VERDSTONE GROUP OF COMPANIES

METALS REPORT - WINTER 96/97

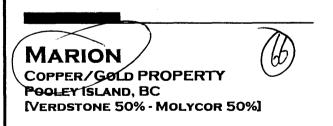
THE DOBBIN II

COPPER/PLATINUM PROPERTY KELOWNA, BC [Verdstone 50% - Molycor 50%]

Located 1,500 meters S.E. of the main Moly Dobbin Showing is the Dobbin Copper Showing. Rocks of the ultrabasic suite are the main host of the copper magnetite mineralization and are wide spread over the property. Earlier trenching identified platinum/palladium values associated with the copper mineralization. Trenching in 1977 identified up to .42% Cu., 1 gram platinum and .65 gram palladium over a 10 foot width. Significant results from past diamond drilling on the main copper showing are:

HOLE NO.	INTERVAL FEET	WIDTH FEET	% CU
1	-	43'	.38%
2	-	26'	.18%
3	-	112'	.32%
4	0 - 400	400'	.30%

Significant to this showing is the association of platinum/palladium. 12,000 feet of drilling is planned for both projects in early 1997.



Drilling in 1995 tested a northwesterly trending banded calcite and skarn zone in contact with a gneissic granodiorite. The banded limestone and skarn shows shallow dips in the drill holes with steeper dips in the trenches located 10 meters to the south. The drill and the trenching outline two zones of skarn with significant copper and gold mineralization as evidenced by the assays. Drilling and trench results are as follows:

Hole No.	Foot- age From	Foot- age To:	Thick ness (feet	Си %	Au ppb	Ag oz/ ton
#95-01	0 29.5	6.6 62.3	6.6 32.8	1.15 0.60	467 157	0.59 0.15
#95-02	0 26.2	3.3 55.8	3.3 29.6	0.32 0.43	157 89	0.21 0.26
T95-01 Trench	6.6	29.5	22.9	0.70	302	0.61
T95-02 Trench	3.3	13.1	9.8	1.45	436	0.91
T94-01	0	9.9	9.9	7.43	.544	N/A

The Companies plan a minimum 3,000 foot diamond drill program for the summer of 1997.

FLAP

GOLD PROJECT Tadpole Lake Area, West Of Kelowna, bc [Verdstone 30% - Molycor 30%- Veto 40%]

Flap Gold Property, located 29 kms northwest of Kelowna, British Columbia, is a Joint-Venture with Verdstone (30%), Molycor (30%) and Veto earning a 40% interest. Previous work on the Flap Gold property defined a mineralized area measuring 650' x 870' with a depth of 700'. Surface sampling returned up to .770 oz/ton gold and 8.7 opt silver with a diamond drill hole in 198 returning 2.25 opt gold over a one meter section. Trenching by Veto in 1996 returned values up to .091 opt over 19'-6" and .285 opt over 13'-0". The property has the potential of hosting a large reserve in the .03-.05 opt gold range.

The geology comprises a Quartz Stringer (Stockwork) Zone in argillites, limestone and volcaniclastic andesites.