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Molycor Gold Corp.

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Prospective Magnesium, Molybdenum, Silver, and Gold Holdings

According to Wikipedia, ‘Serendipity’ is the effect by which one accidentally discovers something fortunate, especially while looking for something else. It resulted in the discovery of The Americas, Silly Putty, Viagra, and Super-Glue, and it may prove to be a most important factor in the development of **Molycor Gold Corp.** In fact, it is easy to imagine that the company’s current name will need to be modified to reflect its new reality.

TAMI-MOSI PROJECT, NEVADA

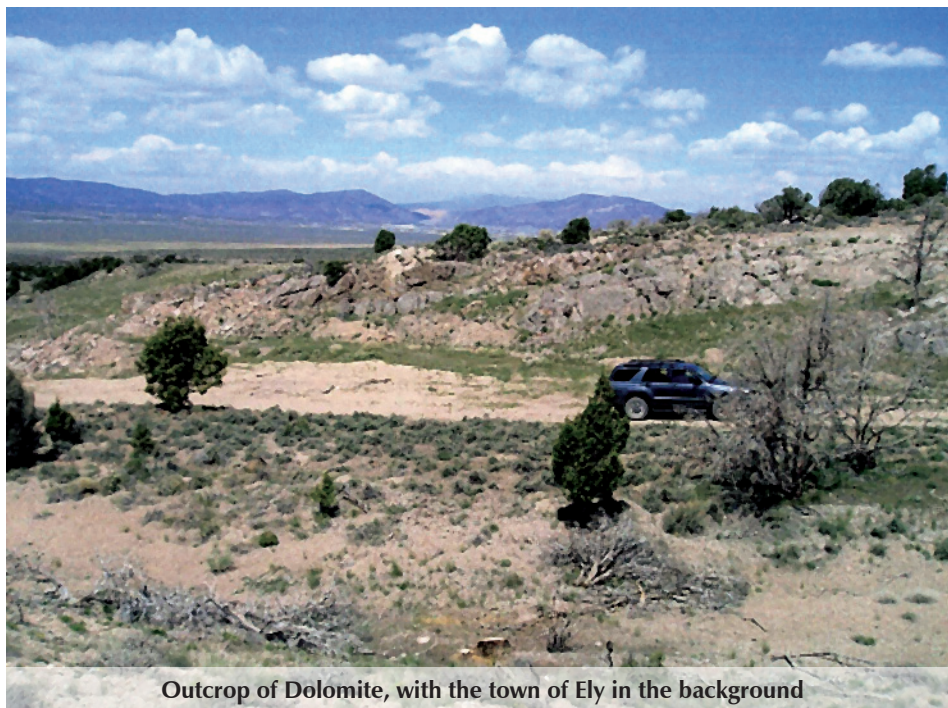
Through 2006 and 2007, Molycor was investigating the potential of the Tami-Mosi property, located near Ely, Nevada, to hold Alligator Ridge-type gold deposits. Alligator Ridge is about 75 miles to the northwest and the deposit is characterized by gold within quartz-iron oxide jasperoid formations, formed through the hydrothermal alteration of dolomites. This is a subset of the general “Carlin-type” deposit model that has made the Carlin-trend, which includes the Tami-Mosi holding, the second richest gold district in the world.

Molycor didn’t find significant gold values in that drill program, but it did intersect excellent values of both manganese (35.2% Mn over 4.6 m) and magnesium (11.4% Mg over 164.63 m). Subsequent drilling determined that the

manganese lies in a small bed that is likely not economic (note that sister company American Manganese Inc. is advancing a manganese project in Arizona). But results from the magnesium discovery area were impressive, including a 164 m intersection of 11.40% Mg and a 96 m intersection of 11.24% Mg.

Magnesium is the lightest of all metals, being about two-thirds lighter than

aluminum. It is non-toxic, non-magnetic, has high-impact strength and is resistant to denting. Demand for magnesium has been growing at about 5% per year. Today over 85% of the world’s production of 800,000 metric tonnes/year comes from China, but China now faces serious electrical shortages which could limit supply given magnesium’s energy intensive production requirements. At the same time,



Outcrop of Dolomite, with the town of Ely in the background

“Several factors suggest that Tami-Mosi could provide a new economical source of magnesium. The dolomite outcrops to surface, leading to low cost open pit mining; the deposit is in Nevada, one of the most mining-friendly jurisdictions in the world and is just a few kilometers from the mining town of Ely.”



