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George Cross News Letter

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VERDSTONE GOLD CORP.

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

MOLYCOR GOLD CORP.

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

DOBBIN PROJECT UPDATE - Larry W. Reaugh, president, Verdstone Gold Corp., and 50/50 joint venture partner Molycor Gold Corp., report on the continuing exploration at the companies 100% owned property, located 27 km west of Kelowna, BC on the southwest slope of WhiteRock Mountain near Tadpole Lake. The initial work has confirmed copper-platinum-palladium "porphyry" mineralization within a 200 by 300 metre area known as the Central anomaly. Platinum/palladium values are associated with chalcopyrite, bornite and/or magnetite. The mineralization process is a result of magmatic differentiation, i.e. copper and sulphur (+ platinum group elements) are enriched in the melt of a fractionating, alkalic mafic magma until conditions were suitable for crystallization. The slightly more "evolved" melt was responsible for the formation of hornblende (after pyroxene), biotite, chlorite, calcite and K-spar with which copper-bearing mineralization is associated with.

DDH97-11 collared 100 metres southwest of the central showings, intersected pyroxenite and hornblende gabbro mineralization from 0 to 200 metres (0 to 660 feet). Assays for this hole will be available in about one week. Geochemical and geophysical surveys suggest the central anomaly extends at least 400 metres (1,300 feet) south of the Central showings. There is also a significant anomaly 700 metres (2,300 feet) southwest of the Central showings. Grid pattern drilling is continuing to a depth of 230 metres (755 feet).

Split core is assayed at Chemex Laboratories in Vancouver. Check assays by Bonder Clegg Laboratories have confirmed copper, platinum and palladium values on a set of samples selected to include the range of values reported earlier. (SEE GCNL NO.150, 6Aug97. P.5 FOR PREVIOUS DOBBIN PROJECT INFORMATION)

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