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George Cross News Letter

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KRL RESOURCES CORP.

[KRO-V] 9,418,125 SHS.

EXPLORATION UPDATE - Seamus Young, president, KRL Resources Corp., provides a summary of the results from the 1995 geological mapping and prospecting on the

company's mineral claims located east of Stewart, northwest B.C.
REFER TO MAP OVERLEAF P.3 IN GCNL NO.214, 7Nov95.

The area consists mostly of Eocene and older quartz monzonite, in a band running northwest-southeast over the property and the Middle Jurassic Salmon River Formation sediments. There are several large mining projects nearby including the Red Mountain deposit owned by Royal Oak, 10 km. to the southeast in a similar geological setting along the strike of the contact between the Eocene quartz monzonite pluton and Jurassic Salmon River Formation. Teuton/Minvita have recently reported significant intersections of gold in trenches (up to 3.59 oz/ton over 5.5 metres) on their property which borders the southern limit of the ground held by KRL Resources.

The claim area has been mined on a small scale throughout this century with no detailed systematic, modern exploration programs attempted. Pyrite and pyrrhotite occur pervasively throughout the property disseminated and as stringers, with chalcopyrite, galena, sphalerite and arsenopyrite also present. Anomalously high concentrates of gold, silver, copper, lead and zinc are present in stream sediment silts over much of the property. Three particularly promising target areas have been delineated.

Prospecting in 1995 lead to the discovery of a mineralized outcrop of silicified fractured feldspathic andesite near Cable Creek. Mineralization consisted of pyrite, pyrrhotite and chalcopyrite occurring in sulphide veinlets within a quartz stockwork. A sample from this outcrop returned values of 0.28 oz.gold/ton and 0.154% copper. The mineralization occurs in an area where quartz veins carrying up to 1.20 oz.gold/ton were reported in 1935. The outcrop is adjacent to the volcanic sedimentary contact of the Salmon River Formation. This contact is a broad ill-defined, partly faulted, partly brecciated zone which strikes in a northwest-southeast direction.

There are at least two potential types of exploration targets that might be expected to occur on these claims: 1) disseminated gold and sulphide along the contact between volcanic and sedimentary units of the Salmon River Formation, analogous to the style of mineralization at the Royal Oak's Red Mountain property; and 2) bulk tonnage, low grade porphyry gold and/or sulphide mineralization associated with stockwork quartz veins. The Stewart area claims will be the focus of KRL's 1996 exploration program.

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General