 months will trade in the US$1.75/lb to $2.50/lb range;
  (3) A NI 43-101 report is completed on the Needles project in early 2010; and
  (4) The Company will achieve a favourable NI 43-101 feasibility report on Kakanda within 6 months.
- Based on our various valuation methodologies, we believe Greenock's stock could reach around $0.67-$0.77 per share over the next 24 months.
- If the copper price escalates through US$3.50/lb and continually trades above this benchmark, the stock price of Greenock should move even higher.
- We also consider the following scenarios for Greenock's future stock price:

Success Scenario	**Over the next 24 months**			
Kakanda Project Needles Project	Success Success	Success No Success	No Success Success	No Success No Success
Valuation Per Share	**$0.75**	**$0.50**	**$0.24**	**$0.09**

Source: *e*Research

- Kakanda: Success means obtaining the required financing and a positive new feasibility.
- Needles: Success means obtaining a NI 43-101 resource estimate for the project.

TARGET PRICE

Our Target Price for Greenock Resources over the next twelve months is based almost exclusively on the prospects for Kakanda. The mid-point of our three valuation methodologies equates to $0.42 per share. Add in Merlot and the Raisama investment and we derive our 12-month Target Price of $0.50 per share.

Looking ahead, the potential for Needles will play an increasing role such that, over the next two years, the stock could reach $0.75 per share. A further premium would be justified if there is significant success with the drill bit, or other positive factors.

FINANCIAL REVIEW AND OUTLOOK

Financial Year End

December 31

Revenues

The Company currently generates no revenues. Greenock will report losses for the next few years, until it is able to bring its Kakanda tailings project into production.

Cash Burn Rate

The cash burn rate for 2009 decreased significantly over the prior year to approximately $33,300 (*e*Research estimate). With the Company expected to increase exploration activities on the Kakanda and Needles projects for next year, we expect the monthly burn rate to rise to around $58,300.

Cash

The Company currently has little cash.

Capital Expenditures for Exploration

Capital expenditures will increase for the upcoming year due to the Kakanda project's concession payment and for the project's updated feasibility study. In addition, there will be ongoing miscellaneous exploration on the Company's Australian properties and the commencement of the Nevada program. Management estimates capital expenditures over the next 12-24 months to be $10.0M. We estimate Greenock's 2010 capex to be $4.0 million.

Kakanda Concession Payment	$2.5M
Kakanda Updated Feasibility	$4.0M
Nevada program	$2.0M
Australia (Miscellaneous)	$1.5M
Total Capex	$10.0M

Financing

The Company expects to obtain a moderate amount of funds through a private placement soon.
For the 2010 financing requirement, the Company expects to raise funds to finance its capital expenditures through the following possibilities:

- To issue shares at PTM Minerals to avoid share dilution at the holding level.
- To actively seek partners who have strong financial resources.
- To seek buyers of PTM Minerals while the Company maintain a majority interest.

