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George Cross News Letter

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NO. 80 (1998)
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VERDSTONE GOLD CORP.

[VGC-V] 16,659,695 SHS.

MOLYCOR GOLD CORP.

[MOR-V] 9,676,193 SHS.

YORKE-HARDY RESERVES REPORTED - Larry Reaugh, president, Verdstone Gold Corp., and 50/50 joint venture partner Molycor Gold Corp. report progress on the Yorke-Hardy project located five miles from Smithers, BC.

Giroux Consultants Ltd. have completed their evaluation of the molybdenite resource based on the drill log information supplied by the companies. The original estimates by Steininger (1981) were based on 194,500 feet of diamond drilling of which 141,200 feet was done from underground drill stations established along 8,500 feet of exploration adit and crosscuts at 3,500 feet elevation. Split cores, assay rejects and assay pulps are retained in a secure location at Smithers, BC. The estimates are shown in the following table:

STEININGER (1981)			GIROUX (1998)		
TONS	MOLY %	LBS. x10 ⁶	TONS	MOLY %	LBS. x10 ⁶
138,310,000	0.262	697	132,130,000	0.254	671
INCLUDES			INCLUDES		
22,700,500	0.401	182	26,650,000	0.400	213
INCLUDES			INCLUDES		
4,016,200	0.693	51	4,555,000	0.604	055

NOTE: MOLY = MoS₂

Mr. Giroux has recommended geologic information be added to drill log data so a geologic model for constraining the grade used in the estimate can be developed. In addition, grade block models generated by this current resource evaluation are being examined by mining engineers to assess preliminary mine planning.

The companies' consulting geologist Andris A. Kikauka, P.Geol., has staked additional claims (3,185 acres) to extend the boundary to include a new area of interest. The new claims cover gold bearing quartz veins and stockwork as well as high grade silver veins connected to the Duthie Mine (reported to have produced 78,720 tons grading 10% lead-zinc and 35 oz. silver/ton).

Based on the strength of the project's economic viability, management envisions development of the high grade core (26,650,000 tons grading 0.40% MoS₂) of the Yorke-Hardy deposit.

At a projected production rate of 3,000 tons/day, combined with economic values of over \$30/ton, the mine life would be in excess of 25 years. (SEE GCNL NO.51, 13Mar98, P.5 FOR ALASKA PLACER PROJECT INFORMATION)

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