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38 → MM100

**KRL****Resources Corp.****V.S.E. - KRO****EXPLORATION UPDATE - JULY, 1991**

KRL Resources Corp. ( V-KRO ) has commenced diamond drilling on its large MM100 precious and base metals project located eight kilometres north of Stewart, B.C. The property has been held by KRL since 1980 and has not previously been drilled.

Extensive surface sampling in 1990 and since mid-June, 1991 has returned high grade gold and base metals values over significant widths. Numerous targets have been identified by UTEM and VLF magnetometer surveys and geochemical sampling. The first phase drilling contract is for 1,000 metres.

Among the targets is a newly discovered structure of strong hydrothermal alteration called the Hill Top Zone which has been traced for a length of seven hundred metres and widths up to 400 metres. Preliminary surface sampling yielded values up to 9.4 grams or 0.294 ounces gold per ton and 147.4 ppm or 4.6 ounces silver per ton.

KRL's exploration director John J. Watkins, M.Sc., suggests the mineralization resembles the sediment hosted precious metal mineralization of the U.S. Southwest.

Watkins, with extensive prior experience with Falconbridge, Texas Gulf and Homestake, has reported that the Hill Top Zone has potential for a large tonnage, low grade metal deposit amenable to open pit mining.

A second key target to be drilled is the "518 Zone" which is located approximately one-half kilometre west of the Hill Top. Extensive surface sampling has returned many values in the 6.0 - 21.0 gram gold range from quartz-arsenopyrite veining.

The MM100 claim group has been extended in 1991 by staking and acquisition and now encompasses 42 units and 2 post claims. It is ideally situated just

eight kilometres north of Stewart. Highway 37A crosses the property.

A number of old workings exist on the MM100 Claims, including the Victoria Mine from which an 1909 sample of four tons graded 0.7 ounces gold per ton, 20 ounces silver per ton and 23 percent lead. In 1925, a further seven ton sample yielded 0.6 ounces gold per ton, 30 ounces silver per ton, 35 percent lead and 10 percent zinc. The property had lain dormant from the 1920's until re-staking in 1980.

In addition to the MM Group, KRL's property portfolio includes interests in several additional properties ranging from the Stewart area to Iskay Creek / Iskut River and the Tulsequah regions of northern B.C. A number of claim groups in the Iskut River camp, west of the recently opened SNIP Mine, are under option to Galico Resources.

KRL is funded, having completed a 1.0 million unit offering earlier in 1991 at a price of 67 cents per unit. Goldbelt Resources Ltd. is a major shareholder, holding approximately 33 percent of KRL's 6.1 million outstanding common shares.

Directors include president, Seamus Young, a well known B.C. prospector and project originator; field exploration manager John Watkins; Vancouver lawyer William A. Rand; and Mike Muzykowski and Douglas E. McRae, chairman and president respectively, of Goldbelt.

Mr. Muzykowski is one of Canada's senior mining explorationists having been involved in the discovery of 15 producing mines during his career. Mr. McRae, as a venture capitalist and financier has been associated internationally in numerous projects involving capital formation that now exceeds C\$500 million.