SELECTED FINANCIAL INFORMATION

TABLE 4: SELECTED FINANCIAL INFORMATION

	Year Ending Dec 31/2007	Year Ending Dec 31/2008	9Mo Sept 30 2009	12 Months Sept 30/2009	Year Ending Dec 31/2009E	Year Ending Dec 31/2010E
Statement of Income/(Loss):						
Operating Income	-	-		-		-
Non-Operating Income	131,470	7,240	-	(16,252)	-	-
General & Administrative Expense	(1,408,060)	(929,242)	(394,039)	(563,998)	(400,000)	(700,000)
Amortization	(6,100)	(8,156)	(4,192)	(6,231)	(6,000)	(7,000)
Stock-based Compensation	(401,859)	(24,531)	(50,306)	(48,527)	(60,000)	(100,000)
Non-cash items adjustments	(120,464)	(398,470)	(363,563)	(890,603)	(400,000)	(200,000)
Other Income/(Expenses)	(46,190)	79,325	7,662	202,795	8,000	-
Net Income/(Loss)	(1,851,203)	(1,273,834)	(804,438)	(1,322,816)	(858,000)	(1,007,000)
Total Shares Outstanding	16,291,183	16,421,183	17,171,183	17,171,183	17,471,183	30,000,000
Weighted Average Shares Outstanding	15,999,813	16,384,964	17,061,842	17,108,683	17,121,183	23,560,592
Earnings (Loss) Per Share	($0.12)	($0.08)	($0.05)	($0.08)	($0.05)	($0.04)
Statement of Cash Flow:						
Net Income (Loss)	(1,851,203)	(1,273,834)	(804,438)	(1,322,816)	(858,000)	(1,007,000)
All Non-Cash Items	528,423	447,672	412,273	848,932	466,000	307,000
Cash Flow from Operations	(1,322,780)	(826,162)	(392,165)	(473,884)	(392,000)	(700,000)
Capital Expenditures (Properties)	(1,532,543)	(1,301,292)	(177,156)	(728,013)	(225,000)	(4,000,000)
Other Investing Items	(718,606)	628,305	120,517	706,645	121,000	-
Free Cash Flow	(3,573,929)	(1,499,149)	(448,804)	(495,252)	(496,000)	(4,700,000)
Working Capital Changes	(280,733)	209,218	234,823	317,474	140,574	(290,000)
Equity Financing	-	-	65,000	65,000	265,000	5,000,000
Debt Financing	18,388	-	-	3,590	-	-
Change in Cash	(3,836,274)	(1,289,931)	(148,981)	(109,188)	(90,426)	10,000
Cash, Beginning of the Period	5,316,953	1,480,679	190,748	150,955	190,748	100,322
Cash, End of the Period	1,480,679	190,748	41,767	41,767	100,322	110,322
	As at Dec 31 2007	As at Dec 31 2008	As at Sept 30 2009	As at Sep 30 2009	As at Dec 31 2009E	As at Dec 31 2010E
Balance Sheet:						
Cash	1,480,679	190,748	41,767	41,767	100,322	110,322
Other Current Assets	960,886	117,372	264,527	264,527	250,000	350,000
Mining Properties	5,077,050	6,429,836	5,941,461	5,941,461	5,979,611	9,972,611
Other Assets	363,823	18,793	14,601	14,601	14,600	14,600
Total Assets	7,882,438	6,756,749	6,262,356	6,262,356	6,344,533	10,447,533
Current Liabilities	148,415	149,216	343,955	343,955	330,000	350,000
Debt Obligations	-	-	-	-	-	-
Total Liabilities	148,415	149,216	343,955	343,955	330,000	440,000
Shareholders' Equity	7,734,023	6,607,533	5,918,401	5,918,401	6,014,533	10,007,533
Total Liabilities & Equity	7,882,438	6,756,749	6,262,356	6,262,356	6,344,533	10,447,533
Book Value (S.E.) Per Share	$0.47	$0.40	$0.34	$0.34	$0.34	$0.33

Source: *e*Research

COMMENT: *The above table shows the full-year audited results for 2007 and 2008, the last nine and twelve months unaudited results to September 30, 2009, and our estimates for calendar 2009 and 2010. As shown, we are expecting 2009 to be little different than what the Company recorded over the last twelve months. Looking ahead to 2010, we are assuming that Greenock raises the $5 million in equity to fund $4 million of its capex program over the next 12-24 months plus its expected burn. Share dilution will depend on what price new shares are issued. The alternative is to be bought out, but we think the Company is not far enough along the buy-out curve to attract acquisition attention.*

APPENDIX 1: PROPERTIES

Greenock Resources has interests in three properties, of which its most advanced, the Kakanda Project, is located in the Democratic Republic of the Congo (DRC). The Company's other projects are located in Nevada and Australia.

