Tom Schwartz
→ GLACIER
Davidson GULCH
882268

YORKE - HARDY

Molybdenum Deposit

Smithers, B.C.,

Verdstone Gold Corporation
& Molycor Gold Corporation

April 15, 1998

RE: YORKE-HARDY GEOTECHNICAL STUDY AND CHECK SAMPLE STATISTICS

The following list summarizes physical properties of Yorke-Hardy ore and wall rock with respect to proposed mining methods (White, 1981):

1) Ore grade granodiorite and barren granodiorite are both high strength, averaging 31,496 and 25,483 psi (uniaxial compressive strength) respectively. Rock quality designation (RQD) is high (81%) and the fracture intensity is low (0.7 fractures/foot).

2) Ore defined by a 0.3% MoS_2 cutoff occurs within a zone with dimensions of 2,000' X 1,500' X 200'. Geotechnical data relative to known mines (e.g. Climax, Henderson, Mt.Emmons) indicates that ground conditions within the Yorke-Hardy are highly competent and amenable to mining by either blast hole stoping or room and pillar methods. Based on "mass quality index", unsupported spans up to 100' are recommended.

3) In a comparison of rock properties of other open stope mines, the Yorke-Hardy compares closely with the Minnamax Mine, which has average stopes dimensions of 110' X 450' X 395' (width X length X height).

4) Efforts should be directed to use paste tailings fill (dehydrated tailings with cement added) to increase recovery and decrease tailings dump size requirements.

The following list highlights check sample studies (Davidson, 1969):

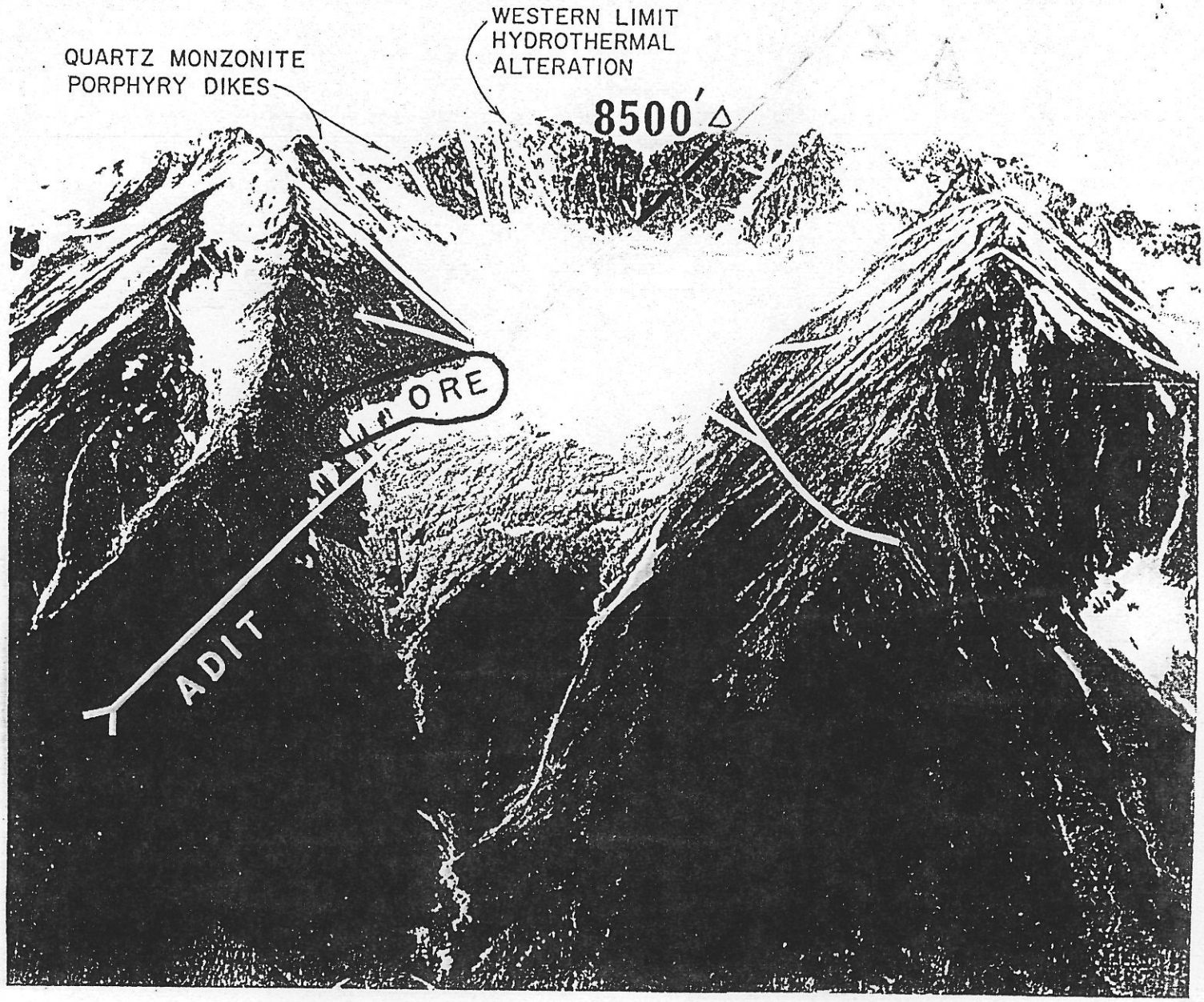
1) Based on resampling DDH 42-50, 57-72 (273 samples) the reproducibility of assay results averages less than 0.04% MoS_2 difference between the original and duplicate sample. The

2) Variables with lab procedures and inconsistency of reagents partly account for these minor differences and suggest that standards in several different grade ranges of molybdenite should be run daily by the lab.

