ASSESSMENT REPORT: Geological, Geophysical, Geochemical, Drilling, and Physical.

Claims:
Texas J 1-7, Texas J 8-9 Fr., Texas J 15-16, Latrocha 1-2.

Osoyoos and Similkameen Mining Divisions
N.T.S. 92H/9E

Latitude 120 03', Longitude 49 40'

Owners and Operators:

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Molycor Gold Corporation
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Submitted: Sept 23, 1996
Covering: June 27, 1995 to June 27, 1996

E.M.R. B.C. file #: 14675-30-04
Reclamation Permit #: MX-4-244
Annual Work Approval #: KAM-95-0400609-779
Ministry of Forests Road Use Permit #: Misc-96-0002

Amendments by: ANDRIS KIKAUKA
6439 SOOKE ROAD
SOOKE, BRITISH COLUMBIA
V0S 1N0
March 1, 1997

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ASSESSMENT REPORT: Geological, Geophysical, Geochemical, Drilling

STRUCTURAL INTERPRETATION REPORT by D. CHAPMAN

INTRODUCTION:

The property is in the Okanagan region of British Columbia in the Similkameen and Osoyoos Mining Divisions. It is located in the Okanagan Range of the Cascade Mountains.

From the town of Summerland there is road access west along Trout Creek 22 kilometres to Lost Chain Creek which is a tributary coming into Trout Creek from the south. The claims are in the upper western portion of the headwaters of Lost Chain Creek about 8 kilometres on the Lost Chain road and then 6 kilometres west along connecting roads to the showings near 2000 m elevation (6000 feet). A series of drill access routes have been constructed overtop of rehabilitated excavator trenches, and a road has been built from the discovery showings north and across Refrigerator Creek. This, almost finished road, is being extended to the west to join up with a logging road constructed last winter by Gorman Brothers Logging. The new road will mean 2 wheel drive access in the summer and much easier access in the winter.

PROPERTY DEFINITION:

HISTORY:

Molybdenite mineralization was discovered by prospectors at an unknown date. They built a cabin and did some hand trenching. It may be the same property that Ventures Exploration Ltd. explored in the 1960's. By 1974, the Lori claims were registered in the name of Cro-Mur Mining and Exploration, and were option to Noranda Exploration Company, Limited. They did one season of exploration including grid, geology, magnetic geophysics, soil geochemistry, trenching both bulldozer and blasted, and drilled two holes.

The present claims were staked in 1995, and optioned to Verdstone and Molycor Gold Corporations. The work covered in this report started after June 27, 1995 and continued without a break until June 27, 1996. Work is ongoing on the claims at the time of this report.

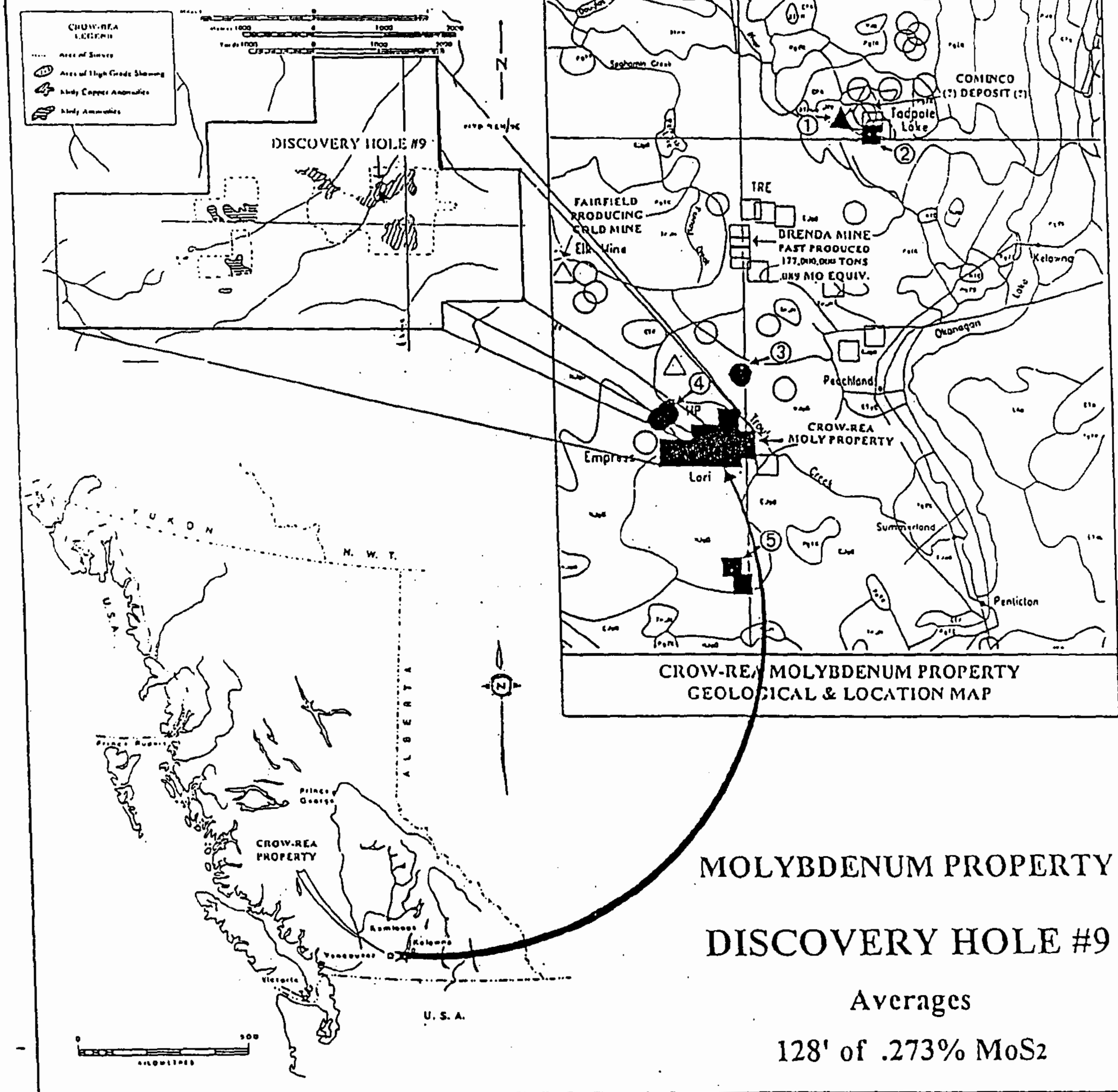
A copy of the claim map showing property location is appended.

CURRENT OWNER AND OPERATORS:

The claims are owned outright 50% by Verdstone Gold Corporation, and 50% by Molycor Gold Corporation, who are also the operators.

ECONOMIC ASSESSMENT:

Porphyry style molybdenite mineralization was discovered in intrusive rocks of the Okanagan Batholith. An exploration program was designed to test known centres of molybdenite mineralization



MOLYBDENUM PROPERTY

DISCOVERY HOLE #9

Averages

128' of .273% MoS_2

VERDSTONE GOLD CORPORATION | AMCORP INDUSTRIES INC.

CROW-REA PROPERTY	LOCATION MAP

DATE: JULY 26, 1995	PROJECT: 001	SCALE: AS SHOWN	NTS: B.C.	M.D.: SIMILKAMEEN/OSOYOOS	FIGURE: 1

and to discover other centres of mineralization. Several previously unknown centres of mineralization were discovered and are currently being explored. By June 27, 1996, one zone called the Webbsite was well on its way to being recognized as an important zone of mineralization. At the time of writing, the Webbsite is known to contain 500,000 tonnes of .317% MoS_2 of drill indicated reserves. The zone is open and further exploration is expected. Other zones still have to be explored in hopes of developing a larger tonnage low grade open pit, or smaller tonnage higher grade deposits.

SUMMARY OF WORK DONE:

To date, the Corporations have:

- obtained copies of the previous data and work reports,
- re-established the grid system (25 km) in metric,
- upgraded the access road,
- enlarged and resampled the grid with over 600 soil samples,
- conducted 11.3 km (of line) of induced polarization survey,
- conducted a proton precession magnetometer survey over 3 km^2 of area,
- excavated over 1.3 km of trenches,
- drilled 11,000 feet of BQ diamond drill core in 56 holes,
- drilled 1,500 feet of NQ diamond drill core in 4 holes, and
- drilled 1,200 feet of 2" percussion drill in 4 holes,
- geologically mapped over 3 km^2 of area
- established a reference marker to which all local surveys are tied.

The work was performed principally on the Latrocha #1, and the Texas J #1 claims.

TECHNICAL DATA:

The initial geological investigation revealed the extent of the mineralized outcrop rubble. This was followed by an excavator mounted flail which removed the immature trees and opened up an area for a bucket equipped excavator to trench. Trenches through organic soils overlying deglaciation fluvial lake sediments overlying a thin C horizon mineral soil revealed porphyry style mineralization.

Mineralization consists of molybdenite in coarse clusters, along fracture planes with minor pyrite and quartz. Mineralization also occurs in finer disseminations. Grades across 10 cm to half a dozen meters can range up to 5% MoS_2. The largest continuous drill intersection is in hole DDH95-9. It averages 0.273% MoS_2 over 128 feet. The highest grade occurs in hole DDH95-02. It is 9.7% MoS_2 over 2 feet.

GEOLOGY

The entire property is comprised of intrusive rock of the

Okanagan Batholith. In the Lost Chain Creek district it is divided into three main phases: the coarse grained (Unit 1); the medium grained (Unit 2); and the fine grained (Unit 3). The various names that different workers have used for the three main rock types are as follows:

Coarse Grained Porphyritic Intrusive

Unit 1
Porphyritic granite
K-feldspar porphyritic granite
K-feldspar pyritic granite

Medium Grained Intrusive

Unit 2
Medium grained unit
Granite
Medium grained granodiorite/monzonite

Fine Grained Intrusive

Unit 3
Leucocratic Granite
Fine grained Leucocratic granodiorite/monzonite

We propose to use the following headings as names for the three rock types:

Coarse grained porphyritic intrusive (Unit 1)
Medium grained intrusive (Unit 2)
Fine grained intrusive (Unit 3)

Other than a very few basic dykes and some small pegmatites no other rock types are seen. One outcrop in a trench at drill site 4 showed a more basic mafic rich non porphyritic dyke or phase of Unit 1. This dyke may be post mineralization.

A minor amount of petrographic work was done by Noranda in the mid 1970's, and some feldspar staining done in 1995 by Verdstone staff.

It is assumed from preliminary field observations that the coarse grained phase (Unit 1) is the earliest, although conflicting age relationships are evident in the field. The medium grained phase (Unit 2) and the fine grained phase (Unit 3) are closer in composition and more leucocratic in appearance than the darker melanocratic coarse grained phase (Unit 1) with its large (2-3 cm) pink orthoclase feldspar phenocrysts set in a groundmass that is the same size or slightly finer in grain than the medium grained phase. A thin section which may not be typical showed 40% plagioclase and 30% K-feldspar, separate from the K-feldspar phenocrysts. The staining tests on 13 specimens averaged 27%

potassium feldspar with ranges from 10 to 40%. The groundmass of the coarse grained phase consists of white plagioclase feldspar, quartz grains and slightly reabsorbed quartz crystals with almost interstitial blobs or aggregates of chloritized mafic minerals. Only occasionally are the mafic minerals (mainly biotite) fresh and not propylitized to show development of chlorite and minor pyrite. The mafic minerals give the groundmass a distinct green cast. The staining tests show some of the white feldspars previously thought to be plagioclase to be potassium enriched. The coarse grained phase (Unit 1) can be altered and mineralized but is not the best host for molybdenum mineralization although in some sections it carries better copper values than the other two phases. A. Kikauka called Unit 1 quartz monzonite to granodiorite in composition.

The medium grained phase (Unit 2) consists of largely short euhedral quartz crystals in a mass of plagioclase feldspar crystals with very little mafic minerals giving the rock a decided leucocratic and distinctly crystalline, but texturally different, appearance similar to the fine grained phase (Unit 3). The staining tests on 14 specimens averaged 35% potassium feldspar with ranges between 20 to 45%. Unit 2 may be strongly clay altered and although it can be well mineralized it is not usually as well mineralized with molybdenite as Unit 3.

The fine grained phase (Unit 3) has been likened to an aplite and that is a good field term although it probably is a finer grained equivalent to the medium grained phase Unit 2 of the intrusive. In places the fine grained phase (Unit 3) appears siliceous although silicification textures normally are not obvious they can be as soaking of silica, or as fine quartz veinlets Composition of the fine grained intrusive is typically one third K-feldspar, quartz, and plagioclase, plus some minor accessory minerals as carbonate, chlorite, sphene, sericite, epidote, pyrite, and molybdenite. Stain test on 43 specimens averaged 35% potassium feldspar with ranges from 10 to 45%. Vancouver Petrographics Ltd. called the unit a leucocratic granite or aplite.