**Molycor Exploration Holdings:
British Columbia & Nevada**

growing domestic demand for magnesium within China itself over coming years is expected to limit exports.

Molycor's found that the local beds of Guilmette Limestone hosted thicker than anticipated bands of magnesium-rich dolomite. Their drilling and surface sampling so far shows the Tami-Mosi dolomites cover at least 126.45 hectares with an average thickness of 144 meters and a strike length of over 4130 meters.

An NI 43-101 resource estimate calculated in 2009 showed an inferred resource of 236,183,772 tonnes of virtually pure dolomite containing more than 51 billion lbs magnesium at a grade of 10%, using a cutoff grade of 8%.

The estimate did not include resources deeper than 200 m below surface or where drill holes were more than 100 m apart,

and the known strike length has been extended since then, so there is a lot of room for expansion. But when there's already 51 billion pounds defined, identifying more poundage is not a prerequisite for a production decision. Instead Molycor commissioned metallurgical experts at Hazen Research to evaluate processes for extraction and recovery of magnesium from the Tami-Mosi dolomite. Their Phase 1 report outlines potential processing routes for production of both magnesium metal and the magnesium oxide utilized in refractories and specialty ceramics.

For more clarity on the potential economics for Tami-Mosi, Molycor has now engaged Wardrop Engineering to complete a Preliminary Economic Assessment Study on the project.

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Note that the Tami-Mosi property is still prospective for Carlin-type gold deposits, perhaps another instance of serendipity will see an economic gold resource found there yet.

OTHER PROJECTS

Molycor owns, or is a joint venture partner in, eleven other prospective exploration projects in both British Columbia and Nevada.

Drilling on the contiguous **Dobbin I and II properties** in southern British Columbia has returned notable intersections, including 111 m of 0.35 g/t platinum, 0.41 g/t palladium, and 0.19 % copper, and 3 m of 0.408% molybdenum.

The **Crowrea/Empress project** is located 15 kilometers south of the past producing copper-molybdenum Brenda mines near Summerland, B.C. The property holds a number of molybdenum zones, including the Empress zone, where hole Emp19-08 intersected 0.18% Mo over 15 meters near surface. A 2009 resource calculation on the Empress deposit showed that at US\$10/lb (0.05% Mo cutoff) the indicated and inferred resources are estimated at 3.36 million tonnes of 0.0948% molybdenum. Note that at the begin-

ning of 2011 molybdenum was selling for US\$16/lb.

A bit further south lies Molycor's **Beaverdell Silver property**, just a stone's throw south of Teck-Cominco's past producing Beaverdell Mine. Rock chip channel and soil sampling on a quartz-sulphide fissure vein in 2010 returned encouraging results with chip samples assaying as high as 61.98 ounce /tonne silver, along with strong lead and zinc values.

Molycor's **Windpass property** is located 8 km east of Little Fort, BC. Rock chip sampling in 2009 returned values up to 316.32 g/t gold; drill intersections from a follow-up program included 15.85 g/t gold over 1.52 meters and 10.67 m of 0.83 g/t gold.

The **Davis Gold Property**, 13 km south of Gabbs, Nevada, hosts the historic Davis mine. The property has potential for high-grade, epithermal gold/silver veins, as well as strata-bound mineralized zones similar to the nearby Paradise Peak Mine which from 1985 to 1995 produced 1.46 M oz gold and 38.9 M oz silver. A seven hole drill program in 2008 returned grades at the Davis zone up to 3.53 g/t over 4.24 m over a 200 m strike length; mineralization is open along strike and at depth.

DYNAMIC CONCLUSION

Not everything needs to be gold, to be golden. Magnesium currently trades at US\$1.50/lb and over the past few years has been as high as US\$2.50/lb; given low enough processing costs, a 50 billion pound resource makes for a compelling development opportunity. Import duties, overseas freight costs, dependable low cost energy, and the favorable mining jurisdiction of Nevada all contribute to the real possibility that the Tami-Mosi property may become an important domestic supplier of magnesium.

Shares Outstanding: ~101 million

12 Month High: \$0.09 | Low: \$0.045

FOR MORE INFORMATION



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