INDUCED POLARIZATION SURVEY

ON THE

MM PROPERTY

FOR

KRL RESOURCES CORP.

SURVEY BY

SJ GEOPHYSICS LTD.

SKEENA M.D., B.C. N.T.S. 104A/4 & 103P/13

AUGUST 1991

REPORT BY

SYD J VISSER
SJ GEOPHYSICS LTD.

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INTRODUCTION

An Induced Polarization survey was completed by SJ Geophysics Ltd., at the request of Mr. Seamus Young, for KRL Resources Corp., on the MM Property. The MM property is located near Stewart, B.C., in the Skeena M.D., of B.C. (N.T.S. 104A/4 & 103P/13).

The purpose of the Induced Polarization survey was to test the known geophysical targets, outlined from the previous UTEM and magnetometer/VLF-EM surveys, to identify areas of disseminated sulphide concentrations.

FIELD WORK

Syd Visser (Senior Geophysicist), Todd Ballantyne (Geophysicist) and Neil Visser (operator), all with SJ Geophysics Ltd., and the Induced Polarization equipment were mobilized from Vancouver through Stewart on August 10, 1991. The first day was spent flying into camp from Stewart, setting up survey equipment, laying out current wire. The survey area was accessed daily by foot from the main camp.

Initially the survey employed a dipole-dipole electrode array, surveying 2.52 kilometers in total, with 6 dipoles at 20 metre intervals. The survey array was then changed to a pole-dipole configuration, recording 6 dipoles at 40 metre intervals for a total of 1.72 kilometers, to enhance production, increase depth penetration and integrate over the erratic near surface responses. The data was recorded digitally with an Androtex Ltd. model TDR-6 IP receiver from a series of 25 metre(50 metre for pole-dipole) six-wire cables connected to porcelain pots. Self-potential (SP) was recorded with each dipole and is presented on a plan view on Plate IP1 in envelope. The transmitter used in this survey is a Hunting Survey Corporation Model 2500 2.5 Kw powered by a Briggs and Straton motor generator. Two helpers whom required training time were supplied by KRL Resources Corp., for the period of the survey.

The data was processed each evening. Pseudosections of the apparent resistivity, apparent chargeability (sixth window), and profiles of filtered apparent resistivity and filtered apparent chargeability M6 were produced on a Fujitsu DL3400 dot matrix printer. The pseudosections and field interpretation were presented to the project geologist at the completion of the field work.

DATA PRESENTATION

The results of the Induced Polarization survey are presented on 7 pseudosections containing one section of apparent resistivity, one section of apparent chargeability (sixth window M6), and profiles of filtered apparent resistivity and filtered apparent chargeability M6 (Appendix II), one self-potential plan map and one compilation map.

The maps are listed as follows:

Pseudosections 1 to 7	Induced Polarization Pseudosections Lines 400N to 800N	Text
Plate IP1	Self-Potential Profiles	In Envelope
Plate IP2	Compilation Map Chargeability/Resistivity	In Envelope

INTERPRETATION

The survey area covered by the Induced Polarization survey is characterized by a channel (or corridor) of low resistivity as seen from the apparent resistivity pseudosections on lines 400N through 800N. The width of this area varies over the 400 metres but is generally greater that 150 metres wide and correlates closely to the conductive region outlined in the previous UTEM survey. The I.P. response, anomalous chargeability data, is not limited to the low resistivity zone nor is it consistent throughout.

The high background I.P. chargeability response indicates that the whole survey area is underlain by disseminated sulphides or graphitic units with the exception of possibly along the western and eastern resistivity contact zones which appear to have a lower chargeability response. Drilling and surface geology indicate that the high I.P. response is due to disseminated sulphides throughout the survey area. Tests with a ohmmeter on the mineralized core indicated that the sulphides are likely fracture controlled. The multiple directions of the fractures make the apparent disseminated sulphides continuous, and therefore weakly conductive, as indicated by the highly conductive response from the UTEM survey and low resistivity response of the I.P. survey in the central survey area. The low resistivity background response along with small, near surface resistive units (silicious zones) can give some erratic chargeability responses (> 100ms) which should likely be ignored in the interpretation. The receiver voltages, associated with some of the very low resistivity zones especially on the larger "n" spacings, were to low for measurements, as indicated by missing readings in the data set.

The following is a line by line description of the I.P. responses.

L400N

Line 400N hosts a low resistivity zone between 120W and 80E with well defined contacts on either side. Near surface limited resistivity highs between 60W and 20W , likely cause the apparent deep resistivity high at 70W, and between 0 and 50E. There is a weak I.P. chargeability anomaly located between 100W and 60E with a higher response on each end and possibly at 30W. The western edge of the line also indicates an elevated chargeability response.

