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# George Cross News Letter

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NO. 53 (1996)  
MARCH 14, 1996

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## CANARC RESOURCE CORP.

[CCM-T] 28,750,619 SHS.

## REMBRANDT GOLD MINES LTD.

[RTG-ALBERTA] 4,256,619 SHS.

**POLARIS TAKU NEW RESERVE ESTIMATES - Canarc Resource Corp. announces the total contained gold reserves for the 100%-owned Polaris Taku property on the Tulsequah River, 100 km south of Atlin, northwestern BC are now estimated at 1,440,000 oz. gold in all categories, a 25% increase from last year. Rembrandt Gold Mines Ltd. has a 10% NPI.**

A recently completed resource estimate by Montgomery Consultants attributes the increase in geological gold resources to the new deep extensions of the C vein system discovered in 1995 drilling.

A conservative approach was taken of the widely-spaced nature of the drill holes by Montgomery and Canarc in estimating additional resources from the 1995 deep drilling program. Because the holes are widely spaced, most of the new resources are in the potential category.

Several other areas in the AB, C and Y vein systems require further drilling to confirm reserves. Management feels that the Polaris Taku gold deposit could ultimately exceed 2,000,000 ounces in total contained gold reserves to a depth of 2,000 feet below surface.

The geological gold resources are classified as probable within 25 feet of a drill hole, possible from 25 feet to 75 feet of a drill hole and potential (or inferred) in geologically selected areas beyond 75 feet of a drill hole. A summary of the Polaris Taku gold resources in all categories is shown on overleaf P. 3 along with a newly calculated base case financial model using increased tons per day for a 2.2 year payout. SEE GCNL NO. 17,P.1 and following for previous base case etc.

A \$5,000,000 feasibility program, including underground development and drilling, is planned for 1996 to upgrade half of the current resources into the mineable reserve category. Engineering, metallurgical and environmental studies are underway and the mine site work programs are scheduled to start in June.

Additional scoping studies by management indicate that an extended case financial model, based on the increased total gold reserves, could generate higher profits and rates of return than the base case. The extended case financial model is printed overleaf P.3.

This model can still be optimized for gold price and other factors. This model is dependent upon upgrading the gold resources to mineable. It highlights the potential for Polaris Taku to become a top ten gold mine within the next three years.

**TWO NEW DIRECTORS - Derek Bullock, M.Sc., P.Eng., 30 years mining experience, most recently as president of Iamgold Ltd., West Africa and Chris Theodoropoulos, LL.B., 12 years experience, also vice-president Cedar Group Inc, an international engineering and infrastructure company, and was most recently a partner in Smith Lyons, law firm, have been appointed directors of Canarc. Alex Davidson has resigned.**

104K 3  
P. 1 of 3

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REMBRANDT GOLD MINES LTD. (10% NPI)

POLARIS TAKU PROJECT  
NORTHWEST B.C.

### Extended-Case Financial Model (\$ U.S.)

Plant capacity	:	1,200 tpd.
Mine dilution	:	17% assumed.
Head grade	:	0.35 to 0.40 opt.
Gold recovery	:	90% to 95%.
Annual output	:	145,000 opy.
Mine life	:	10+ years.
Gold price:	:	\$389
Capital cost	:	\$62 million.
Operating cost	:	\$60 to \$70 per ton or \$180 to \$210 per oz.
Exchange rate	:	0.72.
Gross revenues	:	\$55 million per year or \$553 million total.
Operating profits	:	\$26 million per year or \$264 million total pre-tax.
Net after-tax cashflows	:	\$112 million at 0% DCF after tax and capital recovery.
DCFROR	:	32.5% after tax or 40% before tax.
Payback period	:	2.2 years.

104K3  
p. 2 of 3

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POLARIS TAKU PROJECT  
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SUMMARY OF TOTAL CONTAINED GOLD RESOURCES AT POLARIS TAKU DEPOSIT

1995 Resource Estimate Re-stated Using a Specific Gravity of 2.86 or 11.2 ft<sup>3</sup>/ton

<u>Vein System</u>	<u>Cut-off 0.25 opt</u>		<u>Cut-off 0.20 opt</u>	
	<u>Tons</u>	<u>Grade (oz/ton)</u>	<u>Tons</u>	<u>Grade (oz/ton)</u>
AB and Y veins	1,910,000	0.442	1,975,714	0.435
C veins 1995	733,800	0.426	781,050	0.406
<b>TOTAL</b>	<b>2,643,000</b>	<b>0.438</b>	<b>2,756,050</b>	<b>0.427</b>
	<i>(increase of 175,000 tons)</i>		<i>(increase of 183,000 tons)</i>	
	1,156,819 ounces Au		1,177,138 ounces Au	
	<i>(increase of 76,833 ozs)</i>		<i>(increase of 80,000 ozs)</i>	

1996 Additional Resources (based on 1995 drill holes)

Probable and Possible Resources (Montgomery)

<u>Vein System</u>	<u>Cut-off 0.25 opt</u>		<u>Cut-off 0.20 opt</u>	
	<u>Tons</u>	<u>Ounces Au</u>	<u>Tons</u>	<u>Ounces Au</u>
C veins	77,900	22,650	895,600	37,500
<b>TOTAL</b>	<b>2,271,000</b>	<b>1,179,753</b>	<b>2,871,714</b>	<b>1,213,863</b>
		(0.433 opt Au)		(0.422 opt Au)

Potential Resources (Montgomery)

<u>Cut-off 0.20 opt</u>	
<u>Tons</u>	<u>Grade (oz/ton)</u>
170,000	0.396 (67,320 ounces Au)

Potential Resources (Canarc)

	<u>Cut-off 0.20 opt</u>		
	<u>Tons</u>	<u>Grade (oz/ton)</u>	
North Zone	250,000	0.19	
Deep Y veins	30,000	0.58	
Deep C veins	261,284	0.384	
<b>TOTAL</b>	<b>541,284</b>	<b>0.305</b>	<b>(165,000 ozs)</b>
<b>Total Potential</b>	<b>711,284</b>	<b>0.326</b>	<b>(232,412 ozs)</b>
<b>TOTAL</b>	<b>3,583,000</b>	<b>0.403</b>	<b>1,444,000 ounces Au</b>

104K 3 p. 30f3

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