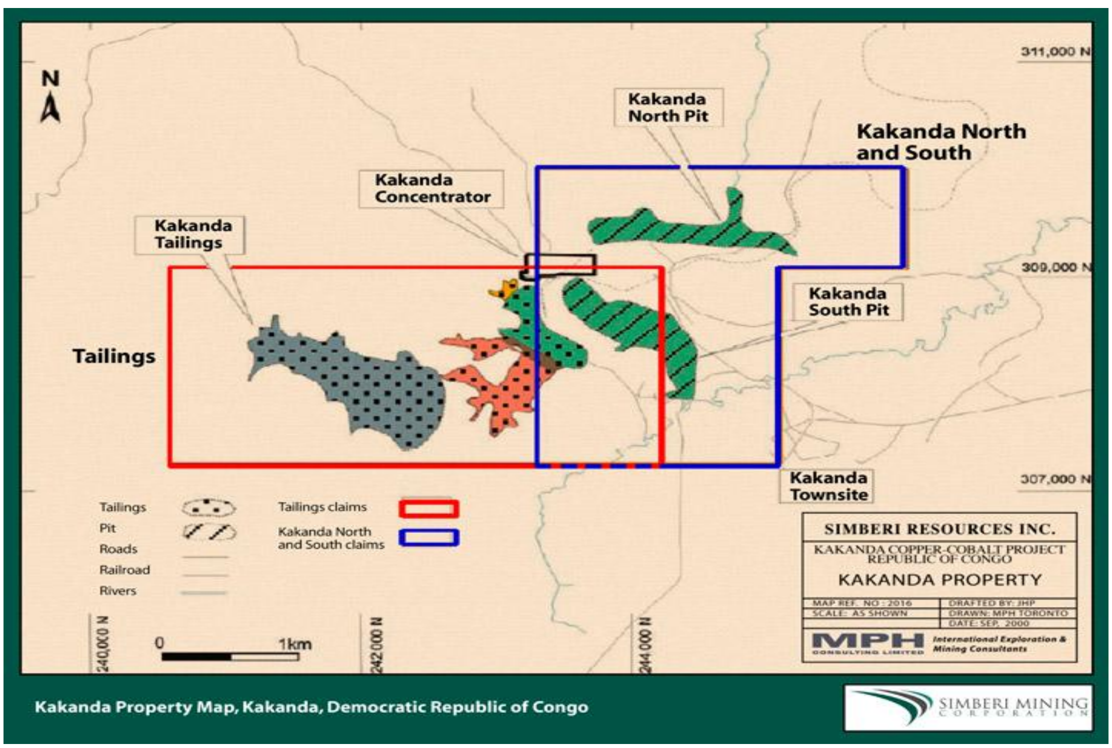
Location	Property	Ownership	Minerals
DRC	Kakanda	70%	Copper/Cobalt
Nevada	Needles	100%	Gold/Silver
Australia	Merlot	100%	Nickel/Copper/Platinum

Greenock also holds an equity investment in Raisama Limited, a publicly-quoted Australian company with uranium properties.

1. Kakanda, Democratic Republic of the Congo

The Kakanda copper-cobalt property is Greenock's flagship project. Greenock has a 70% stake in the property through its wholly-owned subsidiary PTM Minerals Ltd. The remaining 30% is held by the state mining company, La Générale des Carrières et des Mines ("Gecamines"). The Kakanda property is located 70 km northwest of the major regional city of Likasi. Likasi, in turn, is 120 km from the provincial capital of Lubumbashi.

Map 1: The Kakanda Property



Source: Greenock

The Kakanda project is situated within the Lufilian Arc which hosts some of the world's richest deposits of copper and cobalt. The project encompasses two distinct areas: (1) the Kakanda tailings claim, and (2) the Kakanda North and South claim.

A feasibility study completed in October 1997 by Bateman Minerals & Industrial Ltd. concluded that the Kakanda Project was technically feasible and economically viable. The estimated resource from both the tailings and the hard rock open pit operations were used in Bateman's study and are outlined below.