L500N

Line 500N is characterized by a well defined resistivity contact at 60W, and a poorly defined eastern contact, which is likely at 120E where near surface limited resistive features continue to the eastern edge of the survey line. There appear to be some near surface chargeability anomalies associated with the high resistivities on the eastern end of the line. It is not clear if the resistivity high on located at 0 is due to the near surface resistivity located between 40E and 80E or a less likely deeper resistive unit near 0. A weak chargeability response extends from 60W to 60E and is very similar to line 400N with higher chargeability region on the western end, in the center and on the eastern end. There is also an elevated response on the western end of the line.

L550N

The continuation of the low resistivity zone is marked by a well defined contact at 70W and a poorly defined eastern margin at approximately 180E. A resistive feature at shallow depth is located between 0 and 20E which again may be the cause of the resistivity high centered at 40W. The main chargeability anomaly is located between 80W and 0 with possible highs at either end. A weaker anomaly is located at approximately 90E.

L600N

Line 600N has been surveyed by both a dipole-dipole array and pole-dipole array. The low resistivity zone continues from line 550N and is bound by strong resistivity contrasts at 180W and 300E. This is confirmed by the pole-dipole pseudosection surveyed at 40 metre dipoles. There appear to be numerous near surface resistivity zones between 180W and 20W, 140E and 220E and 260E and 300E. There is also a main structure located at between 20W and 40W.

Anomalous I.P. response on this line is associated with a resistivity low and is located between 10W and 140E. This region may well contain two separate targets: one located from 10W to 30E and the second located from 100E to 140E. The pole-dipole survey indicates that the anomalous response is located between 10E and 40E which may be due to the difference in dipole length. Near surface limited chargeability anomalies are located at approximately 130W, 60W and possibly 260W.

L700N

This line has been surveyed with a pole-dipole array and outlines a resistivity low from the western edge of the line to 280E with a resistive structure located at approximately 40W. Within this zone is an anomalous I.P. response between 10W and 80E and a subanomalous I.P. response at approximately 200E. An anomalous high resistivity feature located at 60W shows a low I.P. response.

L800N

The central resistivity low continues on line 800N and is located approximately 60W to 280E with and additional resistivity low extending from 200W to the western end of the line. A moderate I.P. response is located at shallow depth between 160W and 120W and appears to be associated with the resistivity high. Another shallow subanomalous I.P. response is located at approximately 30E.

CONCLUSION

The I.P. survey indicates a very low resistivity region in the central part of the survey area which correlates closely to the conductive UTEM region. A test with a ohmmeter on the mineralized core indicates that the fracture controlled sulphide mineralization is conductive.

The I.P. chargeability response indicates elevated chargeability response throughout the survey area with weak highs concentrated mainly in the western part of the resistivity low. Highly variable near surface resistivity and changeabilities makes interpretation difficult with the short 20m dipole length used for the majority of the survey.

Syd Visser, B.Sc., F.G.A.C.
Geophysicist

SJ Geophysics LTD.

APPENDIX I

STATEMENT OF QUALIFICATIONS

Syd J. Visser, of 11762 - 94th Avenue, Delta, British Columbia, hereby certify that,

1. I am a graduate from the University of British Columbia, 1981, where I obtained a B.Sc. (Hon.) Degree in Geology and Geophysics.
2. I am a graduate from Haileybury School of Mines, 1971.
3. I have been engaged in mining exploration since 1968.
4. I am a Fellow of the Geological Association of Canada.
5. I own 12800 shares in KRL Resources Corp..

Syd J. Visser, B.Sc., F.G.A.C.
Geophysicist

STATEMENT OF QUALIFICATIONS

I, Todd A. Ballantyne, of 3542 West 16th Avenue, Vancouver, British Columbia,

1. I am a graduate from the University of British Columbia, 1988, where I obtained a B.Sc. degree in Geophysics.

2. I have been engaged in mining exploration since 1987.

Todd A. Ballantyne, B.Sc.
Geophysicist

APPENDIX II

LINE : 400 N

INDUCED POLARIZATION SURVEY

DIPOLE-DIPOLE ARRAY

A NA A

DEPTH POINT

N = 1, 2, 3, 4, ...

"A" SPACING = 20.0 METRES

PSEUDOSECTION

KRL RESOURCES CORP.