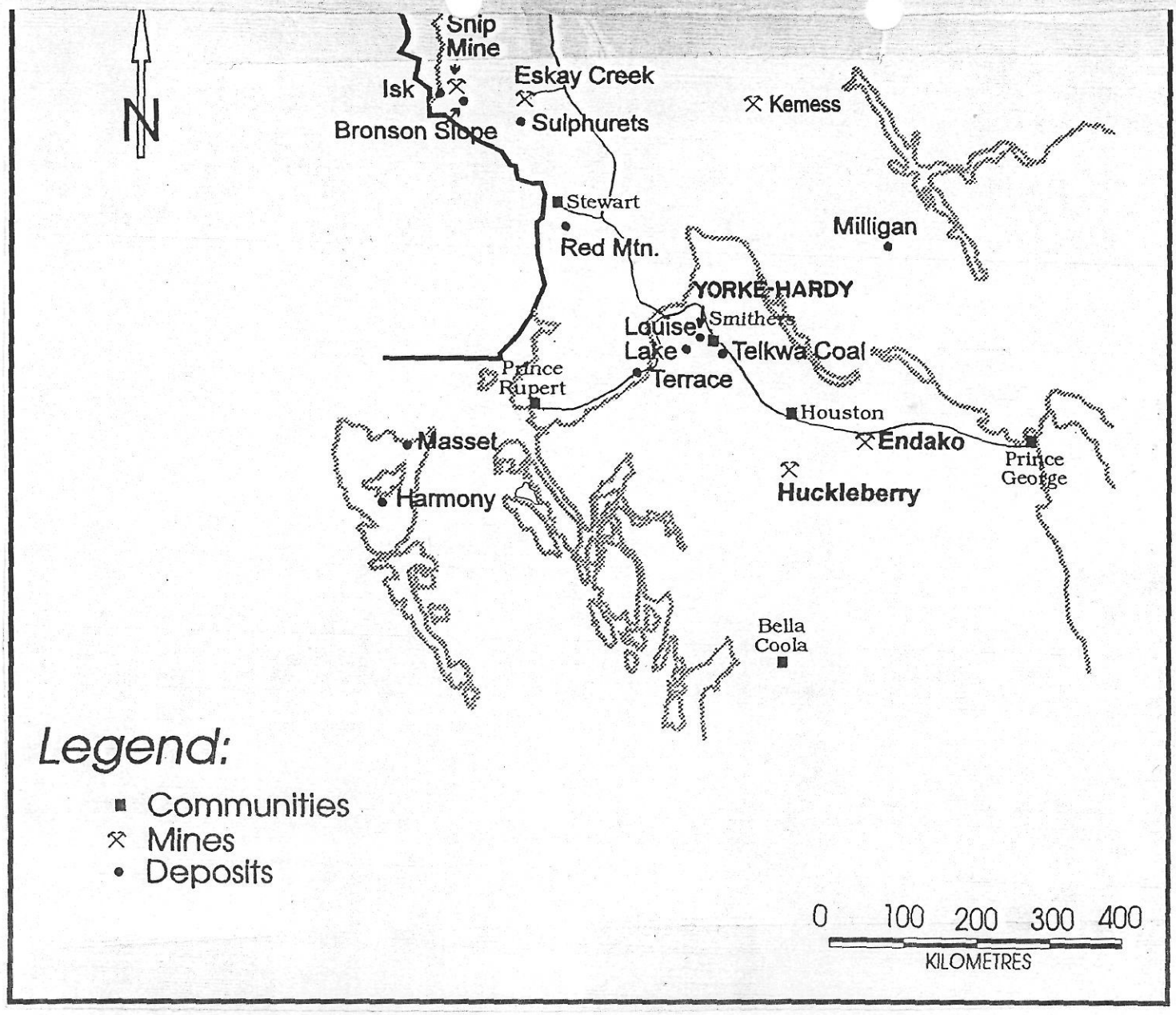
3) Given the high resolution of reproducibility of assay results, the results of the grade and tonnage figure estimates can be assigned a higher degree of confidence. Based on the high degree of resampling, Verdstone/Molycor has no immediate plans to run check assays, however all the pulps from the core are in storage in Smithers to allow for further check sampling.

In summary, Yorke-Hardy is already at a stage of feasibility and efforts should be directed to develop the high grade core from the centre outwards. Using .48% MoS2 cutoff the 4.74 million tons @ .604% MoS2 has a value of US $32.42 per ton. The contained in ground value exceeds over US$150,000,000. At a production rate of 3,000 tons/day the projected capital costs of the Yorke-Hardy Mine and underground mill could be financed within a 3 year payback time frame.

HUDSON BAY MTN.—LOOK WEST



PREVIOUS WORK BY CLIMAX MOLYBDENUM LTD. CARRIED OUT OVER THE PAST 25 YEARS INCLUDE 191,000 FEET OC CORE DRILLING AND 9,960 FEET OF UNDERGROUND TUNNELING. ACCESS TO THE ORE ZONE IS GAINED BY WAY OF AN ADIT WHICH ENTERS HUDSON BY MOUNTAIN AT 3,500 FOOT ELEVATION. WITHIN THE ORE ZONE THERE IS A HIGHER GRADE CORE WHICH IS ESTIMATED TO CONTAIN 26,650,000 TONS @ .401% MOS_2, .027% WO_3. THIS HIGH GRADE RESOURCE WOULD PROVIDE FEED FOR A 3,000 TPD MILL FOR OVER 25 YEARS.

