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George Cross News Letter

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NO. 207 (1996)
 OCTOBER 25, 1996

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VERDSTONE GOLD CORP.

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

MOLYCOR GOLD CORP.

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

SALAL CREEK DRILL RESULTS - Larry W. Reaugh, president,
 Verdstone Gold Corp. and
 50/50 joint venture partner Molycor Gold Corp., report on activities

at the Salal Creek molybdenum project located 70 km north of
 Pemberton, southwest BC. Andris Kikauka, P.Geo., consulting
 geologist has prepared preliminary results from rock/soil
 geochemical sampling. A total of 4,378.8 feet of continuous rock
 chip channel bedrock sampling with widths up to 869.2 feet was
 carried out in an area 5,000 feet long by 3,000 feet wide centred at
 the Float Creek drill site. The results are as follows:

SAMPLE SERIES	FEET FROM DRILL SITE NO. 1	AZIMUTH FEET	WIDTH FEET	MoS ₂ %
SR 1-6	330	251	98.4	0.135
SR 8-47	IN CREEK ADJACENT TO DRILL		656.0	.037
SR 101	2132	173	16.4	1.164
SR 103-107	360	237	82.0	.059
SR 142-143	590	058	32.8	.062
SR 172-175	310	028	65.6	.118
SR 193-200	785	235	131.2	.053
SR 201-202	1310	254	23.0	.295
SR 243-246	1965	168	65.6	.041
SR 302-304	1880	164	49.2	.087

Soil samples taken at 50 metre spacing from an area 450 metres
 by 200 metres returned average values in excess of 0.2% MoS₂.
 Further surface geochem sampling (125 rock) and core from DDH 96-
 2 on site No.1 (406 ft deep, 80 samples) will be reported when
 received.

The Salal Creek Pluton is roughly six miles in diameter. The
 companies' 5,930 acre Salal 1-6 claim group, which includes the 650
 acre Float Creek moly zone, is located in the southern edge of the
 pluton. An additional 3,212 acre claim group has been staked to
 cover Red Mountain and the Athelney Pass moly zones situated in
 the north portion of the Salal Creek Pluton.

A comparison of the geologic features of the Salal Creek Pluton
 to the Climax and Urad-Henderson, Colorado MoS₂ orebodies
 controlled by Amax Inc. indicates similar Miocene age, dome-shaped
 radial and concentric fractures with associated stockwork quartz-
 molybdenite-alkali feldspar increasing towards the core. The Climax
 deposit contained over 1 billion tons of 0.3% MoS₂.

Distinct textural features found in both Salal Creek Pluton and
 the Climax-type intrusives suggest molybdenum bearing fluids
 exsolved (separated) directly from crystalline magma. This
 geological feature is also shared by the Highland Valley copper-
 molybdenum deposits in the Guichon Batholith southwest of
 Kamloops, BC. Mr. Reaugh notes there has been a 150% jump in the
 price of molybdenum from US \$3.30 to US \$5.00/lb. over the past
 six months. (SEE GCNL NO.195, Oct.8/96, P.5 FOR PREVIOUS
 SALAL CREEK DATA)

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