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George Cross News Letter

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NO. 195 (1996)
OCTOBER 8, 1996

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VERDSTONE GOLD CORP.

[VGC-V] 13,527,873 SHS.

MOLYCOR GOLD CORP.

[MOR-V] 7,251,527 SHS.

TWO MOLY PROJECTS REVIEWED - Larry W. Reaugh, president of Verdstone Gold Corp., and 50/50 joint venture partner Molycor Gold Corp., reports the successful completion of Phase one on the Crow-Rea project and updates on the continuing drilling on the Salal Creek project.

Crow-Rea: A total of 27,000 feet of diamond drilling and 9,000 feet of percussion drilling have been completed on the Crow-Rea moly prospect located near Summerland, south-central BC. There is a drill indicated reserve on the Webb Site Zone consisting of 500,000 tonnes containing 0.320% MoS₂. Mineralization is still open to the east and west. Compilation of the drill hole and trenching data indicates a swarm of southwest trending dykes (including the Webb Site) heading towards tectonic anomaly A9. Currently line cutting and soil sampling of A9 and three other anomalies is in progress. A9 has been identified by the tectonic study as being the priority target of the 13 tectonic anomalies (which includes A7 at the Webb Site Zone). The above mentioned drilling has tested only 15% of the known anomalies and the potential for finding a large tonnage orebody as well as additional high grade zones is excellent. Upon completion of the above ground work additional drilling is planned. (SEE GCNL NO.178, 13Sept96, P.1 FOR PREVIOUS CROW-REA PROJECT INFORMATION)

Salal Creek: The companies have drilled to a 1,200 foot depth in the initial vertical hole at the 50/50 owned Salal Creek project 70 km north of Pemberton, southwest BC, with visual grades of moly increasing at depths as well as evidence of the correct geological sequence needed to indicate a buried mineralized zone at depth.

Hole No.96-02 was at 225 feet on October 3 and has encountered the fine grain phase at 145 feet. Moly grades appear to parallel the deeper increased grades observed at 800 (+) feet in hole No. 96-01. Hole No.96-02 is being drilled at -55° to the east. The significance of the hole No.96-02 is that it entered the fine grained granodiorite^a at 145 feet compared to 670 feet in hole No. 96-01.

This may be an indication that the hole is approaching the top of the buried zone whereas hole No.96-01 may have followed the outside southern limb. The potential for a world class moly deposit similar to the Henderson deposit in Colorado remains high. Assays from 700 to 1,200 feet of hole No.96-01 are expected shortly. (SEE GCNL NO.192, Oct.3/96, P5 FOR PREVIOUS SALAL CREEK DATA)

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