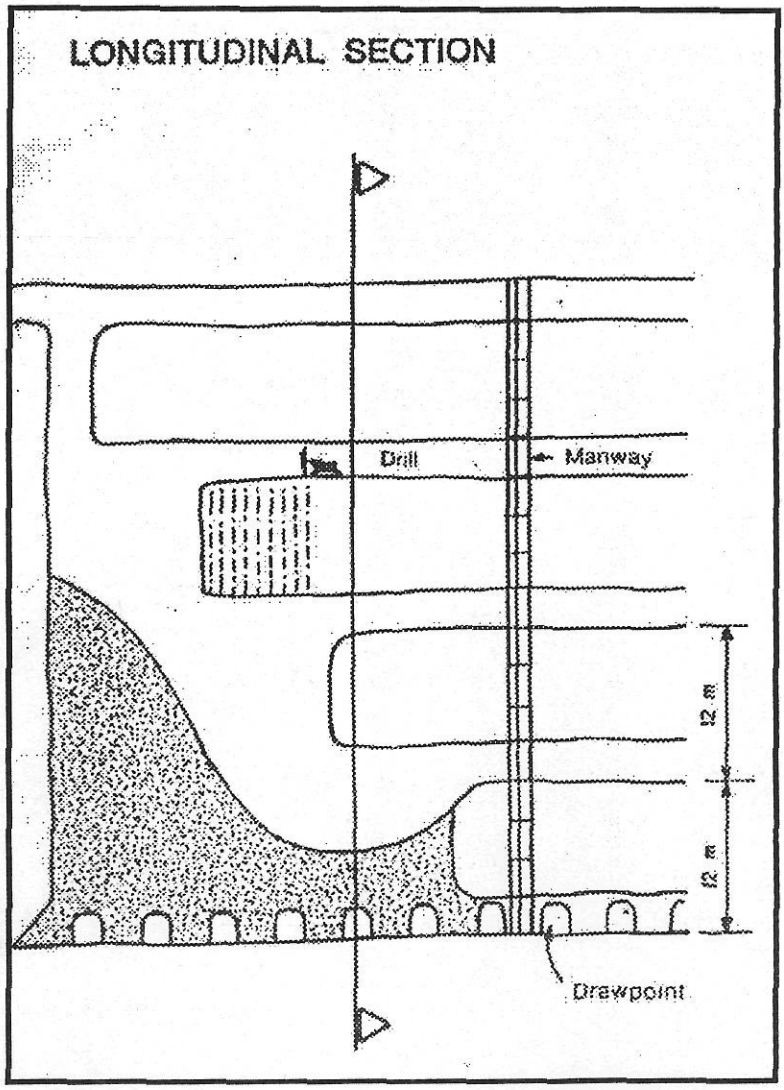


VERDSTONE GOLD CORPORATION(50%) AND MOLYCOR GOLD CORPORATION(50%) ARE ENGAGED IN FEASIBILITY STUDIES AND ENVIRONMENTAL ASSESSMENT FOR A PROPOSED NEW MINE SITE. THE YORKE-HARDY MOLYBDENUM-TUNGSTEN DEPOSIT IS LOCATED NEAR HUDSON BAY MOUNTAIN, 9 KILOMETERS NORTHWEST OF SMITHERS, B.C. NEARBY MINES THAT ARE PRESENTLY ACTIVE INCLUDE ENDAKO (MOLYBDENUM) AND HUCKLEBERRY (COPPER-GOLD-MOLYBDENUM). COMPARING EQUAL TONNAGES, THE YORKE-HARDY DEPOSIT HAS DRILL INDICATED RESERVES WHICH IS APPROXIMATELY TWICE THE GRADE OF THE ENDAKO OREBODY.

TABLE : **YORKE HARDY PROJECT GRADE TONNAGE TOTAL GEOLOGIC RESOURCE ASSUMING A TONNAGE CONVERSION FACTOR OF 12.5 CU.FT./TON USLING 50 X 50 X 25 ft. Blocks**

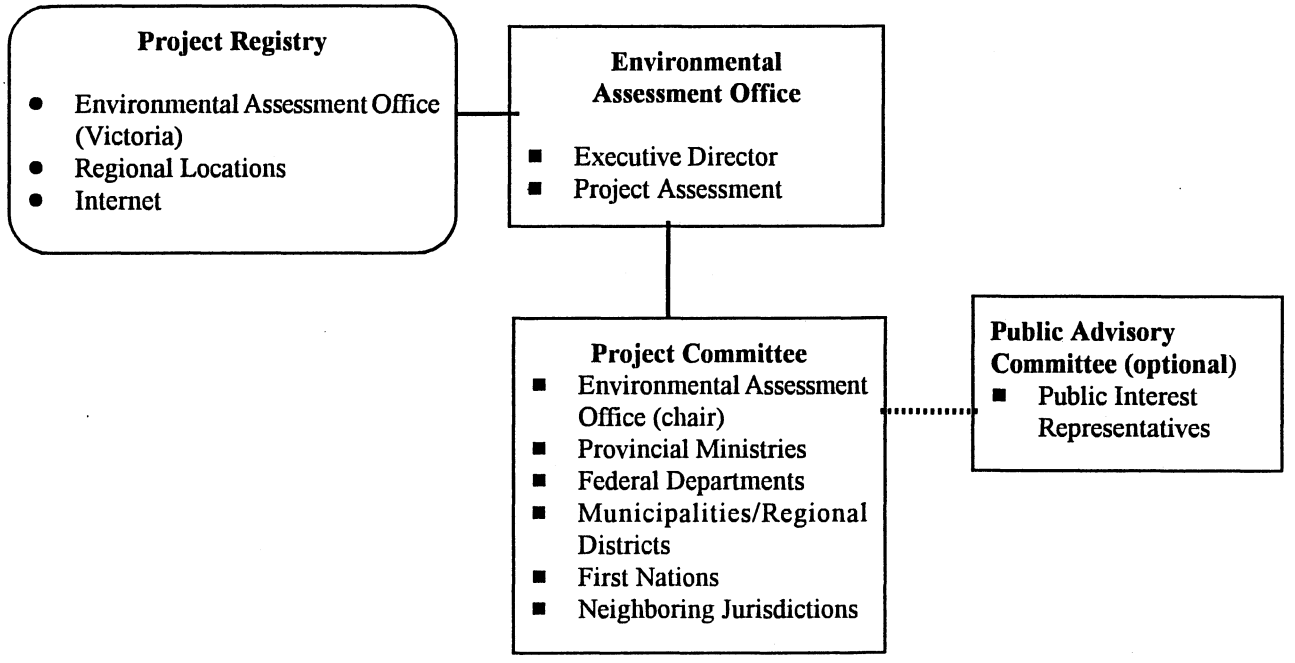
MoS_2 Cutoff	Tons>Cutoff	MoS_2%	$W0_3$
0.100	296,110,000	0.187	0.014
0.110	271,745,000	0.194	0.015
0.120	246,200,000	0.202	0.015
0.130	219,245,000	0.212	0.016
0.140	193,680,000	0.222	0.017
0.160	149,340,000	0.244	0.019
0.170	132,130,000	0.254	0.020
0.180	116,805,000	0.264	0.020
0.190	102,890,000	0.275	0.021
0.200	90,690,000	0.286	0.022
0.210	79,720,000	0.297	0.022
0.220	69,480,000	0.309	0.023
0.230	61,335,000	0.321	0.024
0.240	54,160,000	0.332	0.024
0.250	47,845,000	0.344	0.024
0.260	42,580,000	0.355	0.025
0.270	37,810,000	0.366	0.025
0.280	33,665,000	0.378	0.026
0.290	29,910,000	0.389	0.026
0.300	26,650,000	0.401	0.027
0.310	23,430,000	0.414	0.027
0.320	20,670,000	0.427	0.027
0.330	18,565,000	0.439	0.028
0.340	16,790,000	0.450	0.028
0.350	15,245,000	0.461	0.028
0.360	13,850,000	0.472	0.029
0.370	12,620,000	0.482	0.029
0.380	11,395,000	0.494	0.029
0.390	10,250,000	0.506	0.030
0.400	9,280,000	0.518	0.030
0.410	8,315,000	0.531	0.030
0.420	7,575,000	0.542	0.030
0.430	6,990,000	0.552	0.030
0.440	6,565,000	0.559	0.030
0.450	6,055,000	0.569	0.030
0.460	5,430,000	0.582	0.031
0.470	4,995,000	0.593	0.031
0.480	4,555,000	0.604	0.031