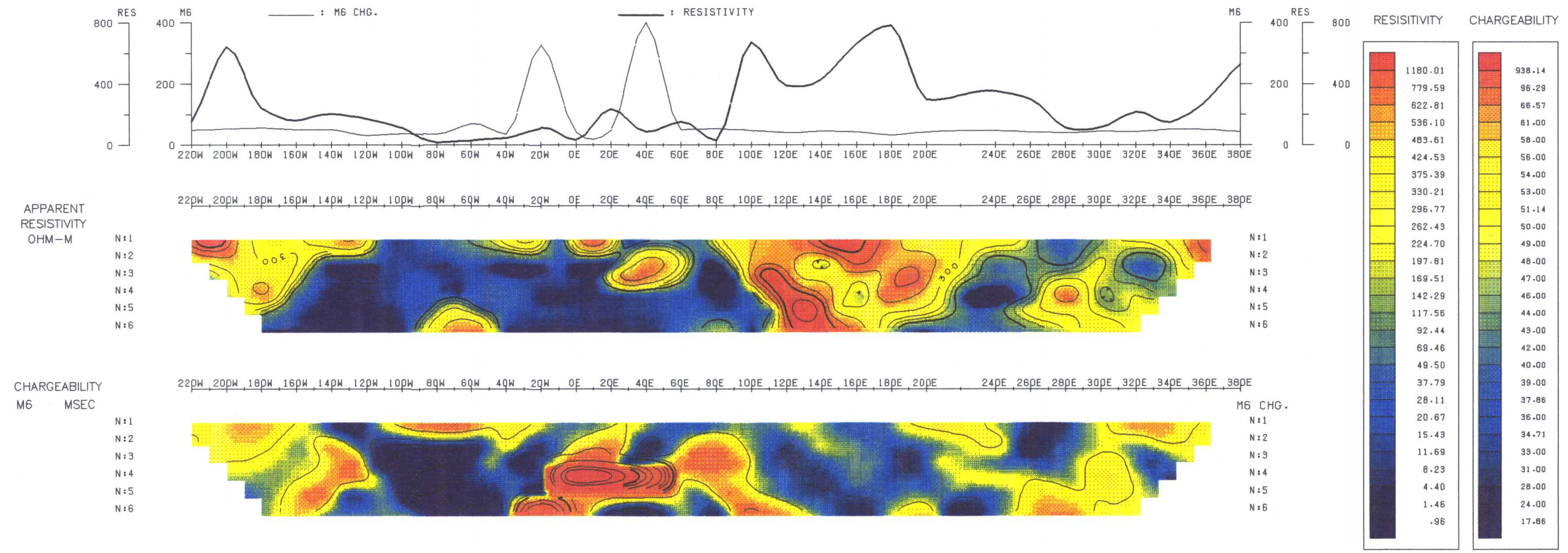
MM PROPERTY

STEWART, B.C.

DATE : AUGUST 1991	REF : NTS 104A/4

SCALE = 1:2000

SJ GEOPHYSICS LTD.



LINE : 500 N

INDUCED POLARIZATION SURVEY

DIPOLE-DIPOLE ARRAY

A NA A

DEPTH POINT

N = 1, 2, 3, 4, ...

"A" SPACING = 20.0 METRES

PSEUDOSECTION

KRL RESOURCES CORP.

MM PROPERTY

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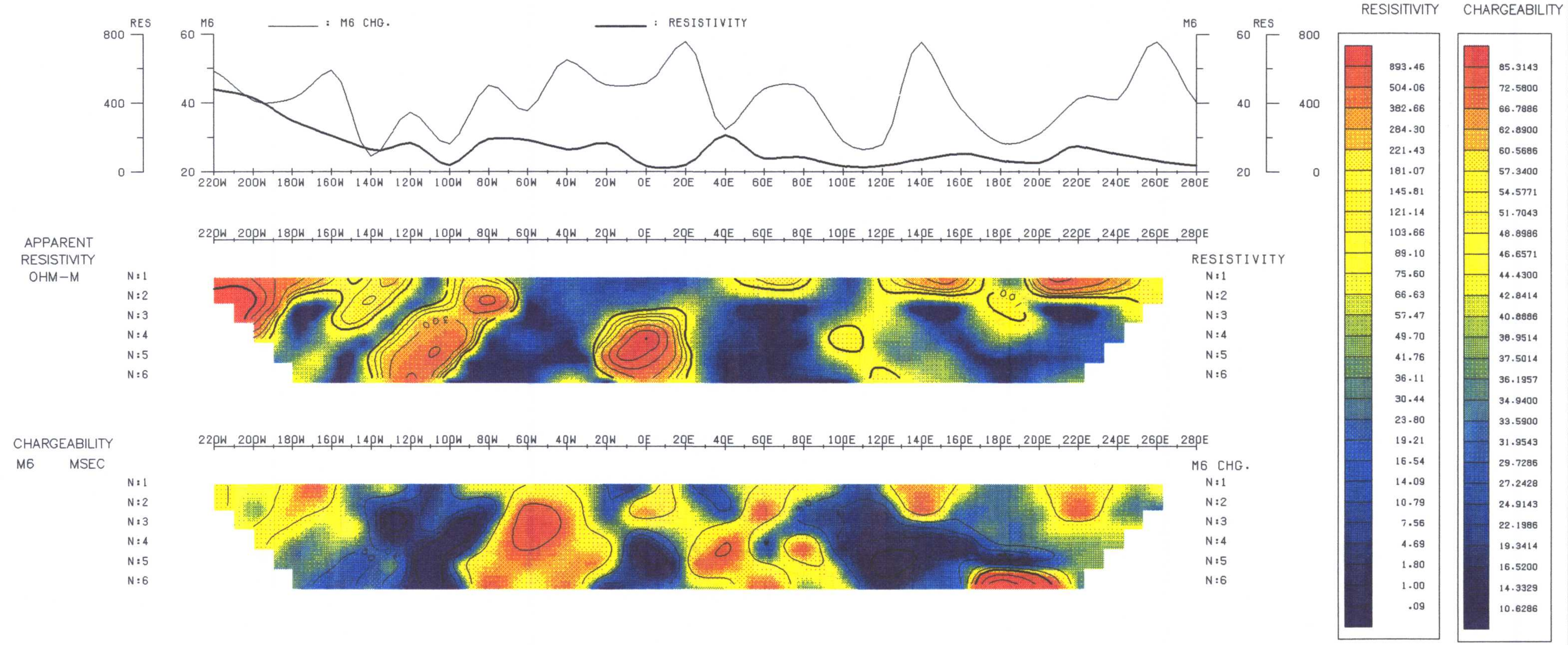
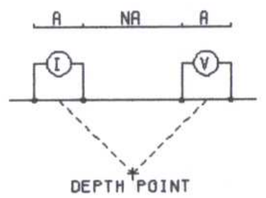


