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KRL RESOURCES CORP. (KRO-V)

ASSAYS AWAITED ON LONG SECTIONS OF - Seven diamond
SULPHIDE MINERALIZATION ON MM100 PROJECT drill holes
have been

completed on the Hilltop alteration zone on the 42 unit,
MM100 project owned 100% by KRL Resources. The surface
showings are at 2,300 feet elevation one km east of
Highway 37A, 8 km north of Stewart, B.C. The new zone
is 1 km north along the same mineralized shear zone as
the Dunwell mine which produced 50,000 tons grading:
0.02 oz. gold/t, 6.0 oz. silver/t, 2.4% zinc, 1.65% lead
from fissure veins.

Starting in 1991 an airborne VLF electromagnetic
and magnetometer surveys indicated a number of targets.
Starting on June 20, 1991, under the direction of John
J. Watkins, M.Sc., KRL director and resident property
manager, a ground Utem survey defined a number of
conductors. Three are within an area of newly mapped
alteration which measures 700 meters by 400 meters and
is open. Within this alteration, prospecting has
located a number of surface showings of gold. A grab
sample from one of these surface showing assayed 0.3 oz.
gold per ton. The first two diamond drill holes on the
property were drilled from a site 30 meters due north
this showing. First hole was drilled A165 degrees at
minus 55 degrees. The second hole was drilled in the
opposite direction at A315 degees at the same minus 55
degrees, also to 400 feet. Six random grab samples of
core from each of these holes have been assayed at 0.05
and 0.275 oz. gold/t. All assays are expected mid-Aug.

Geology is believed to be similar to the discovery
on Red Mountain by Bond gold 10 km to the east in 1989.
The mineralization resembles the sediment-hosted
precious metal mineralization of the U.S. southwest.

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Each of the holes have cut several rock types, intrusive, argillites, sediments and volcanics, all of which carry mineralization. The mineralization is widespread disseminated and massive sulphides throughout each of the holes. Mr. Watkins noted the program had originally been planned to seek gold in fissure veins carrying lead, zinc, silver similar to that at Silbak Premier and Tenajon. What has been found in the drilling is pervasive mineralization in a large, intensively hydrothermally-altered intrusive with much silicification. This new intrusive target has much larger tonnage implications than the fissure veins. The holes drilled have tested an area 600 feet north-south, 450 feet east-west to about 250 feet deep containing perhaps 5,500,000 tons. The zone is open to extension in all directions including depth. There is little or no soil or overburden cover. Mr. Watkins noted that a significant tonnage of mineralization grading 0.1 oz. gold per ton would likely make ore since the location has well developed infrastructure. The topography suggests an ideal open pit location.

No.8 hole, now drilling, and No.9 to follow are to be drilled on the 518 zone about 400 meters northwest of the Hilltop zone. Eleven surface grab samples from the 518 zone assay between 0.21 to 2.2 oz. gold per ton, 5 oz. silver/t, plus lead. Nine holes are to be drilled in this first phase of drilling. Assays from all nine holes are expected to be available in about three weeks. When all the results have been evaluated it is expected a second phase of drilling, probably a similar

6,000 feet of core in about 10 holes will be undertaken to test the extension of the Hilltop zone.

Two km to the east of the Hilltop zone the Emperor zone has yielded a sample grading 0.08 oz. gold/t. Two old adit levels on the showing are to be further examined. The Hilltop has little or no overburden.

KRL was funded Feb. 13, 1991, by the sale of 1,000,000 units at 67¢ each through L.O.M. Western Securities and Haywood Securities Inc. with agents warrants at 67¢ on a further 500,000 shares to bring to 6,762,121 shares issued. The company has spent about \$200,000 on the current program and is well funded for a second phase of drilling. Goldbelt Resources Ltd. owns 2,200,000 shares or 32% of the KRL Resources shares.

Directors of KRL are: Seamus Young, president; Wm.A. Rand, senior Vancouver mining securities lawyer, J.J. Watkins, Mike Muzykowski, and Doug E. McRae.



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