THE YORKE HARDY DEPOSIT CONTAINS APPROXIMATELY 430 MILLION POUNDS OF MOLYBDENUM. AT PRESENT PRICES OF OVER $4/LB(US) FOR MOLYBDENUM, THE VALUE OF THE RESOURCE EXCEEDS 1.7 BILLION(US) STUDIES BY CLIMAX MOLYBDENUM INDICATE ORE RESERVES CAN BE MINED AND MILLED AT AN OPERATING COST THAT WOULD BE PROFITABLE AT TODAY'S MOLYBDENUM PRICES.

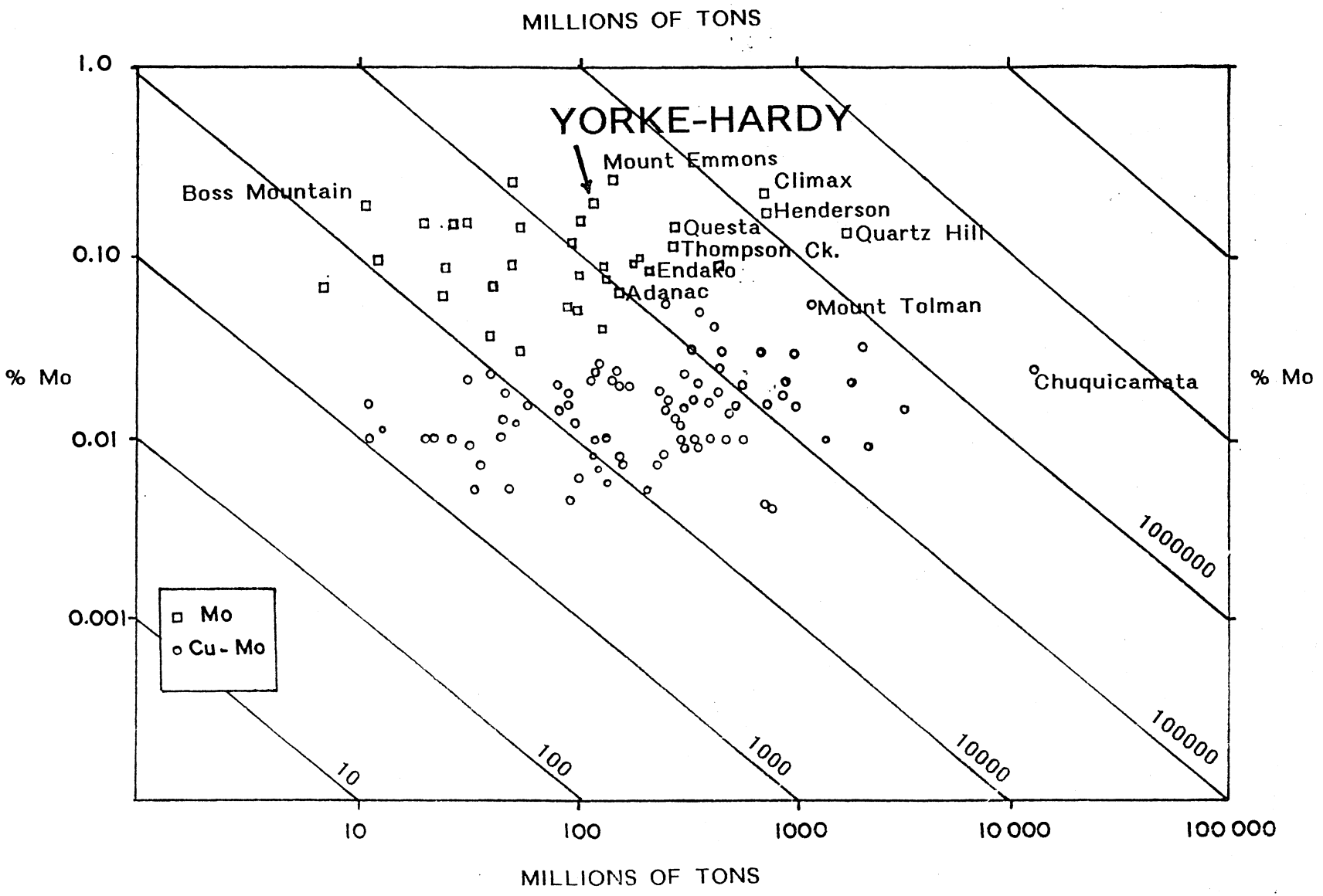


Long-hole open stope method, small diameter holes.

