1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306

George Cross News Letter

"Reliable Reporting"

COPYRIGHT
ALL REPRODUCTION
RIGHT RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
$350.00 + GST

RECEIVED
WESTERN CANADIAN INVESTMENTS
MAR 25 1997
E M P D

NO. 58 (1997)
MARCH 24, 1997

NO. 58 (1997)
MARCH 24, 1997

VERDSTONE GOLD CORP.
[VGC-V] 13,527,873 SHS.
MOLYCOR GOLD CORP.
[MOR-V] 7,251,527 SHS.

MOLY-TUNGSTEN PROJECT OPTIONED - John W. Fisher, P.Eng., director, reports

Verdstone Gold Corp. and Molycor Gold Corp. have been granted an option to acquire the Yorke-Hardy Molybdenum-Tungsten property near Smithers, BC. The property is an advanced exploration project with a large reserve of well defined high grade molybdenite in an easily accessible location complete with infrastructure. It increases the companies' high grade reserves of molybdenum mineralization by a factor of 100.

Under the option terms, Verdstone Gold and Molycor Gold each will earn an undivided 50% interest in the property, subject to regulatory approvals, by:

1) Issuing 100,000 Molycor shares and 130,000 Verdstone shares;
2) Option payments of $50,000 per year and annual lease payments for the 98 mineral claims of $14,190;
3) Provision for payment from production proceeds of 30¢/ton on more milled from the high grade section (>0.2% MoS_2) and 15¢/ton on ore milled from the lower grade section (<0.2% MoS_2);
4) Provision for Cyprus Amax Minerals Company to have first right of refusal for a 40% back-in in the event of a production decision.

The property is named for prospector William Yorke-Hardy who, with colleagues, staked it in 1957. It is also known as Glacier Gulch or Hudson Bay Mountain.

Geologically it has been described as molybdenite in stockwork and quartz vein swarms in granodiorite sheet and adjacent volcanic rocks and in a rhyolite porphyry plug. Scheelite, the mineral of tungsten, is also present. There is minor disseminated molybdenite in quartz monzonite stock which lies beneath the rhyolite plug.

It was optioned to American Metal Co. who conducting trenching and drilling. In 1961 American Metal Climax Inc. took it and was subsequently transferred to Climax Molybdenum Corp. of BC. For more than 10 years exploration and underground work continued and brought it to its present advanced state.

Today, it is the largest known molybdenite occurrence in BC. It also contains significant values of tungsten. A high grade reserve of 22,700,000 tons containing 0.401% MoS_2 and 0.041% WO_3 (at 0.2% MoS_2 cut off) has been defined above the underground workings which extend for more than 10,000 feet and include two cross cuts. At a lower cut off of 0.1% MoS_2 the reserves, although not fully defined, are within the range 90,000,000 to 140,000,000 tons at grades which have been estimated to be 0.15% to 0.25% MoS_2 and additional values of tungsten (0.03%). The deposit remains open at depth.

These data are based on 191,500 feet of diamond drilling of which 114,500 feet was from underground stations set up along the workings. Confirmation of high grade material (>0.3% MoS_2) was achieved from a bulk sample of about 1,000 tons taken from raises bored through 280 feet of drill holes above the workings. Subsequent metallurgical testing showed the molybdenite to be easily recoverable at high yields (88% to 94% recoveries) into clean high grade concentrates (88% to 90% MoS_2). In preliminary tests 30% to 40% of the tungsten was recovered from the molybdenite tailings.

A prefeasibility was done in 1981 and considered production rates through the range 2,000 to 10,000 tons per day. Much of the infrastructure is in place; electrical power, natural gas and rail transportation are close at hand. The town of Smithers is five km away. In the past year molybdenum prices have risen and remained firm in the range US $4.50 to $4.75/lb. Based on the high grade reserve estimate, this portion of the Yorke-Hardy molybdenite-scheelite deposit contains metal valued at US $600,000,000. The larger reserve has metal valued in excess of one billion dollars.

The companies plan to test the feasibility of production from the high grade zone. (SEE GCNL NO.53, 17Mar97, P.5 FOR OTHER MOLYBDENUM JOINT VENTURE DATA)

93L 110