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VERDSTONE GOLD CORPORATION

MOLYCOR GOLD CORPORATION

# PRESS RELEASE

## ACQUISITION OF YORKE-HARDY MOLYBDENUM-TUNGSTEN PROPERTY

Wednesday, March 19, 1997
Surrey, British Columbia

Mr. John W. Fisher, P. Eng., director of Verdstone Gold Corporation is pleased to announce that an option agreement has been signed for the acquisition of the Yorke-Hardy Molybdenum-Tungsten property at Smithers, B.C. The property is an advanced exploration project with a large reserveof well defined high grade molybdenite in an easily accessible location complete with infrastructure. It increases the Companies high grade reserves of molybdenum mineralization by a factor of 100.

The acquisition is for Verdstone Gold Corporation and Molycor Gold Corporation (the "Companies") each to receive an undivided 50% interest in the Yorke-Hardy property. Terms of the agreement, which are subject to regulatory approvals, are as follows:

1. Issuance of shares in the Companies in the amounts of 100,000 from Molycor and 130,000 from Verdstone;
2. Option payments of $50,000 per year and annual lease payments for the 98 mineral claims of $14,190;
3. Provision for payment from production proceeds of $0.30/ton on ore milled from the high grade section (greater than 0.2% MoS2) and $0.15/ton on ore milled from the lower grade section (less than 0.2% MoS2);
4. Provision for Cyprus Amax Minerals Company to have first right of refusal for a 40% back- in, in the event of a production decision.

The property is named for prospector William Yorke-Hardy who, with colleagues, staked it in 1957. It is also known as Glacier Gulch or Hudson Bay Mountain.

Geologically it has been described as molybdenite in stockwork and quartz vein swarms in granodiorite sheet and adjacent volcanic rocks and in a rhyolite porphyry plug. Scheelite is also present. There is minor disseminated molybdenite in quartz monzonite stock which lies beneath the rhyolite plug.

It was optioned to American Metal Co. who did trenching and drilling. In 1961 American Metal Climax Inc. took it; it was subsequently transferred to Climax Molybdenum Corp of B.C. for more than ten years exploration and underground work continued and brought it to its present advanced state.

Today it is the largest known molybdenite occurrence in British Columbia. It also contains

The similarities in grade to those at the past producing Brenda Mines (some 35 kilometres distance away) are encouraging. [Brenda's reserves were 177,000,000 tons are 0.167% Cu and 0.048% MoS2]. Further results will be reported as they are received.

**ON BEHALF OF THE BOARDS**

John W. Fisher, P.Eng
Director, Verdstone Gold Corporation

*The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.*

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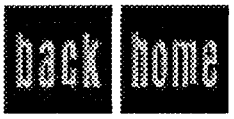

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MOLYCOR GOLD CORPORATION

# PRESS RELEASE

## YORKE-HARDY & HED UPDATE

Tuesday, May 27, 1997
Surrey, British Columbia

Mr. John W. Fisher, P.Eng., Director of Verdstone Gold Corporation is pleased to report on behalf of Verdstone Gold Corporation and Molycor Gold Corporation ("the Companies"), that the Companies are studying ways and means for production development of the Yorke-Hardy high-grade molybdenum resource, located in British Columbia.

Management's studies indicate production from the high- grade zone containing 22.7 million tons at average grade 0.401% MoS2 and 0.04% Wo3 could have long term financial benefits for Verdstone and Molycor. The tonnage and grade have been well documented in government and CIM publications but an independent review of these reserves will be the starting point for the Companies current work on Yorke-Hardy. Three engineering firms have been requested to submit proposals for review and assessment of the high- grade reserves.

In-house studies show a 3,000 ton/day production rate will give a potential mine life of 21 years. At current molybdenum prices past metallurgical studies indicate recovered metal values will be approximately $30/ton (Cdn). The audit of existing reserves is a necessary step prior to further studies of practical mining methods. The Yorke-Hardy acquisition, which is subject to regulatory approval, is the companies most significant asset. At current metal prices ($4.75/lb US molybdenum and tungsten) the high-grade zone has a potential gross value of $800 million (Cdn). The property has more than 100 million tons of additional reserves containing approximately 0.25% MoS2 which require additional work to confirm them more accurately. Beyond this, more potential exists for the discovery of still more high-grade molybdenite: in the underground development which has been done in the past DDH#142 drilled by Climax cut into a mineralized zone which assayed 0.474% MoS2 over a length of 150 feet from 900-1050 feet below the working level. Further exploration of this area will be undertaken by the Companies as the development of the project unfolds.

## HED

Diamond drilling has commenced at the HED property, located 27 kms west of Kelowna, B.C. The drilling will test a mineralized area within a central anomaly. Holes are planned to be 500-700 ft and results from the first two are reported as follows:

| Hole # | Intercept | Length | Cu% | %MoS2 |
|---|---|---|---|---|
| 97-01 | 51-90 | 39 | .095 | .033 |
| 97-02 | 31-202.5 | 171.5 | .179 | .050 |

Boss Mtn 0.260% $Mo_3$

Yorke - Hardy

high grade

0.40% $MoS_2$

0.04% $WO_3$

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0.20 Mo

significant values of tungsten. A high grade reserve of 22.7 million tons containing 0.401% MoS2and 0.041% W03 (at 0.2% MoS2 cut off) has been defined above the underground workings which extend for more than 10,000 ft and include two cross cuts. At a lower cut-off of 0.1% MoS2 the reserves, although not fully defined, are within the range 90,000,000 to 140,000,000 tons at grades which have been estimated to be 0.15% to 0.25% MoS2 and additional values of tungsten (0.03%). The deposit remains open at depth.

These data are based on 191,500 feet of diamond drilling of which 114,500 feet was from underground stations set up along the workings. Confirmation of high grade material (>0.3% MoS2) was achieved from a bulk sample of approximately 1,000 tons taken from raises bored through 280 ft of drill holes above the workings. Subsequent metallurgical testing showed the molybdenite to be easily recoverable at high yields (88% to 94% recoveries) into clean high grade concentrates (88% to 90% MoS2). In preliminary tests 30-40% of the tungsten was recovered from the molybdenite tailings.

A prefeasibility was done in 1981 and considered production rates through the range 2,000 to 10,000 tons per day. Much of the infrastructure is in place: electrical power, natural gas and rail transportation are close at hand. The town of Smithers is 5 kms away.

In the past year molybdenum prices have risen and remained firm in the range (US) $4.50-$4.75/lb Mo. Based on the high grade reserve estimate this portion of the Yorke-Hardy molybdenite-scheelite deposit contains metal valued at $600,000,000 (US). The larger reserve has metal valued in excess of one billion dollars.

The Companies plan to do work to test the feasibility of production from the high grade zone.

**ON BEHALF OF THE BOARDS**

John W. Fisher, P.Eng
Director, Verdstone Gold Corporation

*The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.*

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