PROJECT OBJECTIVES: Operation of a safe, clean efficient and profitable molybdenum and tungsten mine and mill. Proposed mining methods include large scale blast hole mining (eg. Vertical cavity retreat or open blast hole stopping), using state of the art computerized monitoring to survey drifts, raises, passes, drawpoint and to assess caving, dilution, backfill placement and waste management. Modern bulk-tonnage mining techniques are enhanced by ecseptionally competent ground conditions present in the Yorke Hardy orebody. New technology is in place which enables remote operator automated drilling, trucking operating and surveying in the mine operation. Combined with state of the art handling and processing of ore, management of the York-Hardy project envisions using the best technology available in order to achieve optimum productivity.



ENVIRONMENTAL ASSESSMENT OF THE YORKE-HARDY PROJECT INCLUDES WATER QUALITY, PLANT SITE AND TAILINGS, SITE RECLAMATION, FOREST RESOURCE, FISH & WILDLIFE, RECREATION, CULTURAL AND HERITAGE EFFECTS. THE OVERALL IMPACT OF THE PROPOSED YORKE-HARDY MINE WILL BE EXAMINED IN DETAIL AS NUMEROUS PROJECT REVIEWS ARE SUBMITTED UNDER THE ENVIRONMENTAL ASSESSMENT ACT. THE OBJECTIVE OF THIS REVIEW IS TO PROVIDE INTEGRATED ASSESSMENT OF THE ENVIRONMENTAL, ECONOMIC AND SOCIAL EFFECTS OF THE PROJECT THROUGH AN OPEN, ACCOUNTABLE AND NEUTRAL PROCESS.



GRADE VERSUS TONNAGE GRAPH FOR MAJOR MOLYBDENUM DEPOSITS WORLDWIDE (After Kirkham,95)

