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# George Cross News Letter

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## CANARC RESOURCE CORP.

[CCM-V] 24,995,863 SHS.

### REMBRANDT GOLD MINES LTD. [RTG-ALBERTA]

POLARIS TAKU DRILLING TO START - Bradford Cooke, president.

Canarc Resource Corp. and Rembrandt Gold Mines Ltd. has reported a \$1,000,000, drill program is planned to start soon including 25 holes for a total of 20,000-feet at the Polaris Taku property near Atlin, northwestern B.C. The drilling and other geological and engineering programs should be completed by Dec. 31, 1994, at which time gold reserves will be re-calculated.

Canarc and subsidiaries have spent about \$5,000,000 over the past five years defining a geological gold resource at Polaris Taku that now exceeds 1,000,000 ounces gold contained in 2,400,000 tons grading 0.43 oz. gold/ton. The main gold-bearing veins at Polaris Taku remain open along strike and at depth for the addition of new gold reserves.

The Settlement Agreement of May 4, 1994 of a BC Supreme Court action and counterclaim between the parties has now been finalized, signed and approved by all of the required regulatory bodies. As a result Canarc has acquired a 100% interest, subject to Rembrandt's retained 15% net profits royalty in Polaris Taku. Canarc also holds an option to buy 5% of the 15% net profits royalty in Polaris Taku from Rembrandt for 150,000 shares of Canarc within one year of the start of commercial production. Canarc also holds an 18.3% net carried interest in the Bellavista property in Costa Rica. (That is Rembrandt has a 23.28% carried interest in the Bellavista and Canarc is entitled to 78.5% of that interest or 18.3% net).

Under the final terms of the agreement, Canarc paid Rembrandt \$731,000 in cash, issued 500,000 shares of Canarc to Rembrandt at a deemed price of \$4.50 per share, and transferred to Rembrandt all of the some 3,400,000 shares of Rembrandt currently held by Canarc.

Rembrandt retains a 15% net profits royalty in Polaris Taku, 21.5% of the 23.28% carried interest in Bellavista (5% net to Rembrandt) and all of the approximate \$775,000 long term debt on Rembrandt's balance sheet. At Bellavista, a previous identified gold resource exceeding 1,000,000 ounces contained in 20,000,000 tons grading 0.05 oz. gold/ ton includes a mineable gold reserve of 750,000 oz. gold. A full feasibility study is now underway and should be completed by Minera Rayrock early next year. (SEE GCNL NO. 102, 30May94, P.2 FOR PREVIOUS RELATED INFORMATION)

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