Kakanda Resources	**Tonnes (millions)**	**Cu%**	**Co%**	**Contained Copper (million lbs)**	**Contained Cobalt (million lbs)**
Tailings (Indicated)	18.4	1.22	0.15	494.7	60.8
Hard Rock (Inferred)	11.3	3.25	0.2	809.4	49.8

In September 2006, Greenock approached MPH Consulting Limited to update the report to comply with NI 43-101 standards. In the second quarter of 2008, MPH concluded that the Kakanda project represented a good opportunity to develop a copper-cobalt mining operation. MPH confirmed the prior resource estimates for the Kakanda tailings deposits above and reported 10.7 million tonnes of Inferred Resource with a grade of 3.01% Cu and 0.21% Co at the Kakanda North pit. The Hard Rock resource remains open at depth and could be examined with deeper drilling and an underground plan. MPH has set out a budget of US$4.0 million to complete the detailed work on the tailings and hard rock deposits.

COMMENT: *Greenock is currently evaluating appropriate strategic options to develop the Kakanda project, one of which could involve a direct investment in Kakanda.*

2. Needles Property, Nevada

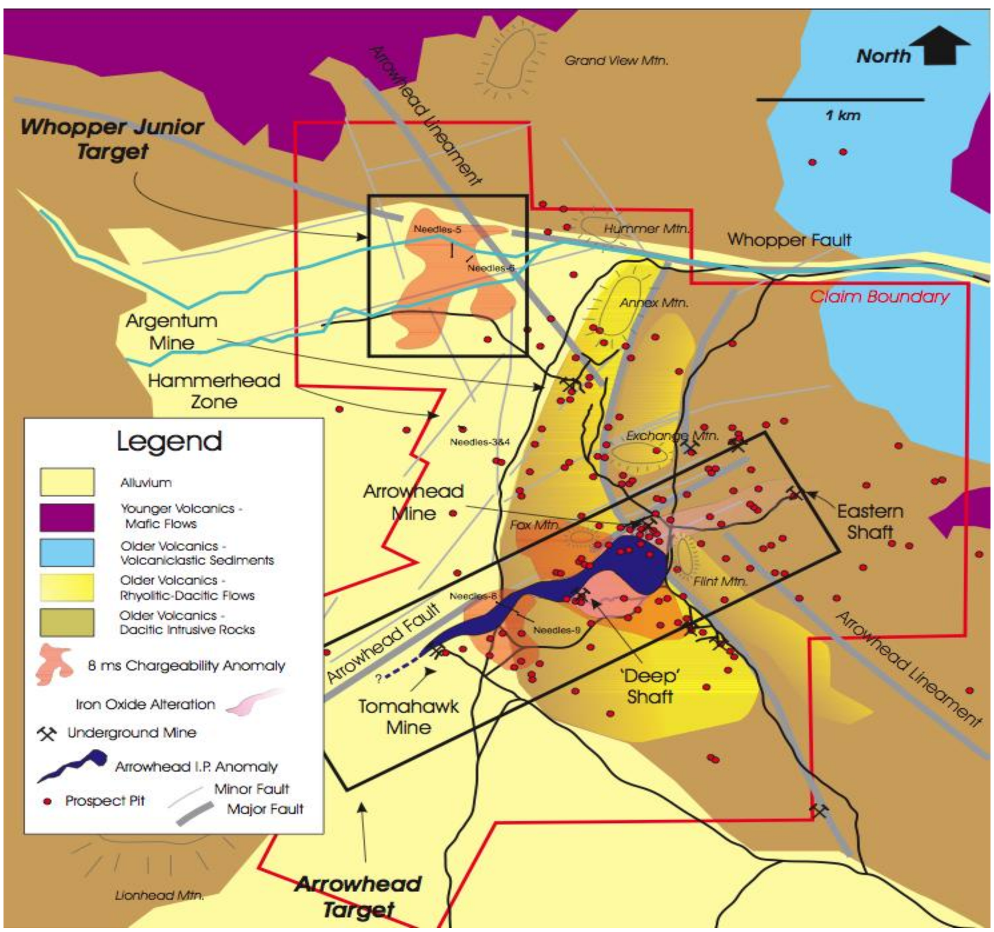
In October 2009, Greenock announced that it had completed a letter of intent with District Gold Inc. to acquire 100% of the Needles property in Nevada. The Needles property consists of 109 contiguous claims and is located on the southern extension of the Battle Mountain-Eureka gold trend, approximately 40 miles southeast of the Barrick-Kinross Round Mountain gold mine, in the Arrowhead Mining District.