LINE : 550 N

INDUCED POLARIZATION SURVEY

DIPOLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 20.0 METRES

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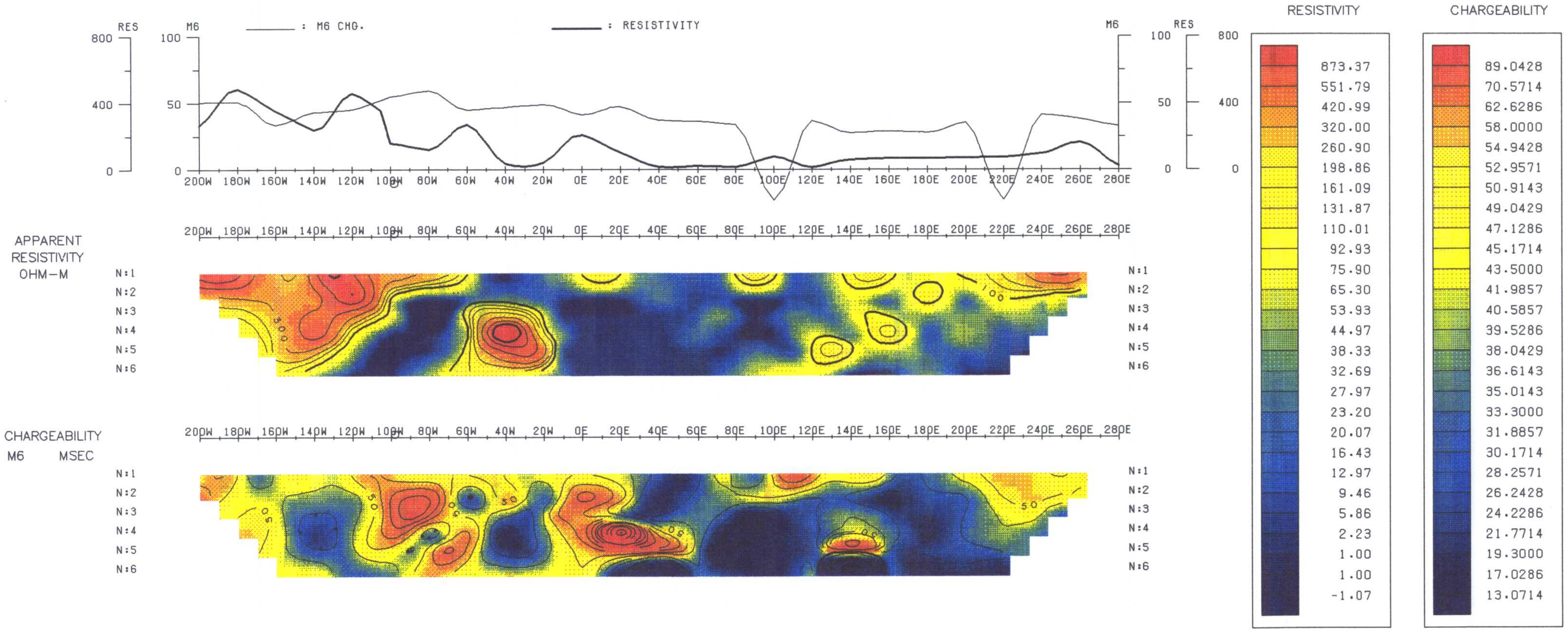

LINE : 600 N

INDUCED POLARIZATION
SURVEY

DIPOLE-DIPOLE ARRAY

N = 1, 2, 3, 4, ...
"A" SPACING = 20.0 METRES

PSEUDOSECTION

KRL RESOURCES CORP.