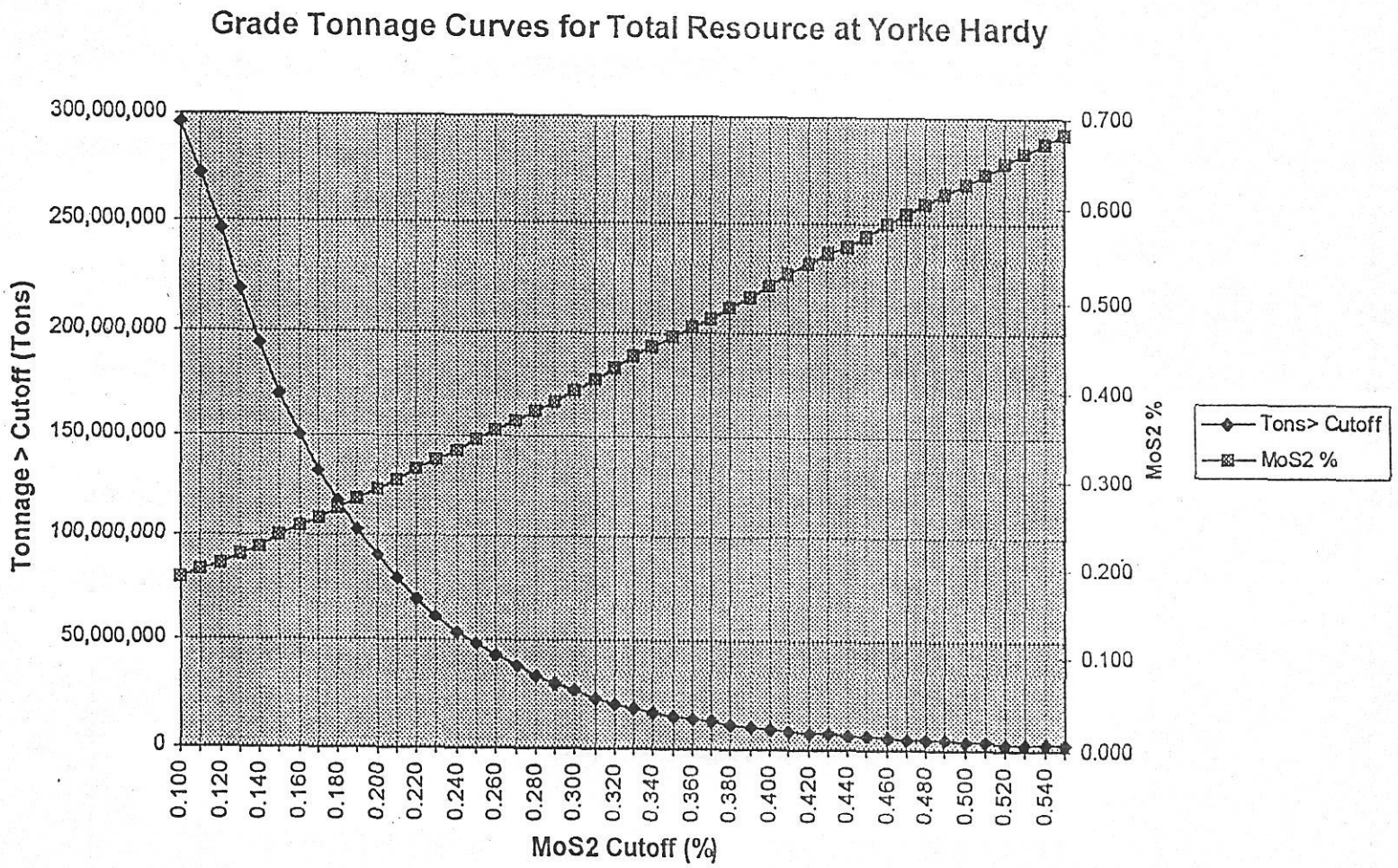
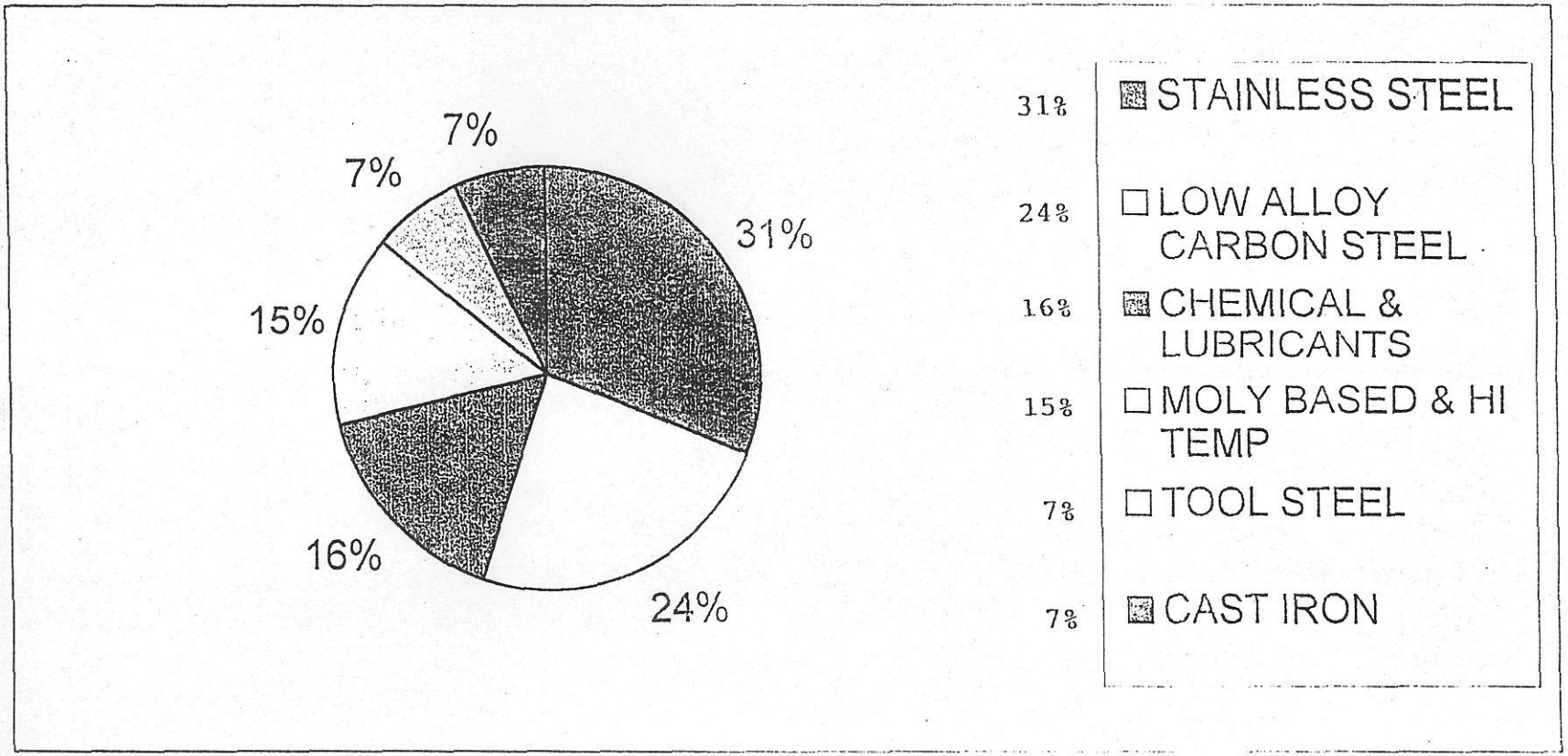