The Needles property has zones of epithermal gold and silver mineralization that were mined between 1919 and 1939. The property contains geology similar to that of Round Mountain which produced an excess of 10 million ounces of gold. Recent limited exploration has identified other mineralized zones of gold and silver. Greenock believes that the property offers further exploration opportunity for gold and silver mineralization. The Company plans to complete a NI 43-101 report soon.

COMMENT: *Since 2004, more than $1 million in exploration expenses have been spent on the Needles Project.*

The map below shows the Needles property centered on the Arrowhead Lineament Fault. A large area of the North Northwest-trending Arrowhead Lineament fault structure remains unexplored.

Map 2: The Needles Property



Source: Greenock

3. Australian Projects

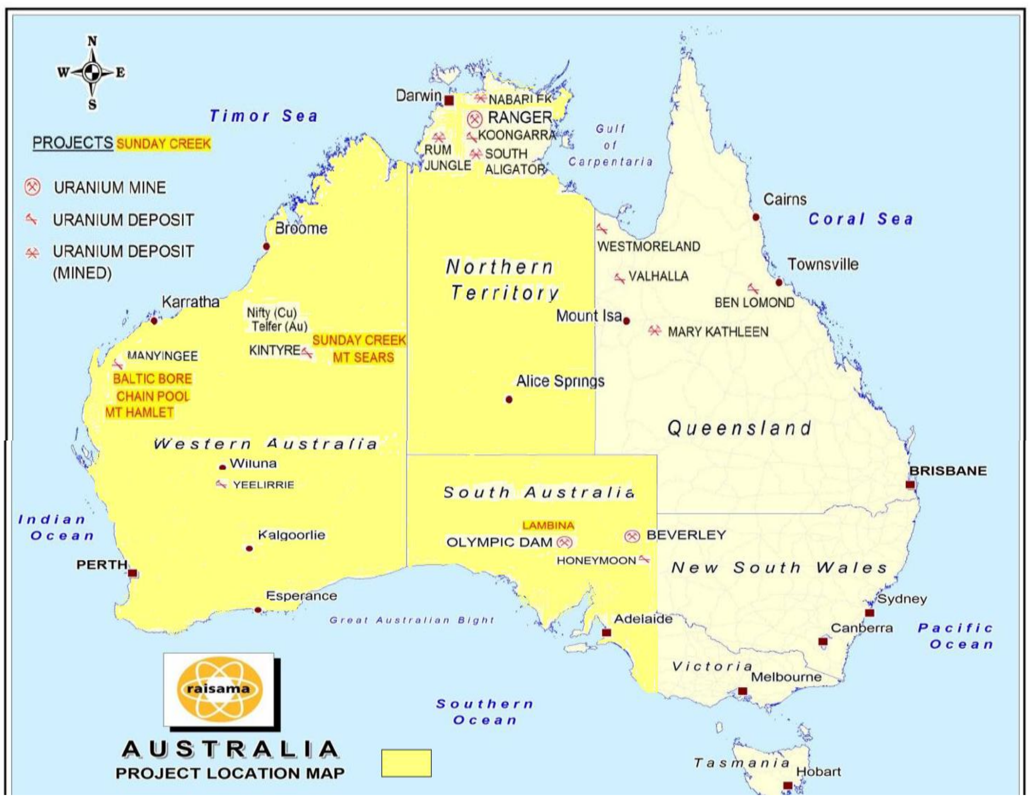
Greenock has interests in two investments in Australia: (1) an equity interest in publicly-quoted Raisama Limited, and (2) the Merlot property, with potential for copper, nickel, and platinum group mineralization.