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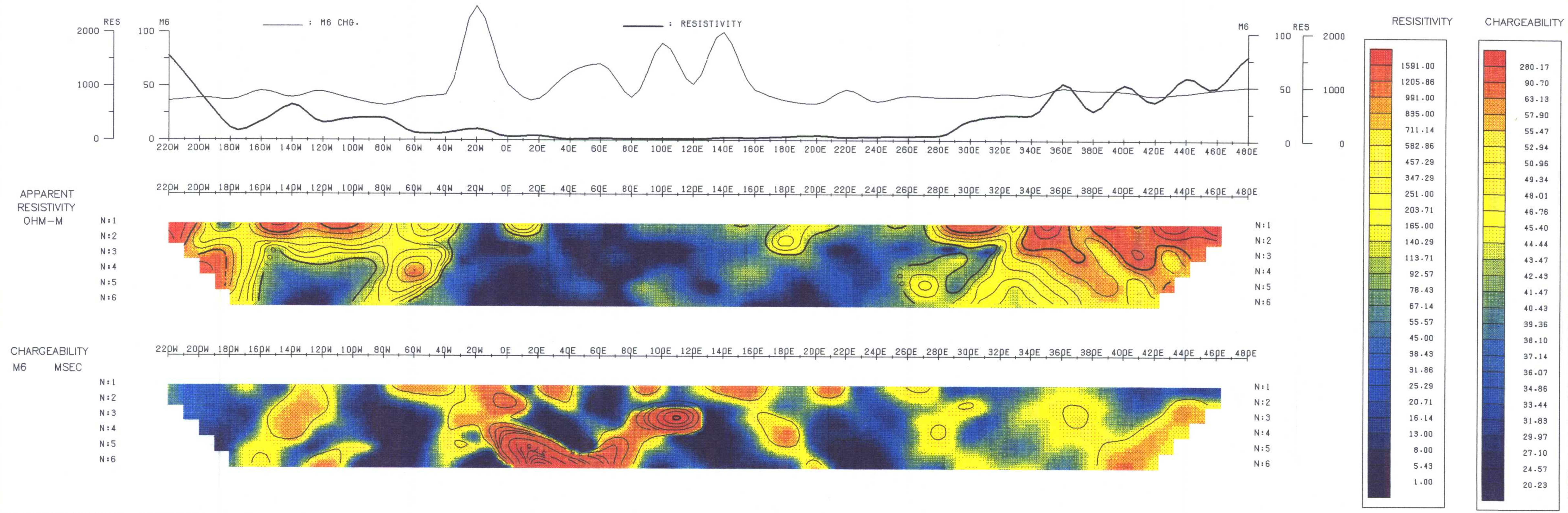
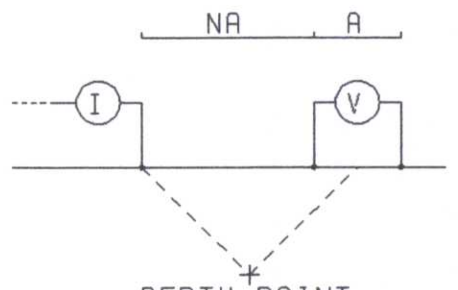