Figure : Grade Tonnage Curves for Kriged MoS_2 in Yorke Hardy Deposit

1996 MOLY DEMAND

225 MILLION LBS

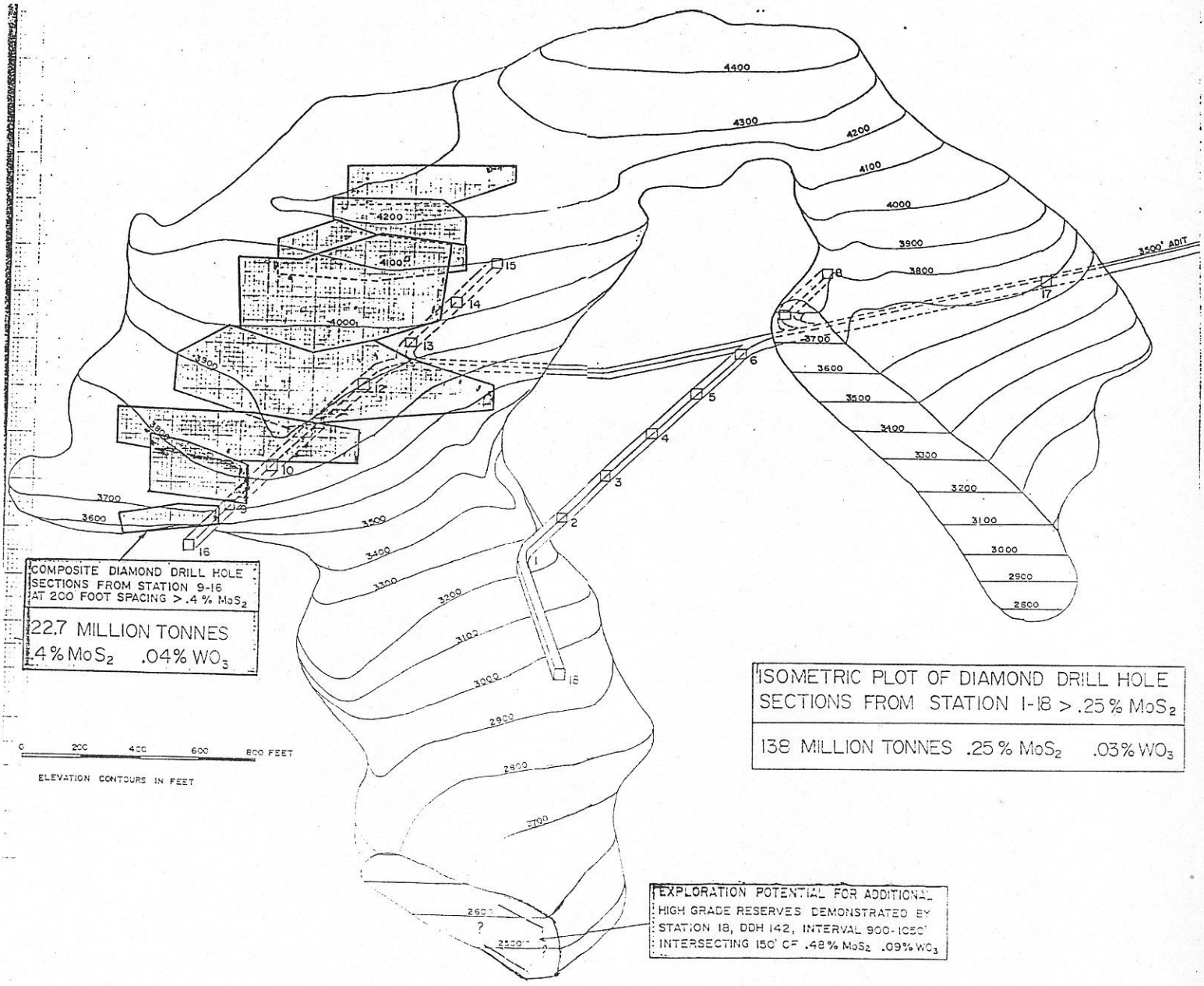


1996

1989 - 224 million lbs
1990 - 200 million lbs
1991 - 190 million lbs
1992 - 195 million lbs
1993 - 200 million lbs
1994 - 216 million lbs
1995 - 220 million lbs
1996 - 225 million lbs
1997F - 235 million lbs

SOURCE: Moly Supply and Demand, Alice Agoos, Ryan's Notes - April 3, 1997

SCHEMATIC DIAGRAM OF YORKE-HARDY Mo-W DEPOSIT



COMPOSITE DIAMOND DRILL HOLE SECTIONS FROM STATION 9-16 AT 200 FOOT SPACING > .4 % MoS_2

22.7 MILLION TONNES
.4 % MoS_2 .04 % WO_3

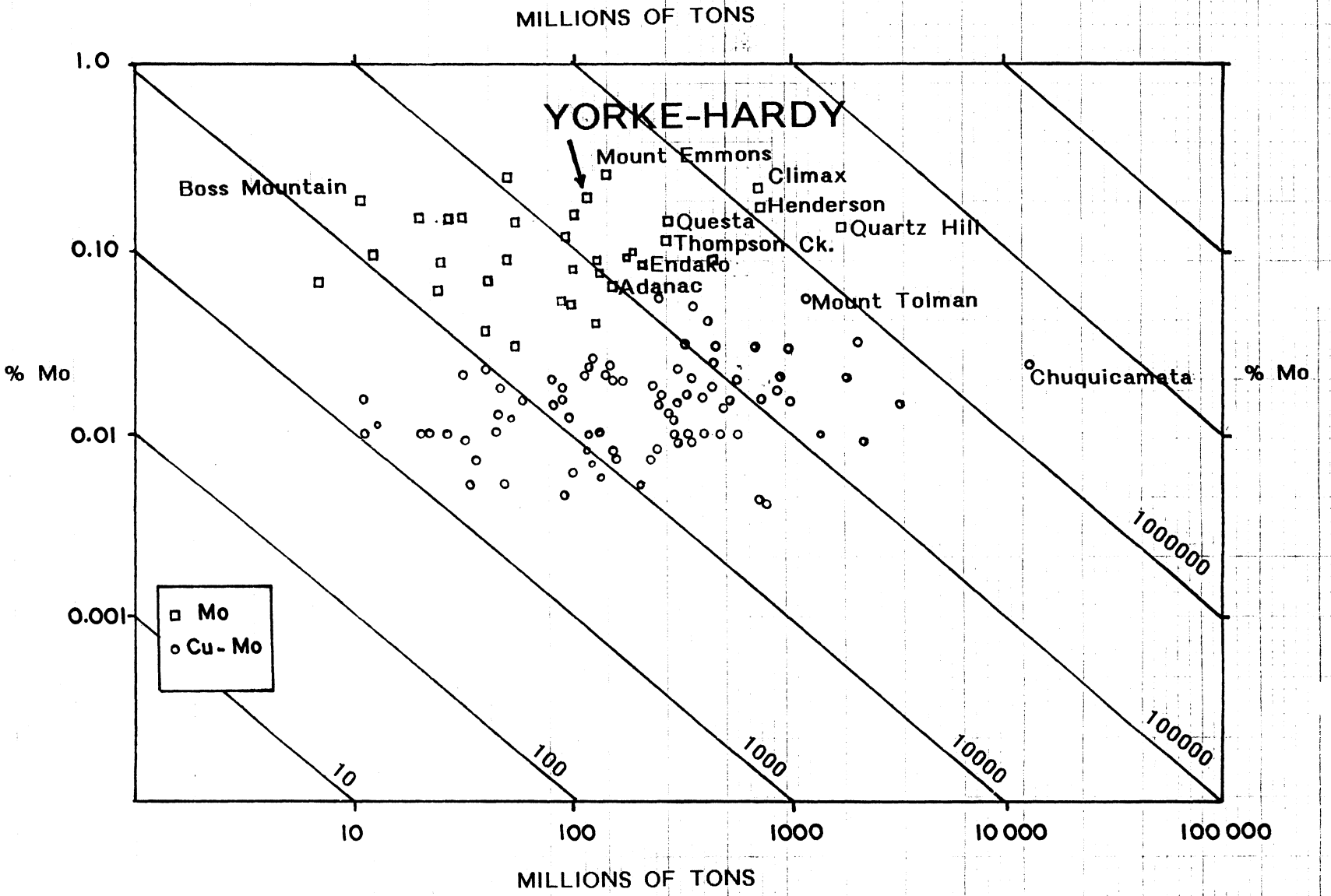
ISOMETRIC PLOT OF DIAMOND DRILL HOLE SECTIONS FROM STATION 1-18 > .25 % MoS_2