(a) Raisama Limited

In the first half of 2009, Greenock sold its Lambina gold-uranium-copper property through its wholly-owned SA Drilling to Raisama PTY Ltd. ("Raisama") for A$300,000 in shares of Raisama. Greenock immediately received 2 million common shares issued at A$0.10 per share. The Company will receive a further 1 million common shares through an equity issue when Raisama commences drilling on the property. Greenock is enhancing the value of this property through the property's disposition by combining it with Raisama's larger uranium exploration portfolio that will be developed by an experienced Australian-based management team. Raisama (RAI:ASX) has recently started trading on the Australian Stock Exchange around A$0.50-$0.55.

Raisama has assembled a high-quality package of predominantly primary uranium target assets, which it has been actively and systematically exploring as a private company. The Company has achieved consistently strong exploration results through its highly-qualified exploration team. The map shows Raisama's projects.

Map 3: Raisama Limited's Properties



Source: Greenock

(b) Merlot, Western Australia

The Merlot property is approximately 900 km^2 and covers part of the Sefton Lineament in Western Australia. The property contains a number of high potential geophysical anomalies and historical sampling that indicate the presence of copper, nickel and platinum group mineralization. Greenock is in discussions with a number of parties about joint venturing. Another option is selling all or part of the property for cash and/or shares to an interested third party.

APPENDIX 2: MANAGEMENT AND DIRECTORS

Michael Newbury – President & Chief Executive Officer
Mr. Newbury has 35 years experience in the financial and natural resource sector. Since 1993, he has been an independent consultant providing financial advisory services in the natural resources industries to assist companies to structure joint ventures and finance projects. He specializes in corporate structuring, mergers and acquisitions, evaluation and project financing. Prior to 1993, Mr.Newbury held senior managerial positions with various financial institutions such as Credit Suisse Canada, the Royal Bank of Canada, Barclays Bank of Canada and Hiram Walker Resources Ltd. He has also held a variety of positions in the natural resources industry, primarily engaged in the evaluation of assets and the exploitation of petroleum and mineral resources. Mr. Newbury has a B.Sc. from Queen's University and an M.Sc. and Ph.D. studies from McGill University. He is a professional engineer in Ontario and a member of CIMM and of the American Institute of Mining and Petroleum Engineers.

James S. Hershaw – Vice President Mineral/Corporate Development & Chief Financial Officer
Mr. Hershaw has 29 years of resource development expertise in Canada and Africa. He graduated from Queen's University in Mining Engineering, received his MBA from the University of Alberta and holds the Chartered Financial Analyst designation. Mr. Hershaw is a founding partner of WATT Capital with senior roles in resource and investment organizations. He has extensive experience with resource development and capital markets and flow through shares with several firms, including Nesbitt Burns, Dynamic Funds and Imperial Oil.

Paul Pathak – Corporate Secretary
Mr. Pathak is a partner of Chitiz Pathak LLP, a Toronto law firm serving clients in the securities and investment industries. He practices in the areas of corporate, securities, mergers, acquisitions and commercial law. Mr. Pathak represents and provides guidance to private and public corporate clients in a broad range of industries, including natural resources, technology, manufacturing, merchant banking and advertising.

Maurice Stekel – Director
Mr. Stekel became a member of The Institute of Chartered Accountants in 1958, and was elected by the Council of The Institute as a “Life Member” in November 2003. Now retired, he was a founding and senior partner in the firm of Birnbaum, Prenick, Stekel & Co., Chartered Accountants, which was founded in 1965. Throughout Mr. Stekel’s career, he has been involved in various aspects of the mining industry. Also, since 1963, he has held directorships in numerous mining companies, as well as in various other corporations.