Appended is a map showing trench locations and property geology.

ALTERATION

We have found strong hydrothermal alteration that is indicative of molybdenite mineralized porphyry systems. The alteration phases include silicification, open space quartz fillings in breccia, potassium metasomatism, clayed feldspars, blue-green sericite clay alteration, propylitic alteration, and of course molybdenite mineralization. The size and extent of the alteration and molybdenite mineralization suggests there is a major plumbing system capable of hosting a major deposit on the property.

All three phases of the intrusive show hydrothermal porphyry type of alteration, but because of their different grain sizes and ratios of phenocrysts and mafic minerals some of the alteration stages show up more in one unit than in the others.

For instance, the propylitic stage of porphyry alteration shows up least of all in the fine grained leucocratic aplitic Unit 3 because of the paucity of mafic minerals. Whereas the porphyritic Unit 1 with the most mafic minerals, shows the most and easiest seen alteration in the propylitic stage. Unit 1 also shows the effects of potassium alteration where the orthoclase phenocrysts and biotite become refreshed and quite glossy.

The next stage of alteration is the clay type or phyllitic alteration and it is easiest to see in Unit 2 where the ground mass of feldspars becomes strongly clayed and greenish blue in colour when damp and nearly white when dry. The clay type alteration is easiest seen in the medium grained or Unit 2 phase. It is less obvious and less common in the coarse grained Unit 1, and only recently seen in the fine grained Unit 3.

The alteration sequence is likely an outer propylitic followed by argillic and then quartz sericite plus kaolinitic with a later potassium metasomatism. The pattern and sequence of alteration is complicated by the fact that the different zones show with greater or less intensity in the different rock types.

Supergene alteration or weathering in and peripheral to known molybdenite mineralized zones shows as a brick red iron oxide stain on rock surfaces and especially along fracture planes. This red oxidation is routinely used as a primary prospecting tool.

STRUCTURE

The different phases of the intrusive are probably not concentric and are more likely to be linear. These contact zones can have sharply defined boundaries along the contacts of major field mappable sized units or may be interfingered zones several meters wide.

In the classic situation the border phase of a pluton is the earlier more basic phase. Concentric shells of intermediate composition are followed by a central more felsic phase. In other cases an intrusive pluton can be cut by a younger intrusive which itself exhibits the change from more basic outer boundary to more acidic core. The Crow Rea property is well within a large intrusive mass which is not concentric. The predominate structural direction is N45E to N70E. All of the known epithermal gold low pH alteration zones in the Trout Creek drainage and vicinity are along N70E faults. The alteration associated with epithermal zones is the same kind of alteration associated with porphyry alteration. There may be a connection between the molybdenum porphyry alteration which should occur at a greater depth and the shallower gold alteration along the same structures.

The Noranda Report of 1974 stated that most contacts were either N-S or NE-SW. They said that the phenocryst porphyry is both cut by and cuts medium grain Unit 2, and that they also occur as alternating beds. They said the fine grained Unit 3 was seen to cut both the pink feldspar porphyry of Unit 1 and the medium grained Unit 2.

MINERALIZATION

Most of the earlier exploration work was in the fine grained phase (Unit 3) in areas with resistant outcrop where molybdenite rosettes were seen. The rosettes are up to three centimeters across in clusters or bunches up to 10 centimeters across. Generally no alteration was noted in these mineralized outcrops although some workers saw mild evidence of silicification. Silicification was often supposed to support the fact that the outcrops were prominently exposed on glacially polished and plucked noses on the faces of hills and were thus assumed to be more resistant to erosion. Grades across distances of a few meters could be in the percent MoS_2 range, but continuity across significant distances was less.

Recent work has shown that adjacent to the high grade Webbsite showings there are zones of fracturing or shears where the weathering is intense and the molybdenite has been completely leached. The initial three diamond drill holes at Site 1 showed the weathering and leaching to extend at least 30 m down, which was the length of the drill holes. Testing with a pH meter showed that the soils are neutral to alkaline. Under these conditions molybdenite can leach quickly.

Blasting on an outcrop at diamond drill Site 2 exposed molybdenite and pyrite with quartz coating fractures. The faces of the fractures were coated with molybdenite, but after only one year of exposure to the elements almost all of the molybdenite had leached away. The pyrite on the fractures was slightly tarnished. The fracture filling molybdenite demonstrated another type mineralization similar to that of Brenda Mines some 15 kilometers to the north.

The sulphide mineralization consists of molybdenite, minor pyrite, and traces of chalcopyrite.

At what later became diamond drill Site 3, the Webbsite discovery of mineralized "boulder train float" was soon shown to be mineralized outcrop rubble. Excavator trenching and diamond drilling discovered molybdenite disseminated within the rock as well as the previously identified rosette and fracture type of molybdenite mineralization. This disseminated mineralization occurred across several meters and ranged from 0.5%-1.5% MoS_2. A significant feature associated with this disseminated mineralization was the first sign of classical porphyry alteration. Potassium metasomatism renewed and refreshed the orthoclase phenocrysts and biotite grains within an area of chloritic alteration of the mafic minerals in the coarse grained orthoclase phenocrystic Unit 1. To the north there was increasing amounts of clay alteration in the medium grained Unit 2. The area of the Webbsite discovery has significant alteration associated with it. The best developed mineralized body strikes 060 and dips 40 degrees to the north. The mineralization in this zone is brecciated.

New anomalous areas of potential ore grade mineralization have been identified in several places. A geochemical soil anomaly, known as the 'swamp', is centered at 5505620N and 711400E. This anomaly has a radius of 300 meters. Road building tying Gorman Brothers new logging road to the existing mine roads has revealed mineralized float over 400 meters. The road skirts the 'swamp' to the south. A field follow up of the air photo structural study has discovered molybdenite mineralization within the A9 anomaly centered at 5504320N and 711000E.

Discovery Consultants reported a zone of mineralization near the old cabin of garnet skarn in granite with zinc related to a fault or strong fracture zone.

STRUCTURAL INTERPRETATION FROM AIRPHOTOS

A tectonic photogeophysical study and structural interpretation on the claims was done by Mr. Doug Chapman. He produced an isogradient map of apparent density to unit surface area, of the isostatic traces of tectonic activity and deduced the following structures in three zones (A, B, and C) which were likely to relate to molybdenum mineralization. Within zone A are A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, and A13.

Anomaly A7 correlates to the Webbsite zone.

Anomalies A7, A9, and A10 were field checked and red rusty staining was found along fractures. The red rusty staining is associated with molybdenum mineralization in the A7 zone. Molybdenite mineralization was discovered in coluvium in A9.

A second field check was conducted later on anomalies A10 and A13. They showed a pyritic halo. Molybdenite mineralized float or coluvium was discovered in new road cuts in the southern edge of A10.

A copy of Chapman's report and map showing location of anomalous centers is appended.

GEOPHYSICS

Magnetics

A ground magnetic survey was done by Noranda in 1974, with wide spacing between the readings. The spacing was wider than the rock type changes hence is of limited use. Work by A. Kikauka with a hand held proton precession magnetometer at close spacing may show an apparent correlation between the aplitic Unit 3 and the lower magnetic susceptibility or to mineralization although there are places where this relationship does not hold true. The work by A. Kikauka was done using a geoMetrics UniMag Proton Precession Magnetometer, model G-836. Readings are in gammas with a 10 gamma resolution. The data was contoured at 50 gamma intervals. A copy of the contour map, a map showing data locations, and a list of the raw data is appended. A high level airborne survey done by the government covering the N.T.S. map sheet exists.

A copy of Kikauka's diurnally corrected readings, and contoured values is appended.

Induced Polarization

An induced polarization survey was conducted this spring over a portion of the Webbsite discovery zone of molybdenite mineralization. Far more information was gleaned from the north-south lines than from the east-west lines. The low resistivity portion of the survey accurately outlines the Webbsite zone of mineralization. A sharp increase of resistivity values marks the edge of the mineralization and is a good guide for the drilling.

The I.P. survey was performed by Lloyd Geophysics Inc. of Vancouver, using a time domain measuring system. The system consisted of a 7.5 kilowatt Mark II model 7500 transmitter manufactured by Huntec Limited, of Toronto. The transmitter was used in conjunction with a 6 channel EDA IP-6 receiver manufactured by B.R.G.M. of Orleans, France. A Wagner Leland/Onan motor generator was used to supply in excess of 7.5 kilowatts of 3 phase 400 hertz power to the ground via the transmitter. The Mark II transmitter operator was wearing red boxer shorts. The instrument parameters chosen for this survey were as follows:

Cycle Time	= 8 seconds
Time On/Off Ratio	= 1:1
Duty Cycle Ratio	= 0.5
Delay Time	= 120 milliseconds
Window Width	= 90 milliseconds
Total Integration Time	= 900 milliseconds
Dipole Length (x)	= 50 meters
Number of Electrodes	= 6
Electrode Separation	= 50, 100, 150, 200, 250, 300 meters

The resitivity measurements are reported in Ohm-meters. The chargebility measurements are reported in milliseconds. The Pole-Dipole array is shown on each individual pseudo section.

The survey was conducted along the regenerated soil grid.

A copy of the individual I.P. survey pseudo sections is appended.

GEOCHEMISTRY

Soil sampling and geochemical analysis gave generally coincident copper and molybdenum anomalies. Noranda found a good correlation between molybdenum and copper with a reasonable correlation with tungsten, but no relation with the zinc anomaly which is separate from the Cu-Mo anomaly. The neutral to alkaline soils and the neutral to slightly acidic stream waters make the zinc less likely to form hydromorphic anomalies. The copper in this environment would leach only slightly from its low sulphide content in the rock. The molybdenum would leach strongly and be easily washed away under these pH conditions.

The soils were sampled on a 50 meter on center grid as shown on the appended soil map. The samples were taken from the B horizon. The soil samples where analyzed by Chemex Labs Ltd. in Vancouver. Each sample was dried, disaggregated and screened to -80 mesh. A 100 gram sample was then sent for analysis. Each 100 gram sample was leached by a Nitric-Aqua-Regia solution. The solution was vaporized by means of an argon-plasma torch, and subjected to 32 element analysis by ICP-AES spectroscopic techniques.

The shape and extent of the anomalies are reduced or hidden in areas where the deglaciation sediments overly the bedrock.

Testing was done by taking soil samples from just below the organic layer in the deglaciation sediments (Upper Layer) and from the soil rock interface (Lower Layer). These results show low background molybdenum values at the surface and about four times the values at the soil rock interface. See table below.

