

1710 - 609 GRANVILLE ST  
PO BOX 10363  
VANCOUVER BC  
CANADA V7Y 1G5  
(604) 683-7265 FAX 683-5306  
BBS 683-7206

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**George Cross News Letter**  
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NO. 204 (1994)  
OCTOBER 25, 1994

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**KRL RESOURCES CORP.**

[KRO-V] 8,282,121 SHS.

**PRIME EQUITIES INTERNATIONAL CORP.**

[PQE-V; PEZVF-NASDAQ] 5,769,084 SHS

B.C. EXPLORATION UNDERWAY - Naren Majithia, director, Prime Equities International Corp., and KRL Resources Corp. report the start of a Phase II exploration program on the MM property, located eight miles northeast of the town of Stewart, northwest B.C. This work will continue to define two priority target areas discovered during the first phase of work carried out earlier this year. Drilling of these target areas is proposed for the month of November.

The most important target area, the Stewart central target, occurs along Bitter Creek on the northern portion of the property. Access is provided by a road along the creek to a number of base and precious metals showings occurring over an area of 100 by 1,500 meters. The highest gold assays from grab sampling were 98.2 and 39.6 grams gold/tonne (2.87 and 1.16 oz/ton). Magnetometer, VLF-EM and HLEM surveys will be carried out over the target area prior to trenching and drilling.

The second area of interest is the Empire Grid on the south-central portion of the property. A 75 by 300-metre copper/gold anomaly was outlined some 50 to 100 metres to the west of the Empire Mine. The end of the anomaly is coincident with the axis of a VLF-EM conductor. Trenching is planned here to determine the bedrock source of the geochemical and VLF-EM anomalies.

Prime Equities can earn a 50% interest in the MM property by making staged cash payments totalling \$200,000, issuing 100,000 shares to KRL over three years and spending \$1,000,000 on exploration by 31Dec96. The MM property adjoins the western boundary of Lac Minerals' Red Mountain property. (SEE GCNL NO.119, 22Jun94, P.,4 FOR PREVIOUS PROJECT DETAILS)

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