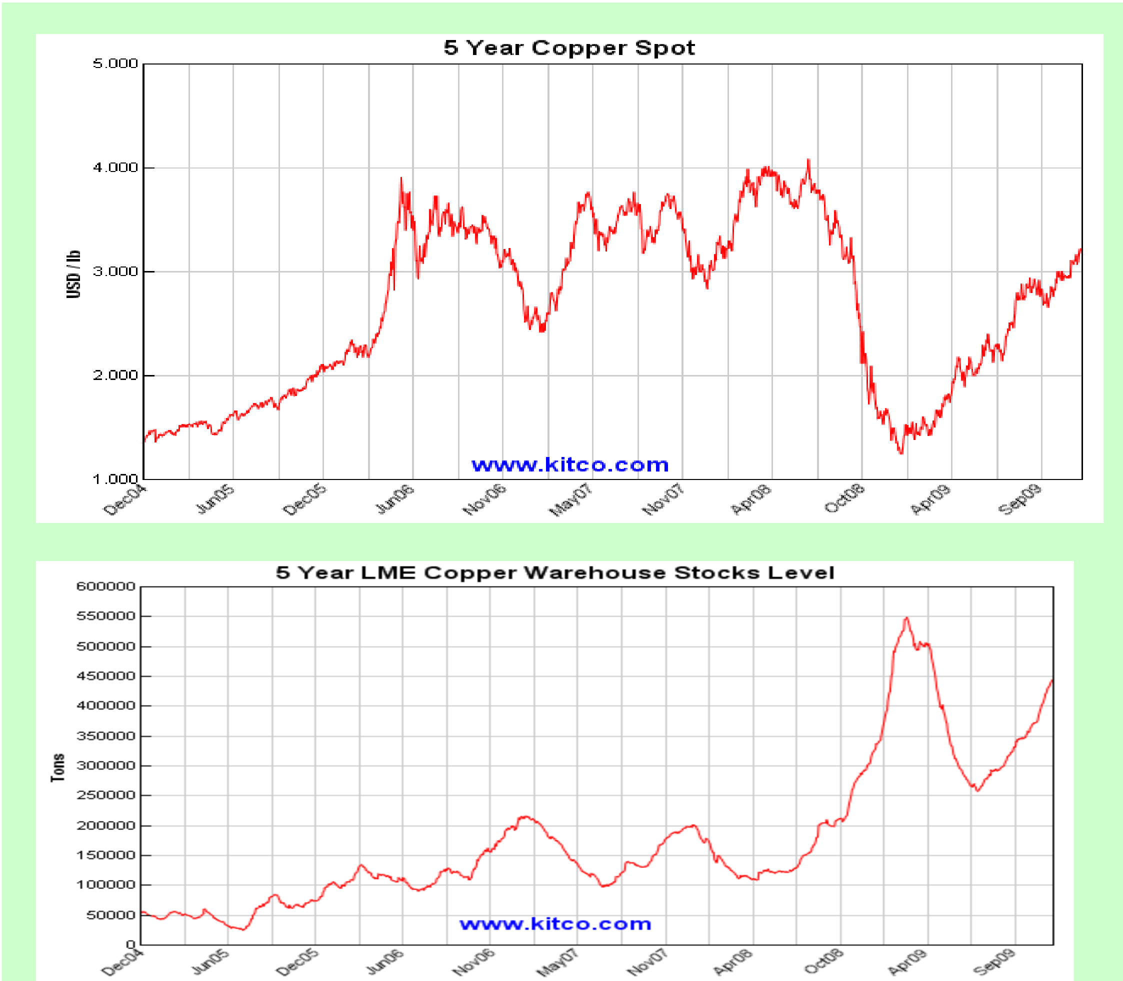
William Potter – Director
Mr. Potter is an investment banker with over 30 years of experience. He has held various senior positions with several bank and financial institutions including White, Weld & Co., Inc. and Toronto Dominion Bank in Toronto and New York and Barclays Bank PLC. Mr. Potter is currently the Chairman of R. Meredith & Co., Inc. in New York City, and currently serves as a director for numerous companies including.

John Cerenzia – Director
Mr. Cerenzia has experience with small capitalization companies and junior resource issuers, as a former director of Helix Ventures Inc. an oil and gas development and exploration company with properties in Alberta and Saskatchewan, as a former director of YSV Ventures Inc., a company conducting mineral exploration in Ontario, and as a former director of Richview Resources Inc., a mineral exploration and development company with properties in northern Ontario. Mr. Cerenzia is currently a director of Kent Exploration Inc. and Talware Networx Inc. He has served as consultant to other public companies and was formerly a Systems Business Analyst with the Ontario Ministry of Transportation, where he worked for 32 years.