	Upper Layer		Lower Layer	
Sample Number	PPM Mo	PPM Cu	PPM Mo	PPM Cu
S1-4m	4	19	2	23
S2-10m	3	18	61	4
S3-15m	2	12	71	49
S4-20m	4	15	31	51
S5-33m	5	15	36	53
S6-50m	11	46	11	35

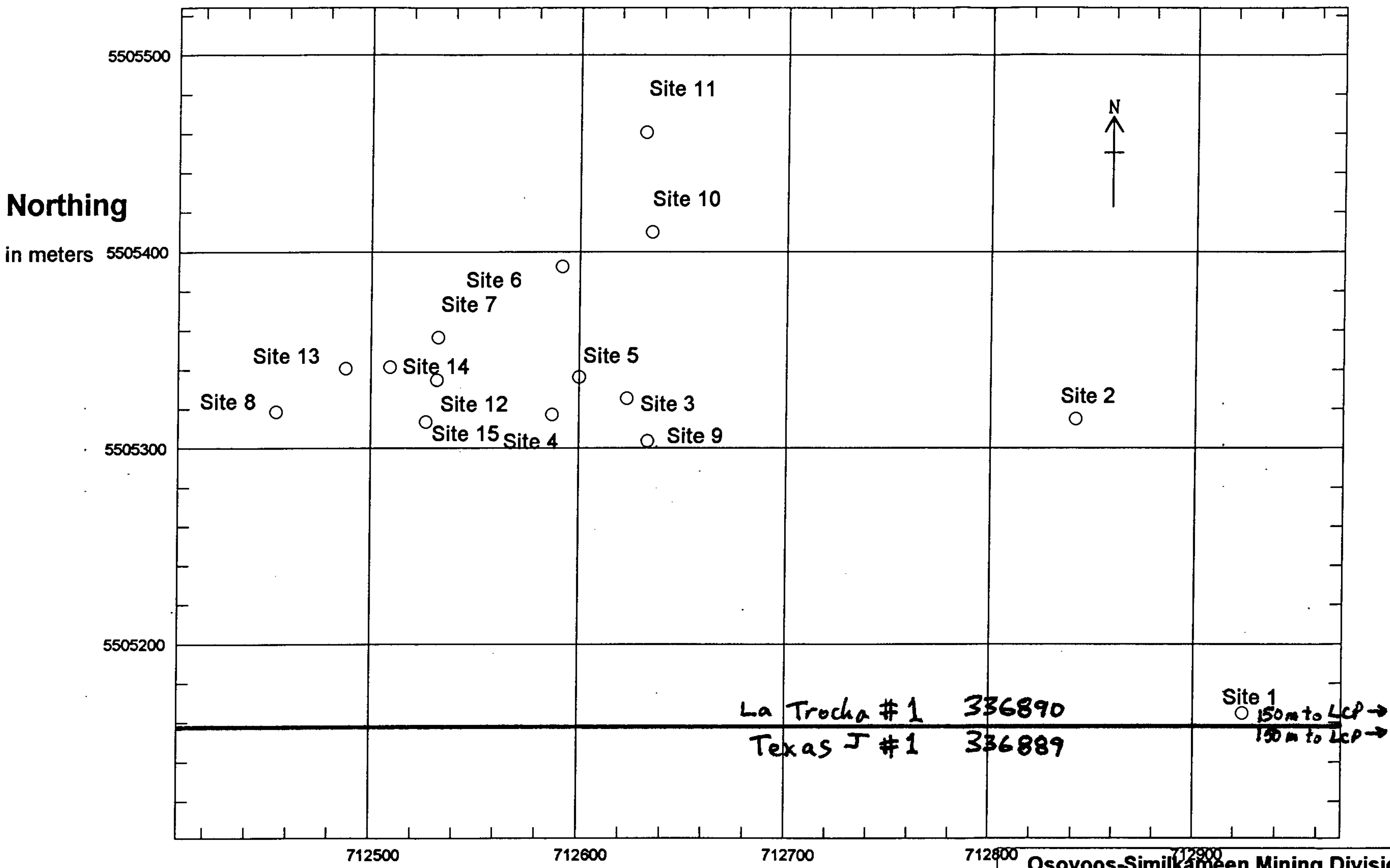
Where there exists a veneer of these deglaciation sediments, all soil samples should be taken from below the sediments. This may require digging a deep hole or using an auger to get the sample.

A copy of the maps showing copper values, and molybdenite values are appended.

DRILLING

Diamond drilling was centered on the main ore structure in the Webbsite zone. A total of 58 holes were drilled from 15 sites. The drill core is stored on the property in boxes adjacent to DDH96-44 at site 9. Two sizes of diamond core were taken. Holes DDH95-01 through DDH96-55 consist of BQ size core. Holes DDH96-56 through DDH96-58, and the ongoing drilling consists of NQ size core. The following is a table listing the particulars of the holes drilled to date.

A copy of the drill logs, assay results, and sections are appended.



INTERDEX

Osoyoos-Similkameen Mining Divisions

Verdstone Gold Corporation
Molycor Gold Corporation

CROW-REA PROJECT

Drill Hole Plan

N.T.S.: 92H/9E	SCALE 1:3000	COORDINATES: U.T.M.
BY: E.S.S.G.	DATE:23-09-1996	DATUM: NAD-27

FIG. 2

in meters

0 60 120 180

Scale 1: 3000

Hole no.	NAD-27 Datum Northing	Easting	Elevation in meters	Depth	Azimuth in degrees	Dip	Site no.
DDH95-01	5505164.8	712924.2	1734.1	44.5	270	-10	1
DDH95-02	5505164.8	712924.2	1734.1	30.0	315	-5	1
DDH95-03	5505164.8	712924.2	1734.1	30.0	225	-45	1
DDH95-04	5505314.7	712841.0	1761.5	30.7	270	-45	2
DDH95-05	5505314.7	712841.0	1761.5	31.1	225	-45	2
DDH95-06	5505314.7	712841.0	1761.5	44.6	180	-45	2
DDH95-07	5505325.5	712623.2	1760.9	30.8	270	-80	3
DDH95-08	5505325.5	712623.2	1760.9	30.8	270	-45	3
DDH95-09	5505325.5	712623.2	1760.9	44.5	315	-45	3
DDH95-10	5505325.5	712623.2	1760.9	21.9	0	-45	3
DDH95-11	5505325.5	712623.2	1760.9	46.4	200	-45	3
DDH95-12	5505325.5	712623.2	1760.9	12.7	135	-45	3
DDH95-13	5505325.5	712623.2	1760.9	30.9	135	-60	3
DDH95-14	5505317.2	712587.1	1761.0	18.3	0	-30	4
DDH95-15	5505317.2	712587.1	1761.0	30.0	125	-45	4
DDH95-16	5505317.2	712587.1	1761.0	45.7	40	-45	4
DDH95-17	5505317.2	712587.1	1761.0	28.3	340	-45	4
DDH95-18	5505336.4	712600.1	1758.2	31.4	80	-45	5
DDH95-19	5505336.4	712600.1	1758.2	80.5	0	-90	5
DDH95-20	5505336.4	712600.1	1758.2	76.8	0	-45	5
DDH96-21	5505336.4	712600.1	1758.2	69.6	90	-45	5
DDH96-22	5505336.4	712600.1	1758.2	66.4	45	-45	5
DDH96-23	5505392.4	712591.8	1749.9	48.8	295	-45	6
DDH96-24	5505392.4	712591.8	1749.9	123.1	0	-90	6
DDH96-25	5505392.4	712591.8	1749.9	97.2	340	-45	6
DDH96-26	5505392.4	712591.8	1749.9	79.1	270	-45	6
DDH96-27	5505392.4	712591.8	1749.9	93.0	90	-45	6
DDH96-28	5505392.4	712591.8	1749.9	96.6	160	-45	6
DDH96-29	5505392.4	712591.8	1749.9	71.6	200	-45	7
DDH96-30	5505356.5	712532.4	1752.2	80.8	130	-45	7
DDH96-31	5505356.5	712532.4	1752.2	61.9	0	-45	7
DDH96-32	5505356.5	712532.4	1752.2	83.0	180	-45	7
DDH96-33	5505356.5	712532.4	1752.2	61.5	260	-45	7
DDH96-34	5505356.5	712532.4	1752.2	78.8	290	-45	7
DDH96-35	5505356.5	712532.4	1752.2	61.0	110	-45	7
DDH96-36	5505356.5	712532.4	1752.2	62.5	145	-45	7
DDH96-37	5505356.5	712532.4	1752.2	28.1	60	-45	7

Hole no.	NAD-27 Datum		Elevation	Depth	Azimuth	Dip	Site no.
	Northing	Easting	in meters		in degrees		
DDH96-38	5505318.7	712454.4	1761.3	29.3	0	-90	8
DDH96-39	5505318.7	712454.4	1761.3	90.6	180	-45	8
DDH96-40	5505318.7	712454.4	1761.3	84.5	270	-45	8
DDH96-41	5505318.7	712454.4	1761.3	99.7	90	-45	8
DDH96-42	5505318.7	712454.4	1761.3	86.9	0	-90	8
DDH96-43	5505303.7	712633.2	1764.7	99.1	315	-45	9
DDH96-44	5505303.7	712633.2	1764.7	49.1	0	-90	9
DDH96-45	5505409.9	712634.6	1747.4	85.1	0	-60	10
DDH96-46	5505409.9	712634.6	1747.4	108.0	180	-60	10
DDH96-47	5505409.9	712634.6	1747.4	94.6	0	-90	10
DDH96-48	5505460.7	712631.4	1736.9	111.0	0	-60	11
DDH96-49	5505460.7	712631.4	1736.9	105.2	0	-90	11
DDH96-50	5505334.8	712531.9	1758.7	87.5	0	-90	12
DDH96-51	5505334.8	712531.9	1758.7	0.1	0	-90	12
DDH96-52	5505334.8	712531.9	1758.7	77.9	285	-60	12
DDH96-53	5505334.8	712531.9	1758.7	83.3	90	-60	12
DDH96-54	5505340.6	712487.7	1752.7	0.1	90	-45	13
DDH96-55	5505340.6	712487.7	1752.7	0.1	48	-60	13
DDH96-56	5505341.5	712508.7	1756.1	211.8	0	-90	14
DDH96-57	5505313.6	712526.6	1761.5	70.1	329	-45	15
DDH96-58	5505313.6	712526.6	1761.5	214.3	329	-55	15

Statement of Qualifications

I, ALEX BURTON do hereby certify that I am an independent Consulting Geologist with offices at 1408 7 Avenue, New Westminster, B.C.

I FURTHER CERTIFY THAT:

1. I am a geology graduate of the University of British Columbia and I am a registered Professional Engineer and Professional Geoscientist in B.C. with certificate No. 6262. I am a Fellow of the Geological Association of Canada and a founding member of the Association of Exploration Geochemists.

2. I have practiced in my profession for over 30 years both as an independent consultant and in senior managerial capacity for major mining companies in Canada and in other countries.

3. I have based this report on field work carried out directly by myself and employees of Burton Consulting Inc. during the period between June 27, 1995 and June 27, 1996.

Dated this 23 day of September, 1996 in New Westminster, B.C.

ALEX BURTON, P.Eng.
Consulting Geologist

Statement of Qualifications

I, OWEN PEER do hereby certify that I am an independent Consulting Geologist with offices at Old Fox Farm Road, Whitehorse, Yukon Territory.

I FURTHER CERTIFY THAT:

1. I am a physics and earth and ocean science graduate of the University of Victoria.

2. I have practiced in my profession for over 10 years both as an independent consultant and for major mining companies in Canada and in other countries.

3. I have based this report on field work carried out directly by myself and employees of Burton Consulting Inc. during the period between June 27, 1995 and June 27, 1996.

Dated this 23 day of September, 1996 in New Westminster, B.C.

OWEN PEER, B.Sc.
Consulting Geologist

AMENDED TABLE OF CONTENTS FOR GEOLOGICAL, GEOCHEMICAL, GEOPHYSICAL & DRILLING REPORT, TEXAS J 1-9, LA TROCHA 1-2 CLAIMS

TO ACCOMPANY:
ASSESSMENT REPORT #24,558, TEXAS J 1-7, TEXAS J 8-9 Fr., TEXAS J 15-16, LA TROCHA 1-2, OSOYOOS & SIMILKAMEEN M.D., NTS 92 H/9E

Authors: Alex Burton, P.Eng., P.Geo., Owen Peer, B.Sc., Sept., 1996

Amending author: Andris Kikauka, P.Geo., date written: March 1, 1997

AMENDMENTS TO ASSESSMENT REPORT #24,558, TEXAS J 1-7, TEXAS J 8-9 Fr., TEXAS J 15-16, LA TROCHA 1-2, OSOYOOS & SIMILKAMEEN M.D., NTS 92 H/9E author: Andris Kikauka, P.Geo., date written: March 1, 1997

At the request of Verdstone Gold Corp. and Molycor Gold Corp., a summary of data gathered from fieldwork between July 27, 1995 and June 27, 1996 on the Crow-Rea molybdenum project was compiled to provide a detailed summary of geophysical geochemical, & drilling results in order to make recommendations for future work.

1.0 SUMMARY OF GEOLOGICAL (DDH), GEOPHYSICAL & GEOCHEMICAL DATA

GEOLOGICAL (DDH): . The Jurassic Okanagan batholith which underlies the claim group, forms a massive 65 square kilometer area, felsic intrusive complex. The claim group is located in the middle-eastern portion of the Okanagan batholith, about 20 km. SSW of Brenda Mines Cu-Mo deposit. Core drilling in the SE portion of La Trocha #1 identified the following lithologies:

1) GRANODIORITE K/SPAR PORPHYRY- K-spar phenocrysts to 4 cm., 3-15% biotite, minor pyroxene, accessory sphene, magnetite, and pyrite, variable kaolinite, illite, secondary quartz (as blebs and streaks, rare veins) and biotite (as brown felted masses), trace MoS_2 in fractures.

2) QUARTZ MONZONITE/GRANITE- Medium grained, equigranular, 1-3% biotite, accesory sphene, pyrite, secondary quartz (trace-1% as veins and blebs), fracture filling and disseminated MoS_2.

3) QUARTZ MONZONITE/GRANITE- Fine grained, depleted primary mafic minerals (less than 0.3% mafics), increased secondary quartz and pyrite roughly coincides with fracture filling and disseminated MoS_2 mineralization.

