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George Cross News Letter

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\$315.00 PER YEAR

NO. 221 (1995)
NOVEMBER 17, 1995

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AMCORP INDUSTRIES INC.

[AJI-V] 5,476,685 SHS.

VERDSTONE GOLD CORPORATION

[VGC-V] 1,178,6207 SHS.

MOLY PROJECT DRILLING CONTINUES - Larry W. Reaugh, president, Amcorp Industries Inc. and Verdstone Gold Corp., reports six diamond drilling holes have been completed on the 100%-owned Crow Rea Moly project near Summerland, 15 miles south of the past-producing Brenda Mine, south-central B.C. Holes No.1 and No.2 have been split and are in for assaying, while holes No.3 and No.4 are currently being split and logged. Visual molybdenum from fractures, rosettes of moly and finely disseminated moly over widths of 10 and 40 feet have been reported in holes No.1 and No.4.

Three holes were drilled on the discovery area, three on the hill top zone and current drilling is being carried out on the MOR area where large irregular pieces of bedrock containing rosettes of molybdenum mineralization were discovered in an earlier prospecting and mapping program this year.

The trenching program is finally underway. Heavy snowfall and unusual winter storms have hampered and delayed progress. Assays will be reported when they are received.

Salal Creek Molybdenum Property: The companies (50/50) have acquired the well known Salal Creek molybdenum property consisting of 6,000 acres located 105 miles north of Vancouver, B.C. at the headwaters of Salal Creek, a tributary of the Lillooet River. Terms were not disclosed. 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 sq. 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 0.14% 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 southwest end of a large moly anomaly measuring 7,000 feet wide by 17,000 feet long. Float Creek contains some of the more spectacular in place Moly assays as follows: 87 feet of 0.13% MoS₂; 23 grab samples averaging 0.56% MoS₂ and six bulk samples averaging 0.33% MoS₂.

The target on Float Creek is a "Henderson" type buried deposit averaging in the 0.50% MoS₂ range. The Salal system is large with mineralized rock being exposed over an area of nearly four square mile 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 0.012% within the final 200 feet of hole No. 75-2, which is to be expected on approaching a buried mineralized centre. (SEE GCNL NO.216, 9Nov95, P.3 FOR PREVIOUS MOLY PROJECT INFORMATION)

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