

PF 082LSW119 FLAP

004584



HED

COPPER/MOLY PROJECT - Summerland, BC
[Verdstone 50% - Molycor 50%]

Potential reserves within an area approximately 1000 x 325 square meters have been indicated to be almost 24 million tons based on a mineralized width of 27 meters as detected by 14 widely spaced diamond drill and percussion drill holes (Anaconda Canada Exploration Ltd. [1981]). These holes were to a depth of 90 meters some were stopped in good mineralization. The area was based on coincident molybdenum and copper and IP anomalies. Mineralization is open in all directions. The property is approximately 20 kms south of CROW-REA. Work permits for limited exploration have been granted and it is the intention to drill the area further to set a firm basis for a major program to be done in 1997. Some of the better drill results are shown in Table II below:

Table II - Selected Intersections from Anaconda's work (1981)

Hole No.	From / To	Interval Metres	Feet	Cu%	MoS2	Cu Equiv %
PD #4*	37.55 - 74.15	36.60	120'	.134	.204	.868
PD #9*	30.50 - 82.35	52.05	171'	.117	.081	.373
PD #11*	6.10 - 48.80	42.70	140'	.279	.053	.470
DDH #1	57.0 - 126.0	69.0	226'	.150	.149	0.69

*Holes #4, #9 and #11 all stopped in mineralization.

Diamond drilling & trenching will be done in August-October.

FLAP

GOLD PROJECT - Tadpole Lake Area, West of Kelowna, BC
[Verdstone 50% - Molycor 50%]

The potential for a low grade (0.03 - 0.06 oz gold/ton) bulk tonnage has been confirmed by the early exploration work. The full extent has yet to be determined. To this end Veto resources Ltd. ("Veto") have expressed interest and a joint-venture between the companies and Veto has been agreed whereby Veto may earn a 40% interest in the project. For this Veto must expend \$100,000 on exploration (over a two year period) and furthermore must issue 100,000 shares to the Companies.

Initially Veto will carry out trenching, drilling and blasting, and bulk sampling. The second phase will entail taking a bulk sample (500-1000 tons) for evaluation at a custom milling facility. Gold appears to be distributed erratically and it is difficult to estimate grade from small samples. In the past assays on surface have ranged from 0.03 to 0.77 oz/ton and a diamond drill core showed 2.25 oz/ton over a one metre intercept. The work permit has been approved and reclamation bond posted. Exploration will commence late in August.

SALAL CREEK

MOLYBDENUM PROPERTY - 70 KM Northwest of Pemberton, BC

The Salal Creek Molybdenum Property is well known to exploration companies in Canada and USA. Originally discovered by Phelps Dodge in 1958 it has been the subject of much