4) POST MINERAL DYKES, Intermediate composition, poorly developed plag.phenos.

Increased molybdenite mineralization correlates with increased secondary quartz and trace amounts of chalcopyrite. Chlorite, illite, kaolinite, pyrite, epidote, and felted biotite form of a secondary alteration assemblage. It is worthy to note that the general volume of pyrite (in the order of 1-2%) decreases when molybedenite is present, but there is a general increase in pyrite as a halo adjacent to stronger molybdenite mineralization. The IP survey shows increased chargeability values along the axis of a ridge top in the vicinity of the "Discovery" trenches suggesting an increase in pyrite and/or other metallic sulphides (Fig.6). This suggests pyrite is distrubuted as a halo near MoS_2 mineral zones. Also, there is a marked increase in K-spar associated with increased molybdenite mineralization (as determined by K-spar staining).

Coarse (0.1-3.0 cm. rosettes) and fine grained molybdenite is traced by DDH #9, 11, 16, & 52) along a ENE trend for a strike length of 150 meters. A moderate north dipping fault system occurs parallel to the molybdenite mineral trend as well as lithologic contacts between thin (5-50 meter thick) fine grained sections wedged between massive coarse grained porphyry which accounts for poor drill recovery due to development of clay-rich fault gouge. It was noted that a significant volume of molybdenite floated out of the water return from the drill collars of numerous holes because of the incoherent nature of the host rock. Sludge from core drilling cuttings of DDH 96-S15-58 returned 0.139% MoS2 over 18.6 m. (@ interval 42.7-61.3 m.)

The drill program resulted in the discovery of molybdenite bearing trend with the following characteristics:

1) Main mineral trend @ 060 to 080 (also 150 to 200 trending cross structures).
2) 150 meter strike length.
3) Dominant moderate north dip of mineral and lithologic units.
4) Fault bounded molybdenite mineralization with strong clay-chlorite in faults.
5) Main mineral trend roughly parallel to an adjacent ENE trending creek gulley.

This zone is collectively refered to as the "Website" after following up a cluster of molybdenite bearing boulders (with coarse MoS2 rosettes up to 2.5 cm.) which were discovered by Mr.Dean Webb in June, 1995. This zone contains drill intersection DDH 95-9 which averaged 0.273% MoS2 over 128 feet (39.0 m.).

GEOPHYSICS-

MAGNETOMETER SURVEY:
Total field magnetometer surveys carried out over the SE portion of La Trocha #1 and the NE portion of Texas J #1 returned values ranging from 55,500 to 56,820 gammas. A broad 300-500 gamma mag high is dominant in the SE portion of the survey (Fig.5). This broad high roughly coincides with the topographic high where abundant bedrock is exposed and there is less than 0.5 meters of soil depth. This broad mag high also corresponds to a major outcropping of the granodiorite porphyry which has 0.1-1.0% magnetite in the groundmass. It is probable that mag highs in the order of 300-500 gammas above background outline distribution of the magnetite enriched porphyry (unit 1). In the area of drill sites 3 to 7 there are isolated 300-500 gamma mag highs which correspond to areas of massive porphyry bedrock. In the east portion of the area near drill sites 3-7 there are two 200-250 gamma mag lows which correlate with fine grained granite which is depleted of mafics. In the NW portion of the survey there is an isolated 800 gamma mag high which is 25 meters W of an abrupt NNE trending gulley. This high may reflect magnetite accumulations near a fault zone.

IP RESISTIVITY AND CHARGEABILITY SURVEY:

The IP survey identified a 250 X 350 m., elliptically shaped (elongated N-S) resistivity low, roughly corresponding to the central portion of E-W trending "Website" MoS2 mineralization. The location of this area is between L 20+50 N & L 23+50 N and L 23+00 W & L 25+00 W (Fig.6B). This broad and uniform resistivity low is interpretted as an alteration effect, possibly due to increase clay-chlorite alteration.

There was a strong (500-1,000 ohm-m), 150 X 350 m., increase in apparent resistivity centered at L 22+50 N @ stn. 20+00 W (Fig.6B). There is also a roughly coincident 3-5 msec. increase in apparent chargeability centered at L 22+50 N @

stn. 20+50 W. These locations are atop a NNE trending topographic high which correlates with a broad, 300-500 gamma positive mag total field anomaly. Bedrock is well exposed along the axis of the ridge and there are numerous molybdenite showings as well as the discovery trench site where DDH 95-2 intersected 9.78% MoS2 over 0.61 m. (2.0 ft.). The increased IP resistivity and chargeability over this ridge axis is probably caused by irregular silicification zones with related pyrite haloes.

The Crow-Rea property is in close proximity to Brenda Mines. The following list of comparison of geological characteristics outlines similarirties and differences between the "Website Mo" and "Brenda Cu-Mo" :

FEATURE	"WEBSITE"	"BRENDA"
1) multiple phase dyke swarms (includes aplite, trachyte, felsite, andesite, basalt, dacite, qtz.dior.)		X
2) alteration is poorly developed as annular shells with pronounced lateral zoning.	X	X
3) 060 trending faults dominant, minor 160 trend	X	X
4) Aplitic phases (and/or late stage felsic phases) associated with increased mineralization	X	X
5) Extensive pyrite as veins and fracture fillings	X	X
6) Biotite replacement (felted texture)	X	X
7) Biotite veins and felsic and mafic dyke swarm		X
8) crude zoning within intrusive complex i.e. late-stage fault and fracture controlled magmatic phase equilibration creating partitioning of volatile and non-volatile constituents resulting in an intermediate composition porphyritic phase (unit 1) and a felsic medium & fine grained phase (unit 2 & 3). Jurassic age of emplacement, similar age as Iskut-Stewart Au-Ag-Cu-Pb-Zn-Mo.	X	
5) brittle, indurated quartz diorite host,Cu-Mo porphyry deposit type, ore at contact with younger granodiorite. Widespread fracture filling Cu-Mo bearing sulphides along sub-vertical lithologic contact marked by abrupt competency contrast between qtz.dior. & grd. Ore zone is 330 m.diameter X 170 m.deep. Fracture fill Cu-Mo continued at depth but pit stability did not allow open pit mining past 170 m. depth. Early Cretaceous age of ore emplacement, similar age as Endako Mo orebody.		X

Data from "Website" geophysics includes total field magnetics, IP chargeability, & IP resistivity contours. Interpretation of the data indicates that readings are relatively uniform throughout the survey area, with the exception of a roughly coincident magnetometer-IP resistivity & chargeability high near the "Discovery" trenches and a poorly defined IP resistivity low near the "Website". This data is interpreted to reflect an underlying batholith which has concentrated residual melt by late-magmatic to postmagmatic processes, i.e. concentration of volatiles by fractional crystallization, resulting in propylitic and argillic alteration (i.e. pyrite-chlorite-epidote and chlorite-kaolinite-montmorillinite). The broad resistivity low in the vicinity of the "Website" is a feature which is interpretted to reflect subtle variation of lithologic units and secondary alteration formed during cooling of the Okanagan batholith. The IP resistivity & chargeabilty and magnetometer high near the "Discovery" trenches is interpreted as a high magnetite-sulphide zone which may be an alteration halo to molybenite mineralization.

There is considerable secondary pyrite-epidote-chlorite in the "Website" area and the widespread distribution of this propylitic (and minor argillic) type outer shell alteration is a positive porphyry characteristic. The failure to identify phyllic and potassic alteration, as well as multi-stage replacement features within the "Website" survey area is a negative porphyry characteristic.

GEOCHEMISTRY-

Mo values in soil range from 1-339 ppm Mo and 5-350 ppm Cu. The "Website" is characterized by a 100 X 300 m. zone (elongated along the axis of a 065 trending creek gulley, AKA Refrigerator Ck.) which contains above average Mo values (up to 77 ppm Mo, see Fig.7). Mo values in the "Discovery" zone are erratically distributed with spot high values to 50 ppm Mo (Fig.7). The highest values (up to 339 ppm Mo), were obtained from an organic rich, water saturated swamp (29+00W,25+00N)

Above average Cu values outlined in the soil grid are spatially related to Mo, but do not coincide directly suggesting variable mineral zonation (e.g. increased chalcopyrite may be associated with pyrite halo peripheral to MoS_2 zones). Values up to 350 ppm Cu were obtained roughly half way between the "Website" and "Discovery" zones which corresponded to below average Mo values.

2.0 CONCLUSIONS AND RECOMMENDATIONS:

The "Website" survey area (i.e. DDH #7-53, site #3-11, see Fig.2) consists of fault controlled, granite hosted molybdenite zones in quartz-chlorite-K-spar-clay gangue. Geological features of the "Discovery" survey area (i.e. DDH # 1-7, Site # 1-2, see Fig.2) are similar to the "Website" except for minor variations in orientation of molybdenite bearing fault and fracture zones (e.g. "Discovery" Site #1, DDH #1 & 2 which both cut a N-S trending, steeply dipping, MoS_2 bearing fault and fracture zone, as compared to "Website" Site #7, DDH # 31-32 which both cut an E-W trending, moderately dipping, molybdenite bearing fault/fracture zone).

Grid soil samples show various anomalous zones including widespread, moderate strength above average Mo values in the "Website" and spot high values in the "Discovery". Geophysical response of the "Website" was subtle relative to the abrupt IP resistivity & chargeability, and magnetometer high along the ridge axis near the "Discovery" trench.

Exploration for porphyry molybdenite (similar to Brenda, Endako, etc.) may occur in close proximity to the Website Mo showings. A comprehensive exploration program of mapping and sampling is recommended for extensions of the Website within the

property following the 070 Mo bearing fault trend paying close attention to areas of perpendicular cross-faults (Fig.6A, see report by D.Chapman). Specific zones of recommended follow-up include (refer to Fig.7 for grid reference):

1) Trenching and/or core or rotary drilling of projected intersection of "Website" 065 trend and "Discovery" 000 trend. The location of this Mo bearing mineral trend intersection is projected @ L 24+00 N, station 20+00 W (below old air track trench adjacent to Refrigerator Ck.) Recommended drilling direction @ SE azimuth and -60 dip to cut both mineral trends.

2) 500 m. radius of 13+00 N 52+00 W-west central portion of Texas J#3 area of previous trenching, increased Mo in soil, and zone of cross fault structures. This area is referred to collectively as the A10 zones in D.Chapman's report, and they may represent the western extension of the "Website" Mo trend.

3) 500 m. radius of 19+00 N 47+00 W-northwest portion of Texas J#3 along the 060 trending axis of a major creek gulley which follows a widespread area of above average Mo in soil.

4) 500 m. radius of 24+50 N 29+00 W-southwest portion of La Trocha #1 and southeast portion of Texas J#4 which follows a widespread area of above average Mo in soil.

5) explore near the headwaters of McNulty, Hayes and Trout Creek for Cu-Mo and/or Au-Ag porphyry/replacement orebody targets (refer to D.Chapman Fig. 1A).

6) data compilation of Mo assay values from all previous work to evaluate grade and volume.

PROPOSED BUDGET:

Geologist and geotechnician, 60 days	$	30,000.00
Support, equipment and supplies		30,000.00
1,000 m. core drilling		100,000.00
Contingencies		24,000.00
Total =	$	184,000.00

STATEMENT OF QUALIFICATIONS

I Andris Kikauka, of 6439 Sooke Rd., Sooke, B.C., hereby certify that:

1) I am a graduate of Brock University, St. Catharines, Ontario, with an Honours Bachelor of Science Degree, Dept. of Geological Sciences, 1980.

2) I am a fellow in good standing with the Geological Association of Canada, registration # 5,717.

3) I am registered in the Province of British Columbia as a Professional Geoscientist, registration # 18,275.

4) I have practised my profession for 16 years in precious and base metal exploration in the Cordillera of North, Central and South America, and for 3 years exploring for uranium within the Canadian Shield.

5) The information, opinions and recomendations in this report are based on fieldwork carried out in my presence on the subject properties.

6) I have no direct or indirect interest in the holdings of Verdstone Gold Corp./ Molycor Gold Corp.

Andris Kikauka, P.Geo.