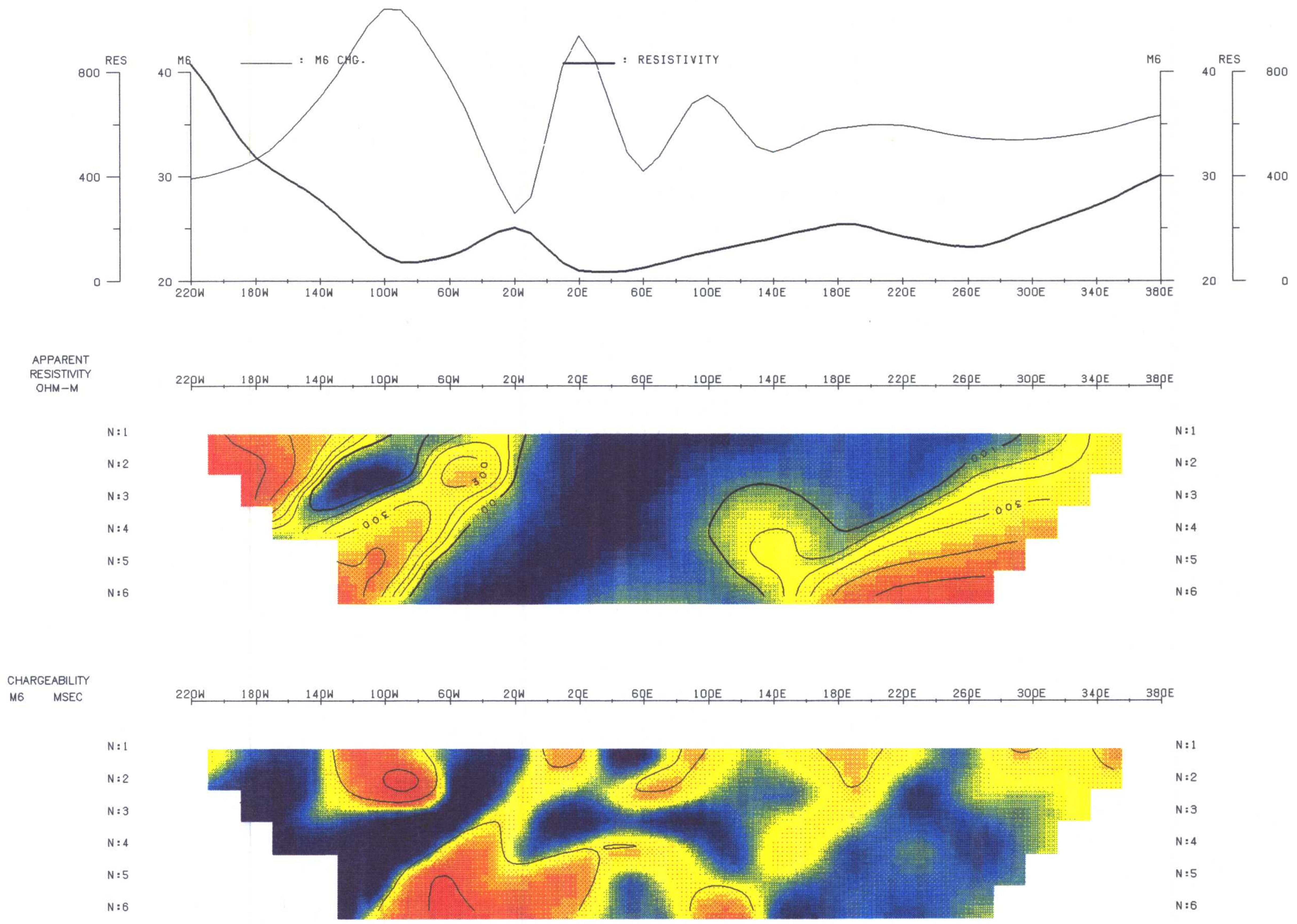
LINE : 600 N

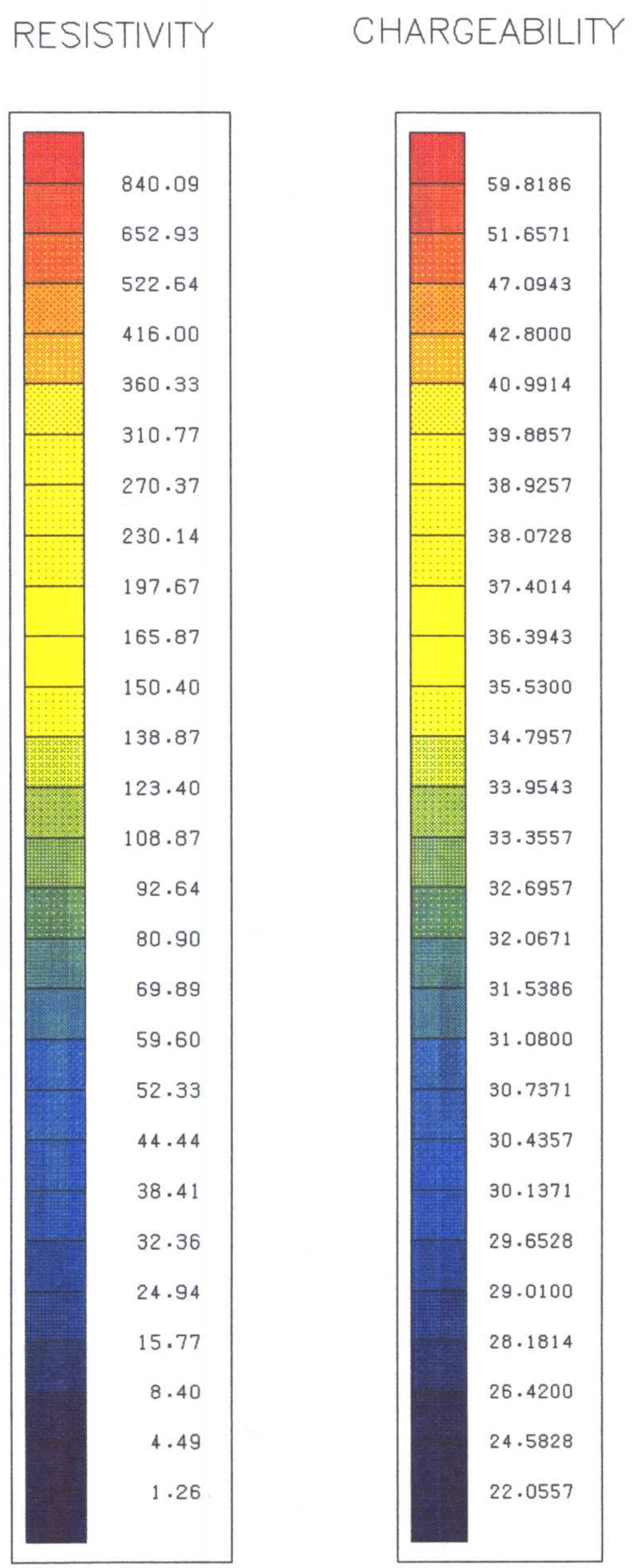
INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



