

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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NO. 27 (1994)
FEBRUARY 9, 1994

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KRL RESOURCES CORP.

[KRO-V] 7,442,121 shs.

PRIME EQUITIES INTERNATIONAL CORP.

[PQE-V] 5,728,559 shs.

MINIMUM \$225,000 EXPLORATION COMMITTED FOR 1994
THROUGH FARMOUT OF THE MM 100 GOLD PROJECT,
AT STEWART, B.C. TO PRIME EQUITIES

Prime Equities International has acquired an option to earn a 50%
interest in the 5,375-acre MM 100 and Emperor property, located 2 km
north of Stewart, B.C. and along the west side of the Red Mountain
gold discovery recently made by Lac Minerals. SEE MAP OVERLEAF

P.5. To earn a 50% interest in the MM 100 and Emperor claims, Prime Equities must: pay cash of CDN \$200,000 to KRL over three years, including \$40,000 upon regulatory approvals; spend a minimum of \$1,000,000 on exploration by Dec. 31, 1996, of which a minimum of \$225,000 is committed in 1994; and issue 100,000 shares of Prime to KRL at the rate of 25,000 upon approval and 25,000 per year for each of the next three years. KRL is entitled to a net smelter return at various rates up to 3% on the property.

The MM 100 and Emperor claims cover a similar geological setting to that in the Red Mountain gold discovery of Lac Minerals. In early 1993 Lac Minerals reported 2,500,000 tonnes grading 12.8 grams gold/tonne plus 28.6 grams silver/tonne. To further develop this deposit, 1993 exploration included 787 metres of decline and cross cut, and 10,000 metres of underground and surface diamond drilling.

On the Emperor claims exploration has located gold quartz veins over a 316-metre strike length with grab sample values of 19.2 grams gold/tonne. A program of line cutting, soil sampling, induced polarization survey followed by trenching, sampling and drill has been recommended.

Planning of the 1994 exploration program will start now with the objective of establishing drill target in late 1994. Work will resume as early as possible in the Spring of 1994. (SEE GCNL NO.18, 27Jan94, P.2 FOR OTHER KRL PROJECT INFORMATION)

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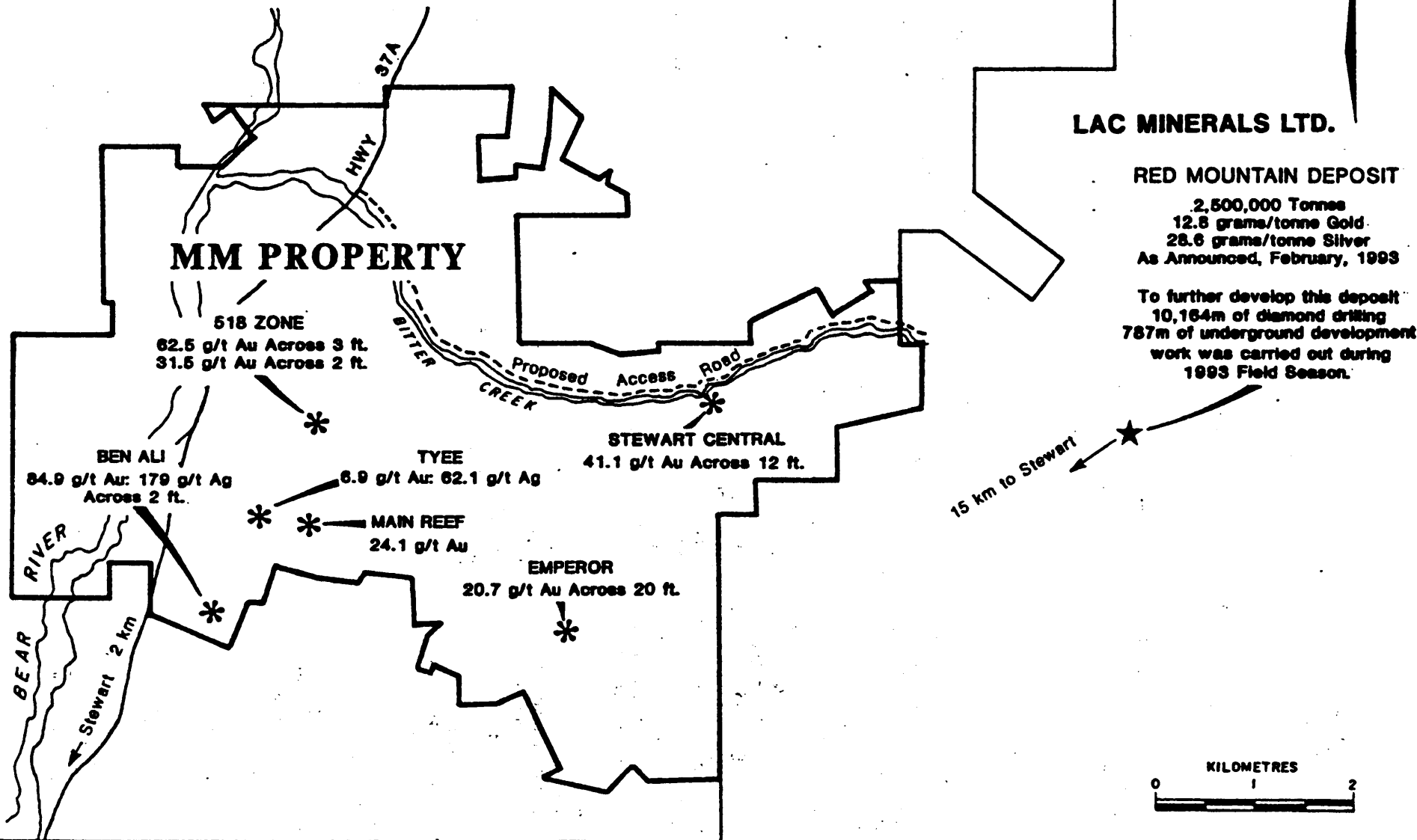
1022 - 470 Granville St.
 Vancouver, B.C. V6C 1V5
 Telephone (604) 689-0299
 Fax (604) 689-0288

V.S.E. - KRO

KRL RESOURCES CORP.

MM PROPERTY

STEWART, BRITISH COLUMBIA



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