Andris Kikauka

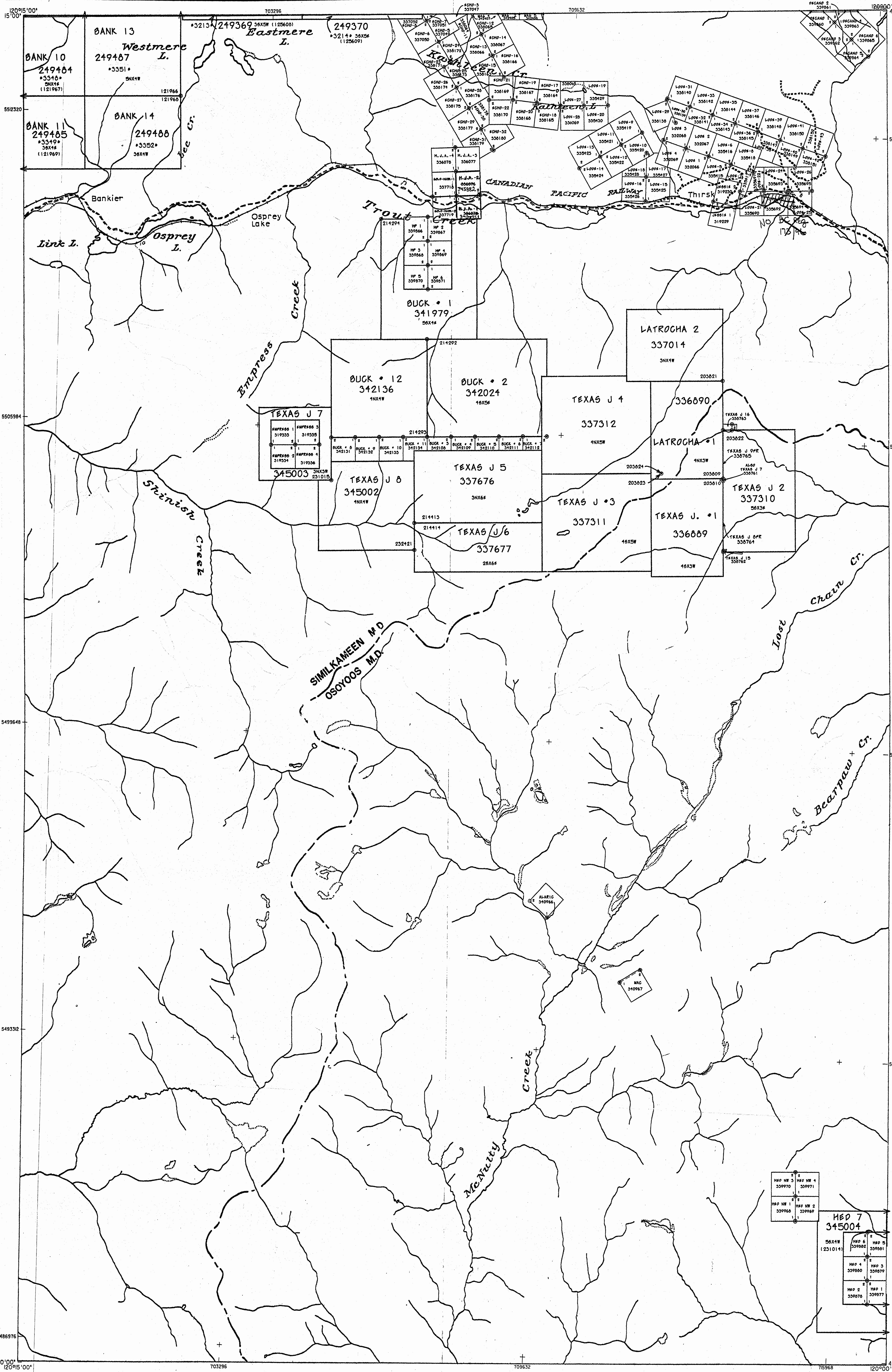
March 1, 1997

ITEMIZED COST STATEMENT- La Trocha #1 Claim, Crow North Claim Group Osoyoos and Similkameen Mining Division, July 27, 1995 to June 27, 1996

FIELD CREW:	
A.Burton (geologist) 52 days	$ 22,100.00
O. Peer (geologist) 67 days	20,100.00
A. Kikauka (geologist) 58 days	10,150.00
M. Lagan (geotechnician) 144 days	18,000.00
Roy Walleen (geotechnician) 265 days	33,125.00
FIELD COSTS:	
Incline Contracting Ltd. 40 days	94,920.00
Neill's Mining Diamond Drilling 177 days (3120 m.)	311,953.35
Field supplies	731.82
Freight and transport	1,605.00
Travel and Lodging	699.83
Lloyds geophysics Inc. IP survey 29 days	26,548.00
Discovery Consultants 96 days	112,750.00
Analytical Charges 680 soil, 1,000 rocksamples	32,387.00
Report costs	580.00
Total costs = $	685,650.00

APPENDIX 1

Claim Map



PROVINCE OF BRITISH COLUMBIA

MINISTRY OF EMPLOYMENT AND INVESTMENT

ENERGY AND MINERALS DIVISION

MINERAL TITLES BRANCH

MINERAL TITLES REFERENCE

MAP 092H09E

U.T.M. ZONE 10

LAST MAP UPDATE: 1996 APR 29

ORIGINAL PRODUCED AT 1:31680

METRES 500 0 500 1000 1500 2000

ADMINISTRATIVE AREAS

MINING DIVISIONS:

OSOYOOS, SIMILKAMEEN

LAND DISTRICTS:

ALIENATIONS

NO STAKING AREAS

NO STAKING RESERVES
PARKS
ECOLOGICAL RESERVES
RECREATION AREAS
INDIAN RESERVES

CONDITIONAL AREAS

SUBJECT TO CONDITIONS RESERVES
SECTION 19 RECREATION AREAS
1 POST CLAIM AREAS
AREAS SUBJECT TO URANIUM / THORIUM REGULATIONS

MINERAL TENURE

MINERAL CLAIM	
MINERAL LEASE	
INDUSTRIAL MINERAL CLAIM	
CLAIM NAME	EXAMPLE
TITLE NUMBER	345679
OLD TITLE NUMBER	*3456*
TAG NUMBER	100000
LEGAL POST	
WITNESS POST	
FORFEITED TENURE	
VERIFIED	VER
SURVEYED	SUR
REVERTED C.G. MINERAL CLAIM	REV CG OR RCG
CROWN GRANTED	C G
OPEN FOR STAKING	O.F.S.

1 UNIT — 2 POST CLAIM — OLD 2 POST CLAIM

THIS MAP IS PREPARED ONLY AS A GUIDE TO THE LOCATION OF MINERAL TENURE AS SHOWN ON THE LOCATOR'S SKETCHES. FOR CURRENT OR MORE SPECIFIC INFORMATION, APPLICATION SHOULD BE MADE TO THE MINING DIVISION CONCERNED.

092H16W	092H16E	082E13W
092H09W	092H09E	082E12W
092H08W	092H08E	082E05W

INDEX TO ADJOINING MAPS

092H09E

FIG. 3

24,558

GEOLOGICAL SURVEY BRANCH ASSESSMENT REPORT

APPENDIX 2

Trenching Program and Geology Map

LEGEND

mo	Molybdenite
py	Pyrite
chl	Chloritization
lm	Limonite
ep	Epidotization

- Excavator trench
- Outcrop
- Attitude of jointing (inclined, vertical)
- Fracture zone, fault
- Quartz breccia
- Silicification
- Argillization
- Gulley

4	Intermediate dyke
3	Fine grained, leucocratic granodiorite/monzonite
2	Medium grained, granodiorite/monzonite
1	Medium to coarse grained k-feldspar phyric inequigranular granite

2°06' True North UTM Grid North

DRAWN	Sept 8/1995
REVISED	Oct 12/1995
	Dec 19/1995

Topographic contour interval = 20 metres DWG-C:\ACAD\DISC\567\567TR.DWG
NAD 83 Datum
Base map after TRIM 092H/070

0 5 10 15 20 25 30 35
METRES

DISCOVERY Consultants

AMCORP INDUSTRIES INC.
VERDSTONE GOLD CORPORATION

CROW–REA PROPERTY
TRENCH AREA
GEOLOGY 1995 TRENCHING PROGRAM

DATE: Dec. 20/1995	SCALE: 1:500
PROJECT: 567	NTS: 92H/9E,B.C.
FIGURE: 4	Similkameen/Osoyoos M.D.

APPENDIX 3

Structural Interpretation Report

Tectonic Anomaly Map

T E C T O N I C   S U R V E Y

&

P H O T O G E O P H Y S I C A L   S T U D Y

FOR

EXPLORATION SERVICES SUPPORT GROUP

T R E P E N A G E   P L A T E A U

TEXAS J & LATROCHA CLAIMS

SIMILKAMEEN AND OSOYOOS MINING DIVISIONS

BRITISH COLUMBIA

NTS O92 H09E

VERDESTONE GOLD CORPORATION

S T R U C T U R A L   I N T E R P R E T A T I O N

A N D

P R E L I M I N A R Y   R E P O R T

TO ACCOMPANY

Isogradient Mapping of Apparent Density/Unit Area

BY

D.A. CHAPMAN

June 24/96

To: Exploration Support Services Group   June 22, 1996
1408 west 7th Avenue
New Westminster, B.C.
V3M 2K3 t/f: (604) 525-8403

Attn: Mr. Alex Burton, P. Eng.
Consultant - Verdestone Gold Corp.

Dear Sir,

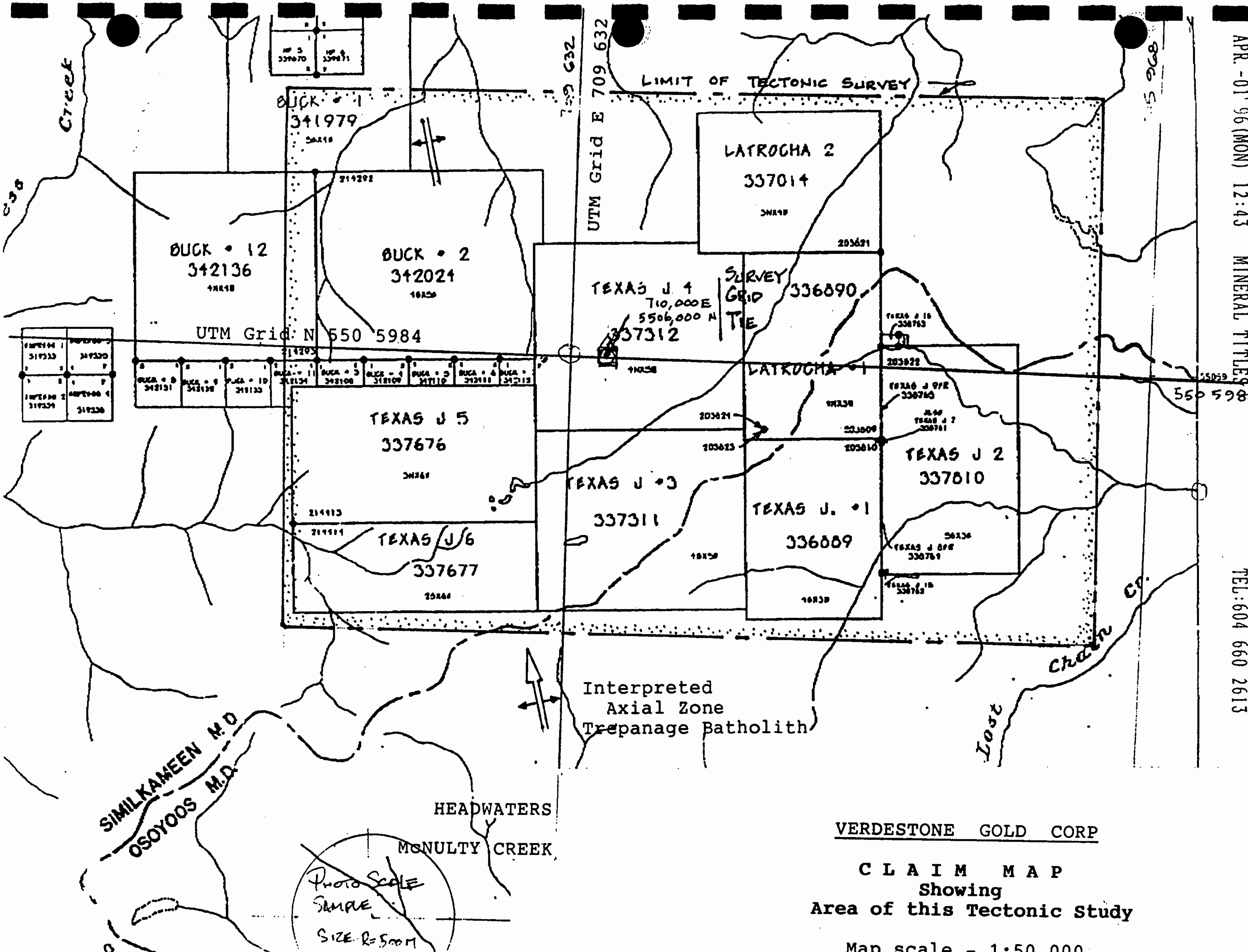
This report is in regard to results of a tectonic survey by photostudy of stereoscopic aerial photographs of the Texas J #1-6 and Latrocha #1 & 2 claim area. The mineral claims straddle the Similkameen and Osoyoos Mining Districts and consist of 131 staked claim units all located on the east side of the Trepanage Plateau Area, (south and east of Pennask Mtn.), and situated at the headwaters of Lost Chain Creek, approx. 2½ miles due south of Thirsk, B.C.