N = 1, 2, 3, 4, ...
"A" SPACING = 40.0 METRES





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DATE : AUGUST 1991	REF : NTS 104A/4

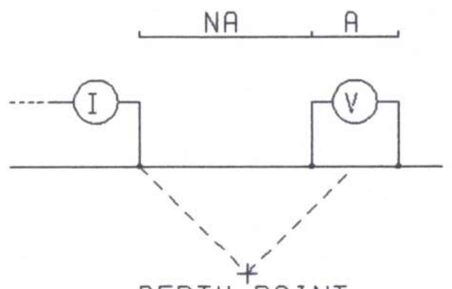
SCALE = 1:2500

SJ GEOPHYSICS LTD.

LINE : 700 N

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



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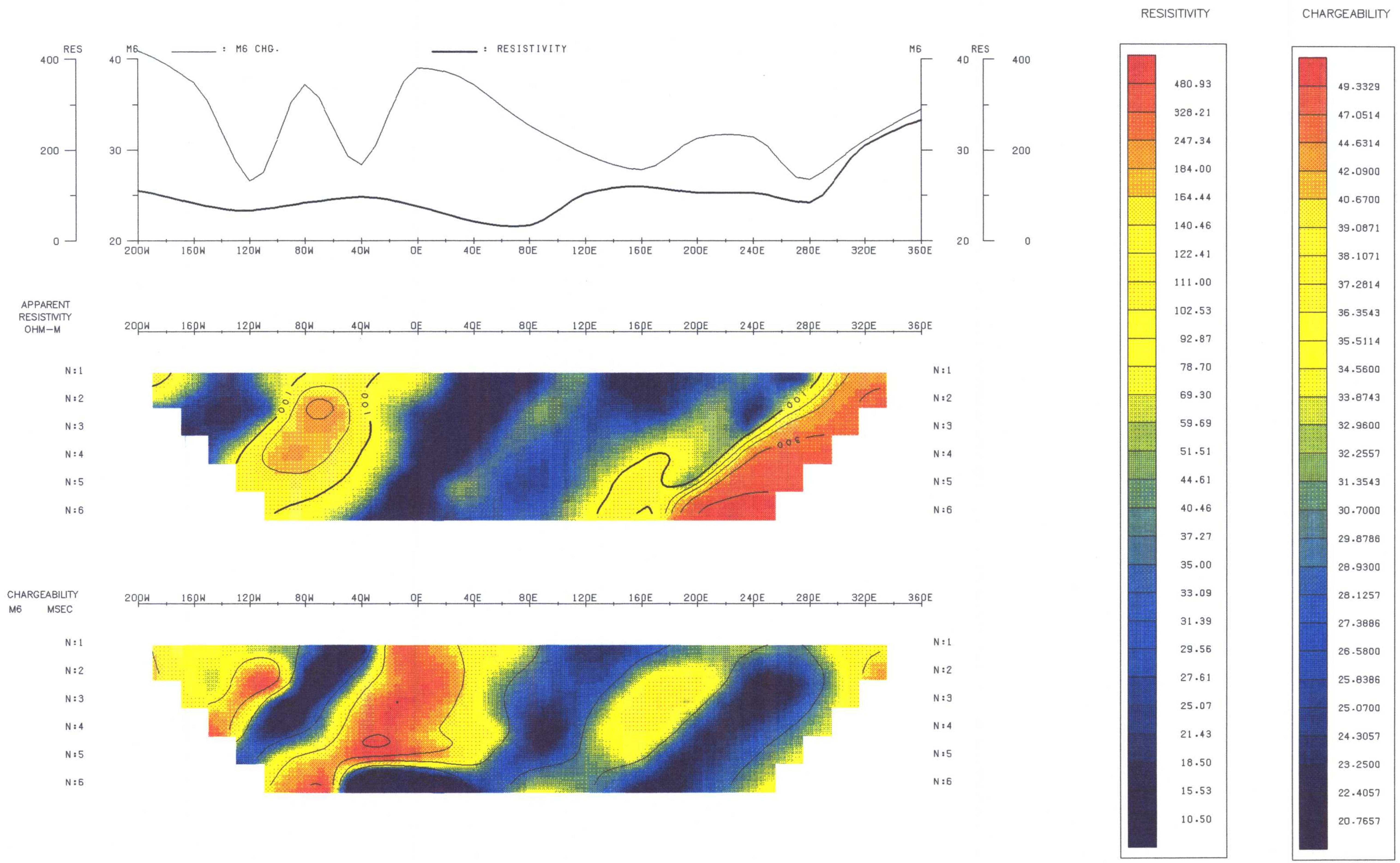

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DATE : AUGUST 1991	REF : NTS 104A/4

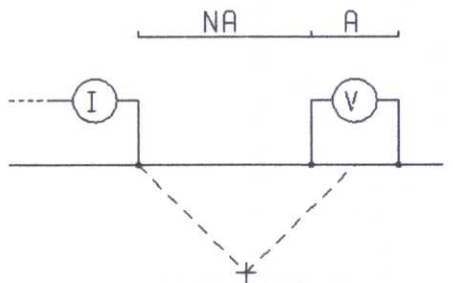
SCALE = 1:2500

SJ GEOPHYSICS LTD.

