

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

George Cross News Letter

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MOLYCOR GOLD CORP.
[MOR-CDNX] 10,869,088 SHS.
VERDSTONE GOLD CORP.
[VGC-CDNX] 17,407,209 SHS.

OLYMETALLIC DISCOVERY OPTIONED - Larry W. Reaugh, president, reports Molycor Gold Corp. and Verdstone Gold Corp. have signed a letter of intent to earn a 100% interest (subject to a 2% NSR to the vendor) in 10 mineral claims and units in the Kamloops Mining Division, 70 km northeast of Kamloops, south-central BC. The find is located in the Eagle Bay Formation in the vicinity of the Rea Gold - Samatosum deposit and has similar characteristics to the Samatosum Mine as follows:

Base and precious metals are hosted in quartz veins/veinlet fragments located in a strongly sheared, predominately argillitic sequence of rocks. The sheared nature of these rocks is due to the effects of being contained within a thrust fault zone of unknown thickness (at Samatosum the total thrust zone was about 100 to 200 metres thick)

- The quartz vein fragments are deformed and the majority are transposed into the shear fabric of the thrust fault.
- Local vein-related, sericitic wallrock alteration can be seen where the pre-faulting vein/argillite association remained intact.
- Mineralized, near-vertical "leakage" quartz veinlets are present in the overthrust limestone (at Samatosum the overthrust rocks are mafic pyroclastics).

The vendor made the discovery when an old trench was deepened and exposed bedrock in the thrust zone. Assays by the vendor and a major company are in an area about 7 metres wide by 18 metres long and ranged from 0.214 oz.gold/ton, 6.82 oz.silver/ton, 3.62% lead, 45.5% zinc and 2.2% copper over 2 metres and 0.085 oz.gold/ton, 4.20 oz.silver/ton, 6.34% lead, 3.30% zinc and 0.25% copper over 7.5 metres.

Check sampling completed by Doug Blanchflower, P.Geo., in one vicinity of the trenched area confirmed the precious and base metal values as follows: 2 metres of fracture-filled to local semi-massive galena, sphalerite, chalcopyrite and pyrite mineralization hosted by intensely fractured, fissile and carbonaceous argillite which occurs both as fine-grained and medium-grained semi massive mineralization with hematitic leached-out boxwork voids; similar in appearance to oxidized surface mineralization at the Samatosum vein deposit.

The two-metre section averaged 0.17 oz.gold/ton, 7.68 oz.silver/ton, 9.75% lead, 7.89% zinc and 0.24% copper. The following 13 metre (true width 4.5 metres) were taken in a sparsely mineralized tuff and argillite and assayed as follows: 0.018 oz.gold/ton, 5.27 oz.silver/ton, 0.47% lead, 1.13% zinc and 0.04% copper.

Mineralization is contained in a North-South thrust fault in contact with a limestone bluff and has been traced for several kilometres on the property. The vendor has reported finding high-grade float up to 1,000 metres south and 700 metres north. One piece of float averaged 0.391 oz.gold/ton, 16.30 oz. silver/ton, 29.2% lead and 18.2% zinc. Grab samples in the trench were as high

as 0.784 oz.gold/ton, 18.08 oz.silver/ton, 5.31% lead and 3.03% zinc.

The companies may earn a 50% interest each in the claims by making cash payments, share payments and commitments to field exploration work as follows: Cash payment of \$150,000, 400,000 shares of Molycor and 640,000 shares of Verdstone and \$2,000,000 to be spent on exploration over five years. The payments and expenditures on exploration are to be staged as follows: i) \$5,000 cash, upon the signing date and 100,000 shares Molycor and 160,000 shares of Verdstone upon CDNX approval plus a work program of \$250,000 completed within one year; ii) \$25,000 cash, 75,000 shares Molycor and 120,000 shares of Verdstone within one year. A work program of \$350,000 completed within two years; iii) \$40,000 cash, 75,000 shares Molycor and 120,000 shares of Verdstone within two years and a work program of \$450,000 completed within three years; iv) \$40,000 cash, 75,000 shares Molycor and 120,000 shares of Verdstone within three years. A work program of \$450,000 completed within four years; and v) \$40,000 cash, 75,000 shares Molycor and 120,000 shares of Verdstone within four years. A work program of \$500,000 completed within five years.

The companies have staked additional 160 units around and contiguous to the existing 60 claims and units (totalling approximately 13,000 acres) and will publish a claims location map shortly. Management is currently examining past geophysical and geochemical surveys on the property to define a trenching program along strike from the discovery trench to start near month end. (SEE GCNL NO.214, 8Nov2000, P.1 FOR DOBBIN PLATINUM PROJECT INFORMATION)

B2M General