A tectonic survey is an empirical analysis of the apparent isostatic traces of fault/fracture patterns visible in the aerial photographs. The density pattern of surface iso-tension traces vary with the underlying rock pressure gradient unloading induced tangential stress at the boundary surface of the earth's crustal block. This unloading of induced tangential stress is to maintain a horizontal equilibrium with the vertical axial loads of the stress applied to underlying vertical rock columns. The axiis of structures created by this geotectonic process of geothermal pressure/stress equilibrium and their related strain envelopes, (collapsed stress-strain shear couples), are the principal host rock structures for economic ore deposits, dykes, and intrusive ascending magma gels.

A photogeophysical study can be correlated to hi-level airborne total field magnetic surveys with the analysed photo-tectonics and the regional geology (where available). This is especially useful if an area 'ore-model' is to be developed for targeting exploration development by groundwork prospecting. The combined survey of an area is recommended to prospect known mineralized zones with known geophysical and geological information applied to tectonic models of similar type ore deposits and structure.

SURVEY METHOD

The isostatic traces of the apparent fault/fracture phenomena seen in stereo pairs of aerial photographs were interpreted and annotated onto transparent overlays of the relative photo models, at an approximate Mean Airphoto Scale = 1:15,000. The annotated overlays were scaled to the airphoto scale by a radial line plot, then each overlay was butt joined to a common photo edge of the stereo models and to the overlapping boundaries adjacent to the flight path using scaled picture points from the 1:50,000 claim map to control and compile the laydown of the transparencies.



VERDESTONE GOLD CORP

CLAIM MAP
Showing
Area of this Tectonic Study

Map scale - 1:50,000

A tectonic workgrid with gridcenters at 500 meters ground scale was tied to NTS 092/H/09E, Zone 11 UTM map coordinates 550/5984 North and 709/632 East = a tectonic mapping grid intersection, at Line 11 South and Column 8 East, (starting from the Northwest corner of the survey area). The sampling unit area used was 1000 meters in diameter at ground scale and the background sample unit entailed 4 sq. km. ground scale, 500 unit sample areas were measured to form the database and determine the parameters.

The tectonic phenomena measured is an effect of horizontal tension stress across vertical plane interfaces constantly acted upon by earth tides related to harmonic motion and to unloading stress dynamics at the earth's crustal boundary. The iso-trace of the effected vertical plane in surface tension is a linear regardless of topography, and it's related fault/fracture joints are visually interpreted by linear alignments created by the resultant principle stress directions related to tectonic orogeny of the crustal block acting across tensile joints at the surface.

The empirical data of the fault/fracture estimate is converted to strain coefficients adaptable to a harmonic stress analysis and to rock mechanic principles. The combined stress deformation is determined from the increments of the steady stress load and the variable unloading stress in an anisotropic isogradient at the boundary surface produced by Young's Modulus effect of axial unloading as a theory of isostasy, ie, the surface strain produced in the vertical rock columns of a semi-infinite elastic model must achieve a relative state of stress/strain equilibria across the horizontal planes of the boundary condition.

General Geology of the Survey Area

The study area is underlain by intrusive rocks of the Valhalla and Nelson plutons regionally mapped by H.W. Little as the equivalent of the Coast intrusions of Middle Jurassic and Upper Cretaceous time mapped earlier by Rice (GSC). Valhalla Plutonic rocks are younger then the Nelson Plutonic Rocks and there contacts are gradational. These rocks are cut by the younger Shingle Creek porphyryies. Intrusives such as the Otter, Lightning Creek, and Copper Mtn. Tertiary intrusives also cut the older Coast intrusions but none are mapped within the claims area. In the southern map area, flanking around the Trepanage Plateau Batholith(?) are sedimentary and metavolcanic rocks of the Nicola Group which are dated as Upper Triassic and are older then Coast intrusions.

Regional Structural Interpretation.

The mineral and tectonic environment would be similar to the Brenda Mines orebodies and their structure, but there is also a tectonic similarity observed with the Lornex and Bethlehem Camp situated to the northwest within the Guichon Batholith. This area is similar to the Lornex Mine lying closer to the central gradational zone of that intrusive but similar in ore tenor and rock type as the Brenda Lake Mine.

The Bethlehem deposits are situated at the north end of the batholith and are predominantly copper ore with minor amounts of molybdenum. They structurally relate to an axial zone of the Guichon batholith and to gradational porphyry contacts with intruding younger dyke complexes as distinct, seperate, tectonic phases of the cooling intrusive. See addendum this report :- Carr's Bethlehem study and geological mapping provided with Tectonic Survey Models of the Probable Tension Shear Isogradient and the resultant Relative Shear Stress Isogradient.

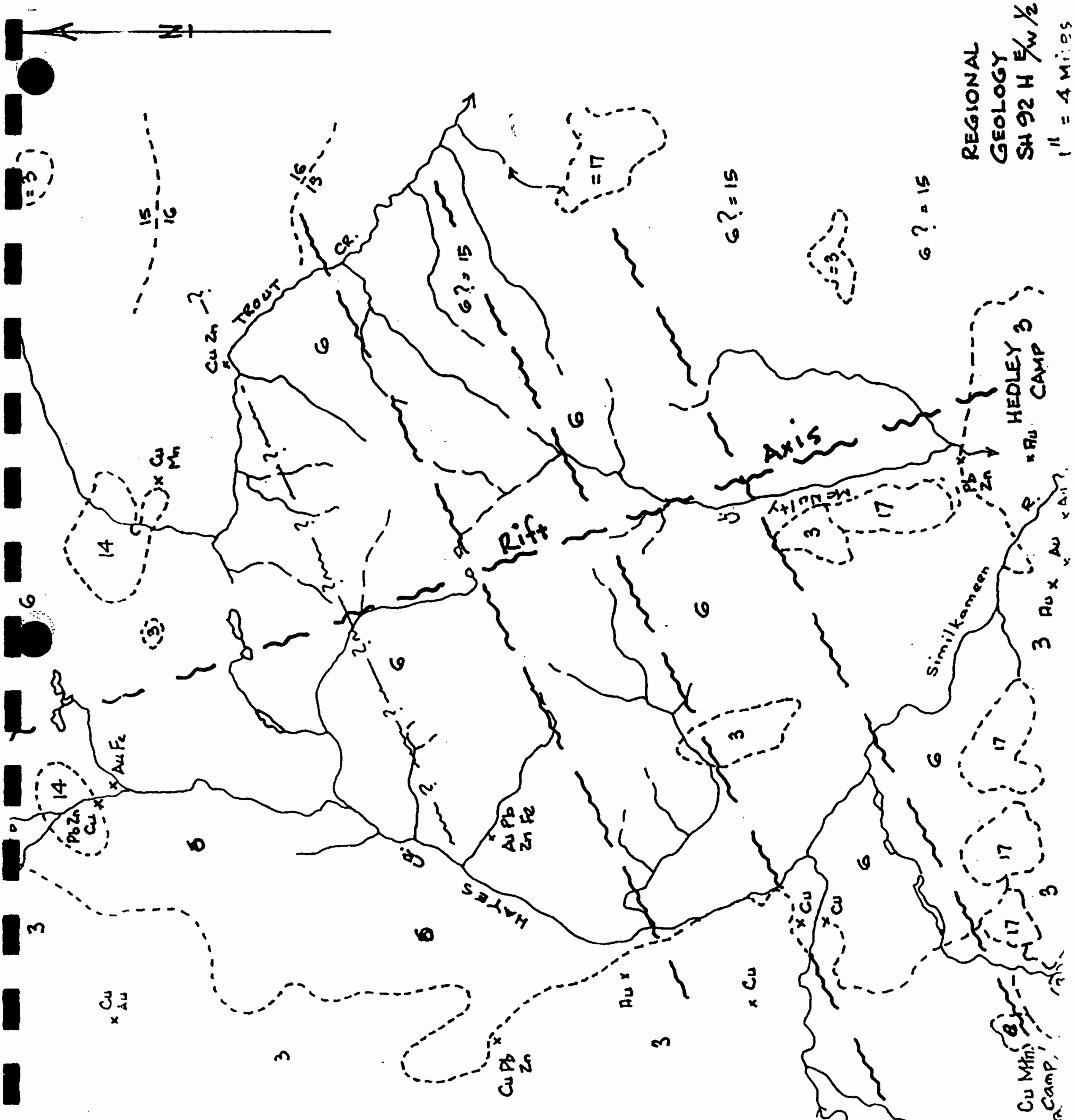
The Tension Shear Probability is the area of the survey which from the data surveyed is focused on the optimum zone of probable shear couple across vertical plane interfaces, where according to the principles of rock mechanics, the change of tangential stress across these vertical planes is nil at the surface and stress is relieved to it's deepest depth, ie, a collapsed and faulted contact is related to the principle stress directions of the survey area of the semi-infinite elastic crustal block.

The Relative Shear Stress Isogradient is a resultant deformation or the tangential stress resulting from the axial strain induced on a vertical upright normal axis of the underlying rock column. This data-calculated isogradient is the result of the sum of the axial strain forces unloading stress induced rock pressures at the boundary of the crust and creating surface tension and apparent isostatic linear alignments of fault/fracture joints.

In the tectonic study there is a relationship to tension/shear stress couples and the bulk modulus of the rock column, ie, ruptured and tensile voids along the resultant fracture planes create a zone of maximum volumetric expansion. This zone is deemed the most favourable to create an optimum 'plumbing' route for mineralization to transcend and emplace itself. It is the vertical plane zone across which collapse has occured to the deepest point within the solid crustal block surveyed and is the zone of lowest pressure/stress equi-potential and highest probability for intrusion from below to access the upper crust.

For the Verdestone study it should be noted that this collapsed fault/contact is indicated by the Bethlehem tectonic model defined by the mapped intrusive contact (1/3), which is a gradational zone of the underlying intrusive defined by the Tension Shear Probability gradient as the probable zone of deep seated weakness, whereas the Relative Shear Stress gradient defines clearly the strike and stress condition induced by the younger dacite porphyry and leucocratic dyke complex which has invaded the Bethlehem zone of crustal weakness creating fracture patterns similar to those seen on the Verdstone property.

eg. McNulty Creek could be generalized as an axial fault zone striking through the west end of Osprey Lake and a probable domal axis of underlying Coast intrusives, (Okanagan batholith?),



