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→ SALAL

KFB '98

(Verdstone)

(iii) **Metallurgical bench floatation tests** to determine the % recovery of molybdenum.

Burton Consulting has also recommended an **underground program of drifting and bulk sampling to fully evaluate the high grade area (DDH #9-128' of .275%)** as they believe that the drill holes are **substantially understating the Moly grade.**

SALAL CREEK **MOLYBDENUM PROPERTY**

Verdstone Gold Corporation, along with its joint venture partner Amcorp Industries Inc. acquired the well known "**Salal**" **Creek Molybdenum Property** consisting of **6,000 acres** and located 105 miles north of Vancouver, B.C. at the headwaters of Salal Creek, a tributary of the Lillooet River. The property was discovered by **Phelps Dodge** in 1958 and has been worked up to 1984 by **Amax, Cerro Mining, Utah Mines and BP Minerals**. The Companies' new claims cover the southern portion of the 25 square mile Stock. Extensive geological, geochemical, geophysical and model studies were carried out over a 25 year period.

Work included **17,000 feet of Diamond Drilling** in 14 holes with the deepest hole being **3,100 feet**. The holes were located several thousands of feet apart with most being reconnaissance in nature. The best assays were **10 foot sections** averaging up to **.14% MoS₂** in some of the earlier shorter hole drilling. The major target on the property the "**Float Creek**" area was never adequately tested due to the inability to drill a deep (3,000 foot) hole in the area. The **Float Creek** area is strategically located on the SW end of a large **Moly anomaly** measuring **7,000 feet wide x 17,000 feet long**. **Float Creek** contains some of the more spectacular in place Moly assays as follows:

1. **87 feet of .13% MoS₂**
2. **Twenty-three grab samples averaging .56% MoS₂**
3. **Six bulk samples averaging .33% MoS₂**

The target on **Float Creek** is a "**Henderson**" type buried deposit averaging in the **.50% MoS₂** range. The **Salal** system is a very large one with mineralized rock being exposed over an area of nearly four square miles and possibly represents one of the largest accumulations of intrusive related molybdenum in the world. The deep tests (three) attempted on the **Float Creek** buried ore body theory showed an increasing moly content averaging **.012%** within the final 200 feet of hole #75-2, which is to be expected on approaching a buried mineralized centre.

Verdstone Gold Corporation along with its joint venture partner Stirrup Creek Gold Ltd. (50/50) acquired an additional 10 mining claims adjacent to and contiguous with the **Victorine Mine Property**, located in Lander County, Nevada. The addition of the new property greatly improves the reserve potential from the existing **122,777 ounces of gold.**

The acquisition includes the on trend location of a **single hole** which intersected **15 feet grading 0.323 opt gold**. This **highly significant hole** is located approximately **1,000 feet SSE** from the **nearest mine workings**. Past production experience in the Victorine Mine indicates that **minable reserves increase** along the ore trend **at the rate of 195 oz of gold per foot of advance**. If one assumes that the potential ore extends **another 500 feet** along trend beyond this drill hole, one can infer a geologic potential of approximately **290,000 additional ounces of gold** may be available with continued exploration and development.

In addition, previous exploratory work indicates **additional potential also exists adjacent to the present workings eastward and northeastward**. Therefore, the property was also extended in that direction. The **exploration program and diamond drilling** scheduled to begin as soon as weather permits is being adapted to include the additional ground.

HED COPPER/MOLY PROJECT

Amcorp Industries Inc. and Verdstone Gold Corporation (50/50) announce potential reserves on their recently acquired **HED Copper/Moly** prospect located 10 miles south of their Crow Rea Discovery.

The **HED reserves** are based on **14 widely spaced diamond and percussion holes** drilled by Anaconda Canada Exploration Ltd. in 1981. The 14 holes average approximately 90 metres in depth with many of the holes stopped in ore grade material.

The area encompassed measures approximately **1000 X 350 metres** with a vertical mineralized interval of 27 metres. The reserve is also within an area of **coincident moly, copper and IP anomalies**. Possible reserves are open in all directions as well as to depth and currently stand at: **25,350,000 tons grading .161% Cu and .067% MoS₂ or a copper equivalent of .386% copper**.