David Ashworth – Director
Mr. Ashworth has 29 years’ experience in a wide variety of industries from oil and gas, furniture manufacturing, computer peripherals, food service and retail, both in the public and private sectors. He received his CMA designation in 1993 and has held senior accounting and Controllership positions in each of these sectors in addition to his own start-up companies. He has been a board member of several private corporations and is currently CFO and a board member of a privately-held biotech R&D company based in Toronto.

APPENDIX 3: THE COPPER MARKET

(1) Historical Prices



Source: www.kitco.com

- Copper experienced a long period of lower prices (below US$1.00/lb) prior to 2004. The price climbed sharply to US$4.00/lb in mid-2006. Since then, copper prices, like other commodities, have been volatile, as copper prices reflect not only the demand/supply/stockpile balance but also the speculative forces played by hedge funds.

- Fundamentally, the modernization and industrialization of Asian countries, especially China, are main drivers that have been responsible for the increases in demand.

- The price retreated significantly in summer 2008 due to the slowdown of the global economy. During the period from August 2008 to April 2009, the copper stockpile reached its record high at around 550,000 tonnes (as indicated in the chart above).

- As Asia led the world with its economic recovery, the demand for copper picked up. In summer 2009, the copper price started to recover and climbed back to over US$3.00/lb from under US$1.50/lb to its current level of US$3.12/lb. It has remained fairly steady in the US$3.00 – US$3.20/lb range over the past month.

(2) Supply-Demand and Price Forecast

Global Refined Copper Supply-Demand Balance ('000 tonnes) Price Forecasts, 2008-2012					
Base Case	**2008A**	**2009F**	**2010F**	**2011F**	**2012F**
Production	18,350	18,393	18,980	19,270	19,670
% change year-on-year	1.90%	0.20%	3.20%	1.50%	2.10%
Consumption	18,066	18,054	19,091	19,530	20,100
% change year-on-year	0.10%	-0.10%	5.70%	2.30%	2.90%
Balance	284	339	(111)	(260)	(430)
Total reported stock	780	1,119	1,008	748	318
(1) LME Base Case Price (US$/lb)	3.16	2.32	3.02	3.14	3.36
(2) High Case Scenario (US$/lb)		2.38	31.8	3.63	4.08
(3) Low Case Scenario (US$/lb)		2.29	2.49	2.72	2.95
* High Case assumes extensive supply cut backs keep at lower levels than in previous downturn.					
* Low Case assumes deeper and longer recession and demand destruction.					

Source: Metal Bulletin Research and LME

- The above table displays the supply/demand forecast made by the London Metals Exchange (LME).
- The base case shows a shortage of copper supply **i**n 2010, 2011, and 2012, totalling over 800,000 tonnes, which draws down the stock pile to just 318,000 tonnes by the end of 2012.
- The base case assumes no cutbacks in supply and that the global economy is in recovery. As a result, the copper price is forecast to remain above US$3.00/lb through 2012.
- Even in the Low-Case scenario, the copper price is expected to stay in the US$2.50/lb-US$2.95/lb range, which is still higher than the US$1.50/lb assumption in our model.

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***e*Research analysts on this report:**

Eric Eng, BA (Acct., Econ.), MBA – Eric Eng worked at DBRS as an Analyst/Vice President for 10 years. He obtained a BA in Accounting/Economics and a MBA in Finance at the University of Toronto. He joined *e*Research in January 2008.

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Hold:	Expected total return within the next 12 months is between 0% and 10%.
Sell:	Expected total return within the next 12 months is negative.

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Operational - Weak competitive market position, early stage of development, unproven operating plan, high cost structure, industry consolidating, business model/technology unproven or out-of-date.

Medium Risk: *Financial* - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.
Operational - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry.

Low Risk: *Financial* - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock.
Operational - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

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