Rift Axis and Tectonic Interpretation
by D.A. Chapman

FIG. 1A

Regional Geology Princeton
and Kettle River Maps
Geological Survey of Canada

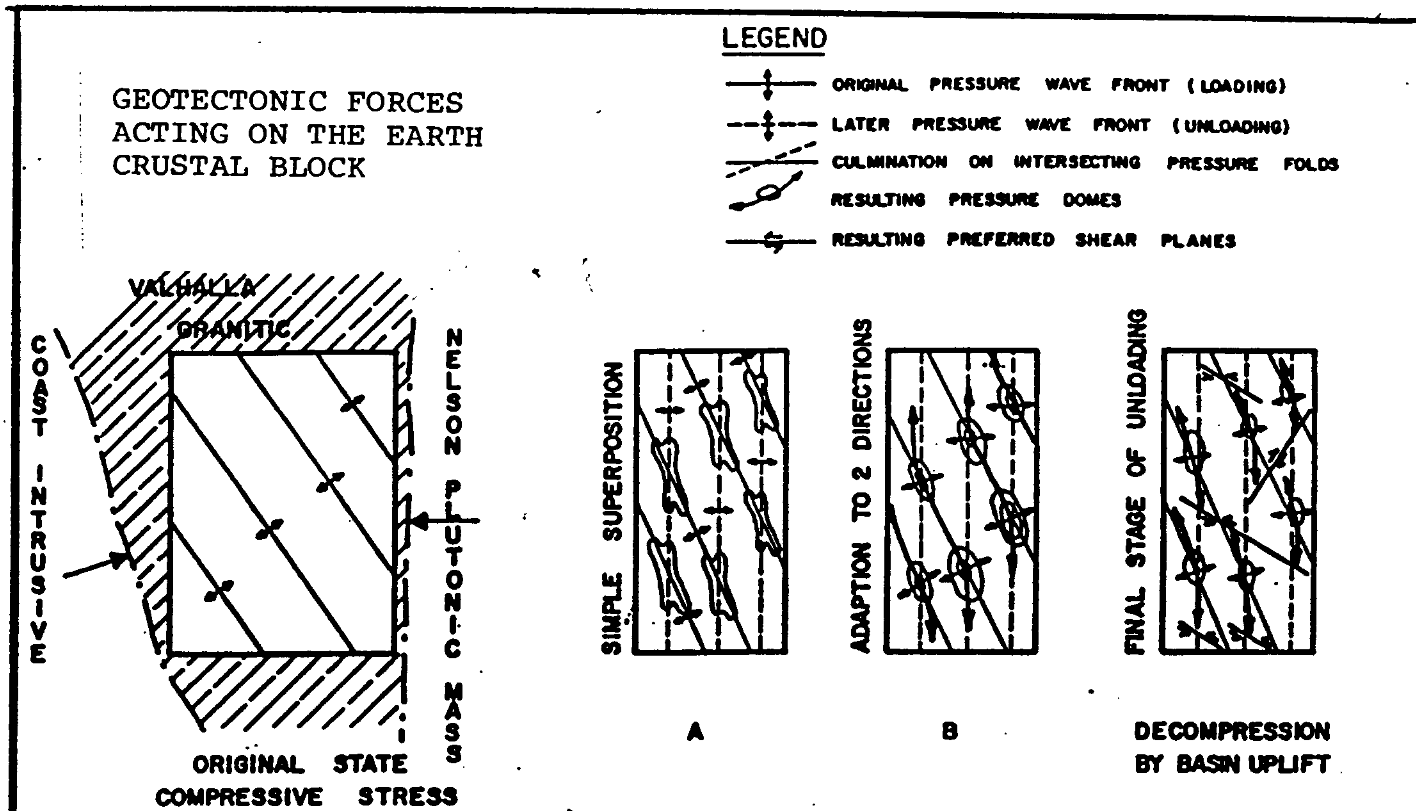
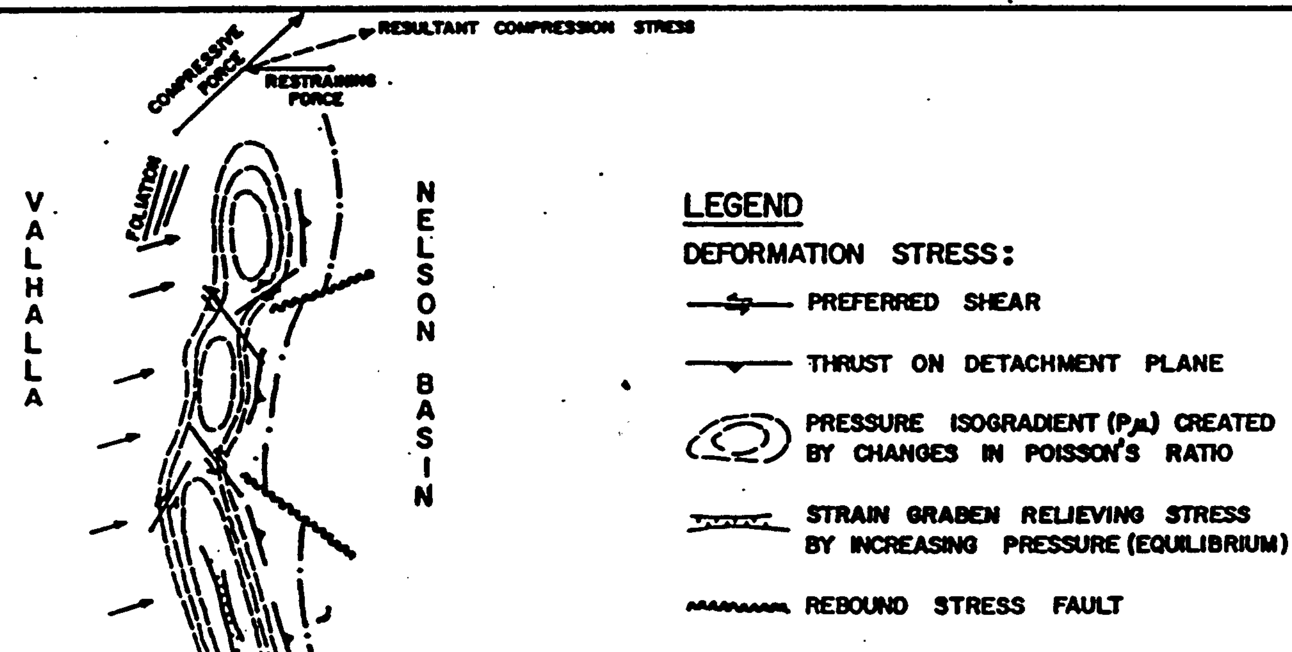


Fig. 3A PRESSURE FOLD SYSTEM
(INTERFERENCE OF TWO CONSECUTIVE FOLDING PHASES)



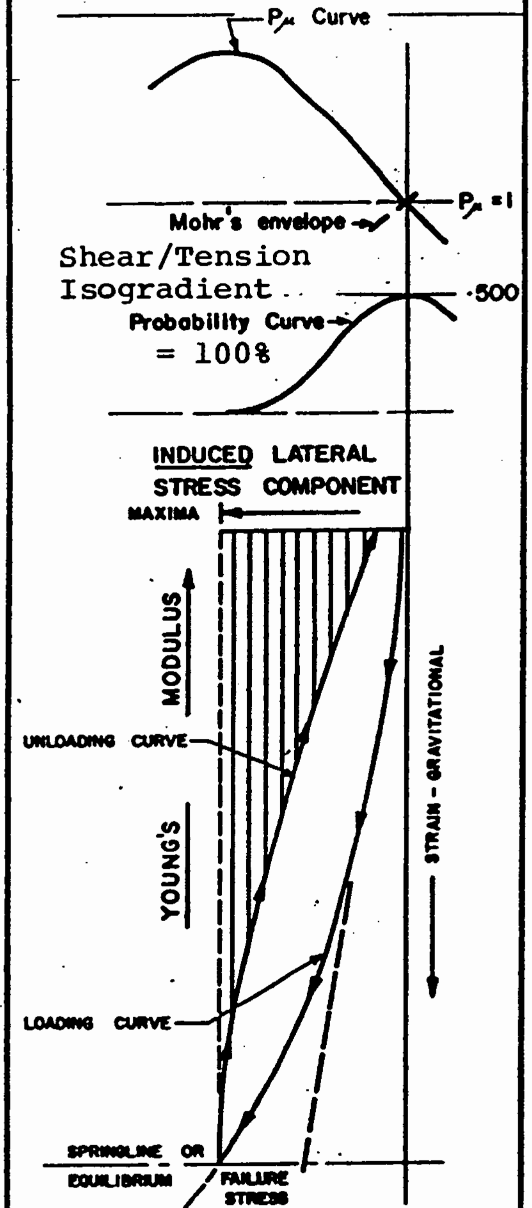
ANISOTROPIC EFFECTS
OF TECTONIC FORCES
ON CRUSTAL SURFACE

Fig. 4A INFLUENCE OF BASIN STRUCTURE
ON SUBSEQUENT PRESSURE FOLDS

HYPOTHETICAL STRUCTURE PROBABILITY

D.A. CHAPMAN & ASSOCIATES LIMITED
FRACTURE DENSITY ANALYSIS
SUITE No. 2 – 515 GRANVILLE ST.
VANCOUVER 2, B.C.

Normal Stress Differential



UNLOADING CYCLE INDUCED BY YOUNG'S MODULUS EFFECT ON A COLLAPSE STRUCTURE

Note: Collapse in this instance can mean either faulting or volumetric change.

The Pμ curve and Mohr envelope derived by analysis of Fracture Density Survey (Fracture Density Survey as compiled from fracture traces observed in aerial photos)

A TYPICAL PRESSURE RIDGE EFFECT

PROFILE

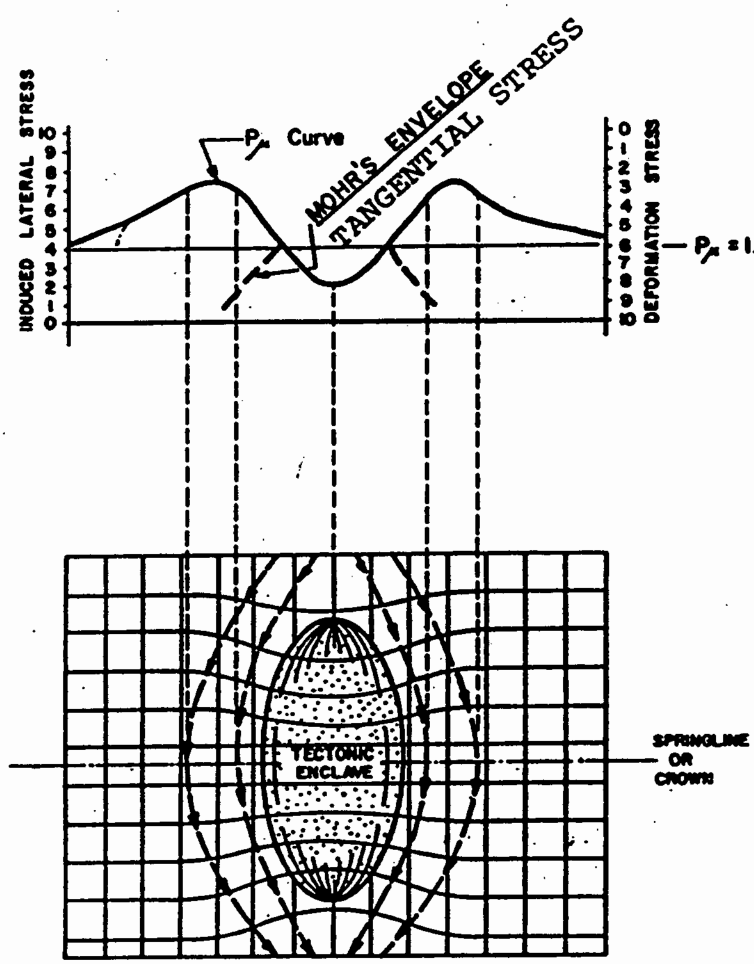


Fig. 2A Pressure dome and stress trajectories around a collapse structure.

PLAN OR SECTION VIEW
Except for vector directions

IN PLAN VECTORS ARE ROTATIONAL

GRAPHIC ILLUSTRATION OF STATIC ANALYSIS OF PRESSURE DOME

The height of the natural arch is directly proportional to the vertical stress and inversely proportional to the lateral stress induced within the rock mass

FOR TEXT OF EXPLANATORY NOTES SEE PAGE A-2

(see Fig. 1). There appears to be a series of normal fault zones antithetic to this axial strike which are expressed by topography and the drainage pattern of the Trepenage Plateau. This axial zone parallels the Okanagan graben to the east and could be a parallel rift fault axis related to the active tectonic zone of the Okanagan rift axis and subject to forces that probably created the Brenda Lake ore host structures.

The probable structural model for hosting ore bodies in this claim environment is based on tectonic studies of the Climax Molybdenum Deposit such as the Mount Emmons orebody, ie, a stockworks of veinlets overlying an ascending intrusive pipe, the cupola of which was breached and mineralizers with their sulphides flooded into the fracture voids of a bulk modulus zone (strain envelope), created by the collapsed structures above it. On the Texas J #1 Claim, this feature is indicated by a tectonic Pressure Dome which appears to have vaulted and collapsed into itself, the encircling ring of faulting zones relieving stress have created resultant pressure ridges and domes flanking around the tectonic enclave in which an underlying apice of magma has probably intruded. (See Fig. 2)

See also, a hypothesis for Geotectonic Forces Acting on the Earth's Crustal Blocks and the Anisotropic Effects of Tectonic Forces On Crustal Surface, (Fig. 3 and Fig 4), which apply to this study as the generalized re-orientation of principle stress directions resulting from decompression and forearc basin uplift occuring along with younger subduction related magmatism.