**C O N T A C T****Seamus Young**

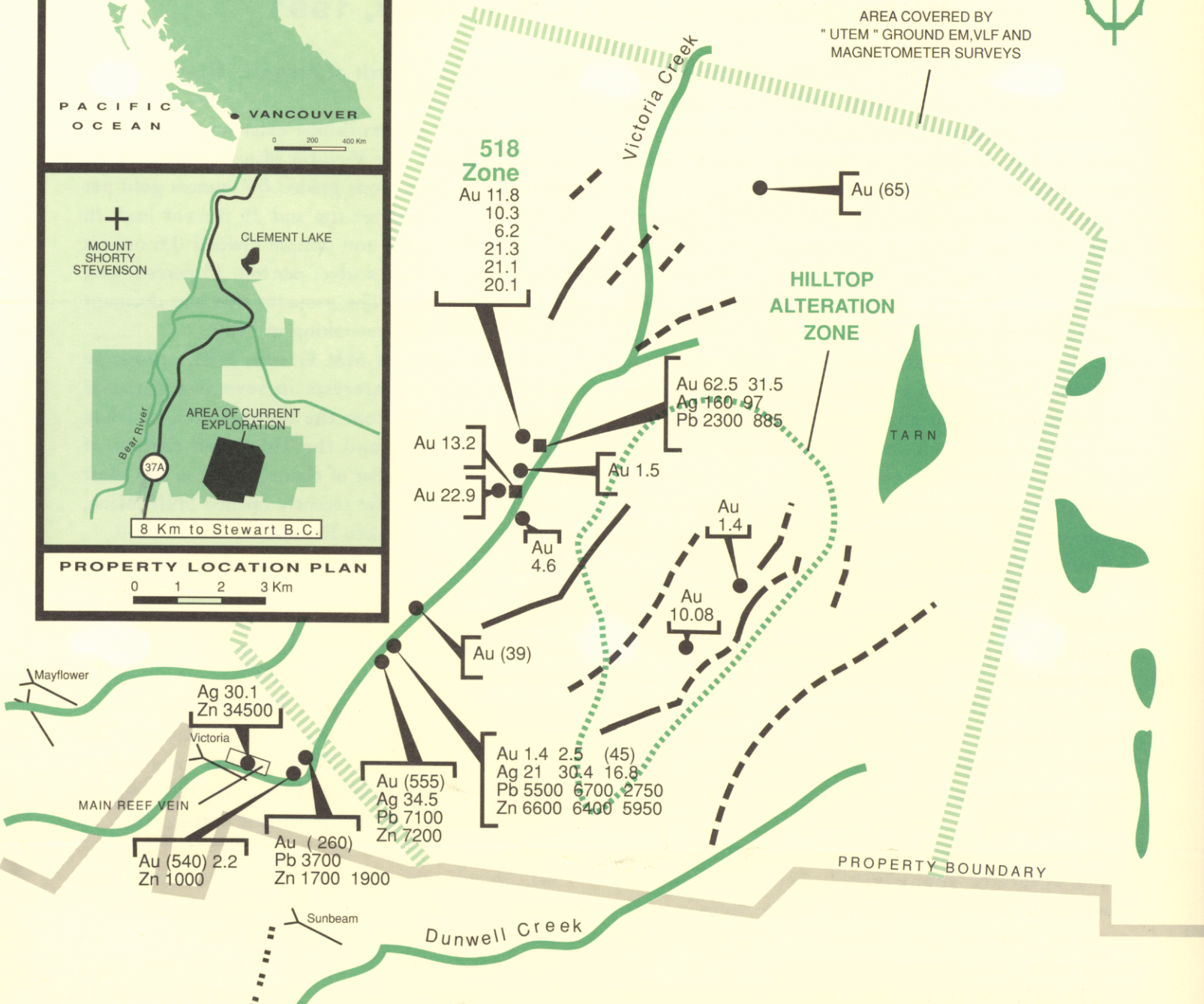
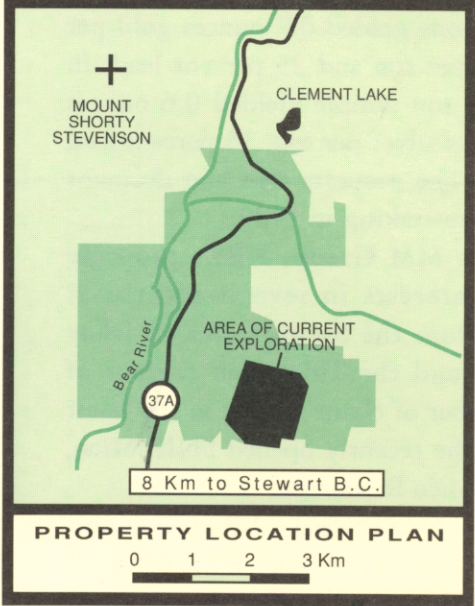
Suite 1022 • 470 Granville Street, Vancouver, British Columbia V6C 1V5 tel: (604)689-0299 fax: (604)688-6479

**Bob Swenarchuk**

Goldbelt Resources Ltd., 1200 • Hong Kong Bank Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8

tel: (604)669-2290 fax: (604)684-2679





L E G E N D

- Anomalous bedrock sample
- Anomalous scree, creek, float or mine dump sample
- Y Historic Adits
- EM ground anomaly
- Lakes

Au g/t (ppb)  
Ag ppm  
Pb ppm  
Zn ppm