138 MILLION TONNES .25 % MoS_2 .03 % WO_3

EXPLORATION POTENTIAL FOR ADDITIONAL HIGH GRADE RESERVES DEMONSTRATED BY STATION 18, DDH 142, INTERVAL 900-1050' INTERSECTING 150' OF .48 % MoS_2 .09 % WO_3

TABLE 4 — Characteristics of Canadian Cordilleran Porphyry Molybdenum Deposits

Deposit N.T.S.* (Reference)	Cogenetic Intrusion					Host Rocks		Mineral Deposit		Alteration**	Mineralogy***
	Name	Composition	Shape	Size (meters)	Age (m y) K/Ar	Composition	Age (m y)	Form	Character		
Endako 93K/3E (Dawson and Kimura, 1972)	Endako Quartz Monzonite	quartz monzonite	elongate	24.4 × 4.8 km	141 ± 5	Topley batholith	137 - 141 (K/Ar)	elliptical plan	stockwork quartz veins fracture-filling	1. K-fs, clay, (bi) 2. ser, clay 3. clay 4. bleaching 5. nil	1. qz, mo, mt 2. qz, mo, py (mt, cp) 3. qz, mo, py (mt, cp) 4. qz, py 5. qz, sp, cal.
Boss Mountain 93A/2W (Soregaroli, 1968, 1975)	Boss Mountain stock	quartz monzonite porphyry	elliptical (cylindrical)	800 × 650	102 ± 4	Takomkane batholith granodiorite	178 (K/Ar)	elongate breccia pipe; with umbrella of quartz mo veins	breccia fillings, quartz veins, fracture filling	A. garnet, hb hornfels B. 1. bi 2. qz, ser, py, K-fs, chl 3. chl, talc 4. ep, chl	1. qz, py 2. qz, py (mo) 3. qz, mo, py 4. a) qz, K-fs, ser, mo, py b) qz, K-fs ser, py, cp, bis (sc, mt, gn, sp, fl) 5. qz, mo, py 6. chl
Glacier Gulch 93L/14W (Kirkham, 1969)	Hudson Bay Mountain stock	quartz monzonite porphyry and quartz latite; quartz monzonite plug	cylindrical	stock + 4 km plug-340 m	73.3 ± 3.4 69.5 ± 3	granodiorite sheet; Hazelton Gp. pyroclastic and sedimentary rocks	L.-M. Jur.	tabular sheet and extensive low-grade stockwork	stockwork, quartz vein swarms	A. bi, am hornfels B. 1. silic 2. ser, car, K-fs, py 3. amphibole, bi, chl, mt 4. py	1. barren qz 2. qz, mo, py, mt (cp, sc) 3. qz, mo, py, mt (cp, sc) 4. qz, mo, py, mt (cp, sc) 5. qz, car, sp, gn, py (cp)
Adanac 104N/11W (Sutherland Brown, 1970)	Mount Leonard Boss (Surprise Lake bath.)	quartz monzonite (alaskite) and quartz monzonite porphyry (alaskite)	elliptical (?)	ore-related phases 1000 × 500	62	older phases Mt. Leonard boss of Surprise Lake batholith	>62 (K/Ar)	elliptical, flat-lying lens	stockwork, quartz veins, fracture filling, dissem.	1. weak ser, chl, in orebody 2. weak qz, ser, py peripheral	1. qz, mo, (py, pow.) (horizontal veins) 2. qz, mo (steep veins) 3. minor "dry" fractures 4. peripheral sp, gn, asp.
B.C. Molybdenum 103P/6W (Carter, 1974)	Lime Creek stock	quartz monzonite; granodiorite porphyry (alaskite) (two plugs)	cylindrical with eastern appendage	stock-850 × 700 appendage-450 × 300	48.3 - 53.7	Bowser assemblage (U. Hazelton) argil. siltst. qwke	U. Jur-L. Cret.	annular, cylindrical, centered on north half of stock	stockwork	A. bi hornfels B. 1. inner qz, K-fs (bi) 2. peripheral qz, ser, py	1. dissem. in alaskite on fract. 2. qz, mo, py 3. qz, mo, py 4. qz, mo 5. qz, py, gn, sp, mo, td, cp, fl, gyp, dol, Pb-Bi sulphosalts.
Roundy Creek 103P/6W (Carter, 1974)	Roundy Creek stock and sill	quartz monzonite porphyry; biotite	elliptical	600 × 300	52.5 ± 2	Bowser assemblage (U. Hazelton) argil. siltst.	U. Jur-L. Cret.	irregular	stockwork, veins, minor dissem.	A. bi hornfels B. 1. inner ser, bi, (K-fs) 2. peripheral	1. banded mo in alaskite; pods, lenses dissem.



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