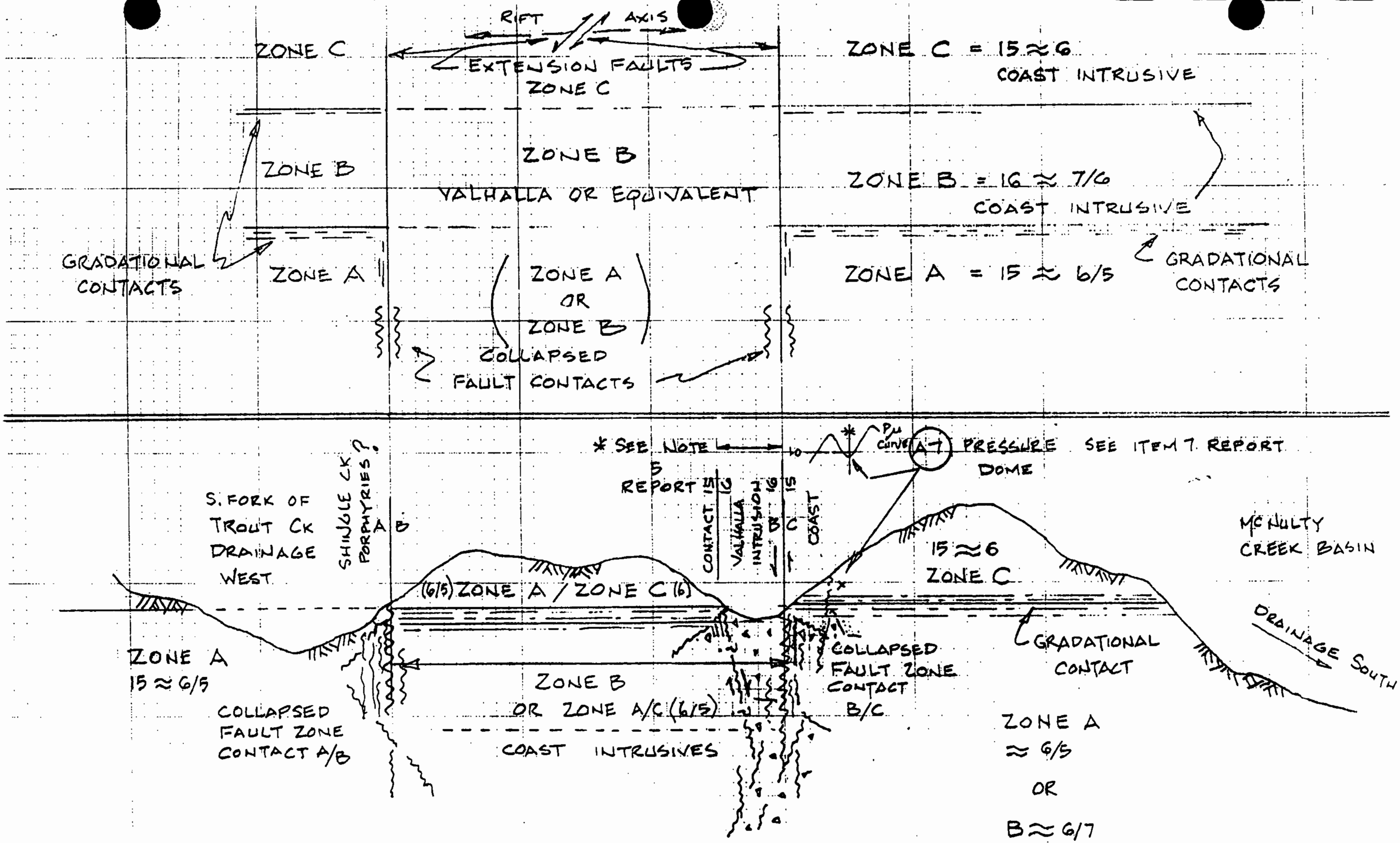
Geotectonic Structure of the Claims Area

In reviewing the compiled data in contoured form of the pressure induced deformation stress or, (f)(P + Pμ), it is obvious that there are significant change of fracture pattern densities across two probable lateral tectonic boundaries possibly related to concentric zones or stratigraphic phases within the cooling intrusive. The fault and/or fault contact was interpreted and mapped into three lateral varying tectonic effects as follows;

Zone A is an area of decreased stress loading and lower pressure or axial strain unloading into the underlying rock columns. This is boundaried by the assumed fault contact A/B

Zone B is within the probability area of deepest stress relief across vertical interfaces resulting in tension shear coupling by related axial unloading that is also a deep-seated, collapsed, fault/contact zone indicated by the data, ie, (P+Pμ) = ±1.00. This tectonic zone is annotated by an assumed contact B/C

Zone C is an area of increasing rock pressure or axial stress loading due to fault relief and strain induced stress along the contact zone B/C and/or possible resultant intruding activity into this contact zone of lowered equi-potential to form a gradational or porphyry type contact with Zone C.



SECTION LOOKING EAST FROM McNULTY CREEK

AXIAL RIFT ZONE (?)

FIG. 5A

TECTONIC INTERPRETATION AND GEOLOGIZED DIAGRAM

BY D.A. CHAPMAN

Note: The contacts A/B and B/C, are zones of probable shear tension anomalies indicated by the survey data, which is a zone of increased bulk modulus due to tectonic shear coupling stresses and is the zone of deepest fault rupture across affected vertical planes within the area of this survey.

There are two populations of data, one in the SW 1/3 of the mapped area that is anomalous and the remaining area. With the method used, it is not necessary to filter the data into seperate populations and then determine parameters seperately from each population. This would be a manipulation of the data surveyed to provide a stress model control adopted for selective reasons. This treatment may be a useful technique where field information indicates possible correlations to known specific pressure/stress coefficients and for relating mineral/tectonic occurences located within the survey area datumed to both tectonic isogradients in a similar manner to a Euler diagram for a correlated overlap of pertinent geological data.

Results of this Survey

1. The dominant tectonic feature in the claims area is a large pressure dome which lies in the southeast corner of the mapped area and is marked **A1**. The axis strikes generally in a NNW direction. This anomolous feature resulted from the relief of lateral stress across a fault zone striking generally N-S, (F2a), and an intersecting NNW axial strike-slip fault, (marked F2b). The major Pressure Dome Axis plunges into a fault intersection located in the NE corner of the Latrocha #1 Claim (marked F1a) and may be faulted west and intruded at intersection (F1b).

2. The N-S fault and/or dyke(?), marked **A2**, strikes south through the Texas J2 claim along the western edge cutting the NW corner.

Note 1: Pressure dome A1 and a related fault zone F2b, are a late tectonic effect which probably occured as a result of collapse across contact B/C and what occured along A2 and at F1a and F1b; F2b may have ruptured later from the surface downward and therefore not accessed by mineralization events.

3. In the area of the fault intersection F1a which intersects at a point in the southeast corner of the Latrocha 2 Claim there is an area of considerable tectonic activity which bisects the interpreted Zone B and is marked **A3**. This collapsed fault structure is axial to the regional dome and there should be evidence of strike-slip shear movements along F1a-F1b.

4. Intersecting the north end of A3 and striking east, is the collapsed contact or fault zone A/B and may be a porphyry dyke similar in age to Shingle Creek intrusions and marked **A4**.

Note 2: Both structures A3 and A4 are flanked by significant pressure ridges and related stress axiis, indicating fault movement and stress relief occured along these shear contacts.

5. A vaulted pressure dome marked **A5** occupies the SW corner of the Latrocha 2 Claim within the type B zone. It appears to have intruded into a collapsed shear couple zone and should have zones of argillic alteration which may overlay or surround a collapsed domal structure similar to the tectonic model sought.

Note 3: I suspect Zone B to be a rift extension fault zone relative to Zone A and Zone C of this intrusive, an altered gradational phase of Zone C or A, and above the eroded surface of Zone B that occupies the valley floor to the south, (Fig.5).

6. The collapsed contact and/or fault B/C lies across the middle of the Latrocha #1 claim and cuts over the divide to the west and is marked **A6.** North of this zone, increased stress is indicated by stress axis F6a and to the south lies a continuous pressure ridge and domes created by collapsed faulting along the contact noted as F6b. N-S Dykes may occur at F6c and F6d.

7. On the border of the Latrocha #1 and the Texas J.#1, is a collapsed and vaulted pressure dome marked **A7** which is a well defined tectonic enclave similar to the model sought, and the encompassing structures tectonically express a possible breccia pipe within the enclosure and it's stress axiis juncture.

8. Further south is a stress zone marked **A8,** which lies south of the vaulted dome A7 and which subtends a long E-W structure F8a and F8b and F8c that may relate to younger Shingle Creek or Otter intrusions and a possible boss or stock to the west.

9. This indicated boss or stock marked **A9** may not have breached the surface and could possibly be the main mineralizer in this local area, but like A7 and A8, it may only be a larger exposed apice related to flanks of a larger intrusive stock underlying these satellite structural tectonic anomalies.

10. The faulted, collapsed contact anomaly **A10** occupies the north half of Texas J #3, and the south half of Texas J4. It lays in the southeastern part of the Texas J #3 at the headwaters of McNulty Creek and along the interpreted geotectonic axis of the underlying plutonic rocks.

Note 4: I would interpret anomaly A10 as the core of this tectonic target area and the most probable area indicated by the survey to have breached the underlying vertical fault planes to the depth of the crustal block examined.

11. A N-S stress axis marked **A11** lies in the east half of the Texas J4, it is indicated by the pressure ridges which flank it and probably is a sheared fault zone available to the tectonic occurences within this survey area. It lies between fault contact A/B and the collapsed fault contact B/C and may relate to an underlying dyke zone similar to A2.

Note 5: Northwest of contact A/B, the population of data is suppressed by stress loading and the structures indicated all appear to be focused on and related to a tectonic occurence west of the Texas J4 claim at or near the center of the Buck #2 which I would interpret as a possible stock similar to the Voight stock at Copper Mtn, and the Bethlehem Lake deposit of low grade disseminated ore, but is the zone mineralized(?).

12. The structural focus in the Buck #2 claim is marked **A12** and should be an area of a boss or an underlying intrusive plug and/or related stock, so it is advised that the related structure axiis all be examined for evidence of mineral occurences, the axiis as shown being tied into the UTM grid coordinates. This interpreted structural map is designed for field prospecting using Ground Positioning Satellite techniques.

13. A long and collapsed fault zone lies along the southwest corner of the Texas J #3 striking NW through the Texas J6 and beyond and marked **A13** along strike may be the trace of the interpreted axial rift along Mc Nulty Creek and in which case Zone B may lie within a transverse extension zone associated with the Laramide Compression and the lower crust of the subduction complex.

Note 6: The entire area of this tectonic study is underlain by igneous plutonic rocks. The object of a tectonic survey and study is to define major tectonic features and their structures which may be economically mineralized. These are stress/strain structures which are created by the tectonic forces that evolve from a subducted crust as a result of the ocean floor spreading and creating axial rift zones and uplift of the resistant and overriding continental basin, (crustal massive), during the continuous orogenic cycle. The magmatic arc this tectonic force creates is the source of most ore deposits. This study attempts to locate these tectonic structures and related effects as the most probable plumbing system for ascending magmas and their associated mineralized solutions. Mineralization is a geothermal event of chemical and mechanical pressure/stress relationships to the thermodynamics of tectonic processes, the intrusive rocks which underlay the claims area were created by this geological process. Resultant axiis of stress/strain envelopes produced in cooling intrusives by induced strain deformation at or near present surface may trap and host an economical ore deposit.

To conclude; this survey was accurately tied to UTM coordinates and the positions given for the axiis shown was determined by the (interpreted) quantitative photo results which are accurately positioned to this map grid system and future information plotted by Ground Positioning Satellite or GPS methods will accurately locate the ground features with this mapped data.

Respectfully submitted,

Douglas A. Chapman


SCALE 1:10000
NAD-27 Datum
CLARKE 1866 Ellipsoid
UTM.
INDUCED PRESSURE AXIS
RELIEVED STRESS AXIS
INTERPRETED MACRO STRUCTURE
INTERPRETED ZONAL CONTACT
FAULT RELATED TECTONIC ANNOTATION
INTERPRETED TECTONIC MODEL ANOMALY REFERENCED TO REPORT
McNULTY CREEK AXIS ?
GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT
24,558
TECTONIC MAP
VERDESTONE GOLD CORP.
RESULTANT TECTONIC STRUCTURE AXIS
PERCENTILE SHEAR/TENSION ISOGRADIENT
AND INTERPRETED TECTONIC ANOMALIES
TEXAS J & LATROCHA CLAIMS
SIMILKAMEEN AND OSOYOOS M.D.'s
TREPENAGE PLATEAU AREA
BRITISH COLUMBIA
PHOTOGEOPHYSICAL TECTONIC STUDY
FOR
EXPLORATION SUPPORT SERVICES GROUP

FIG. 6A