LINE : 800 N

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



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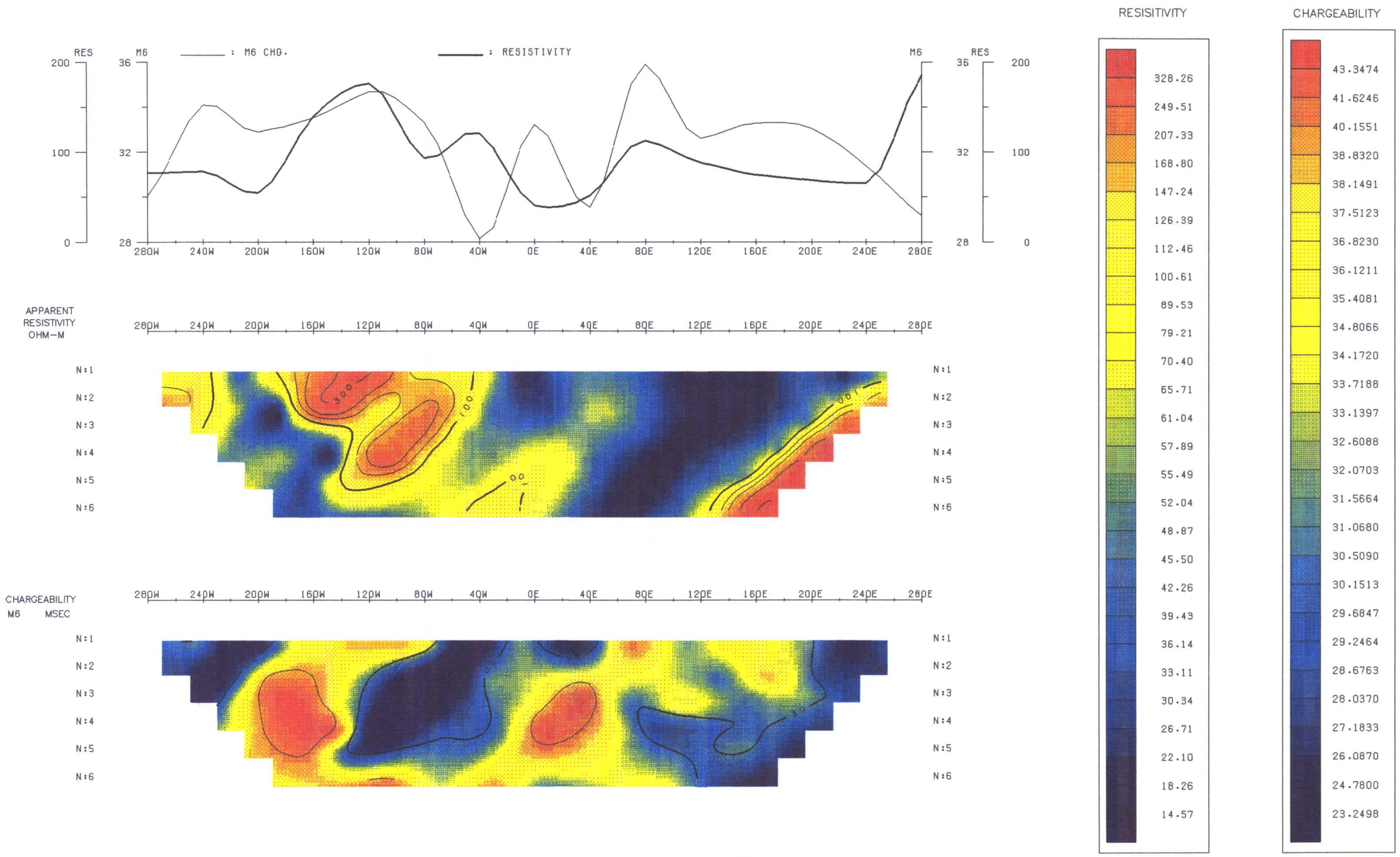
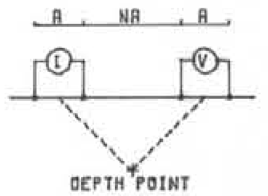


LINE : 400 N

INDUCED POLARIZATION SURVEY

DIPOLE-DIPOLE ARRAY



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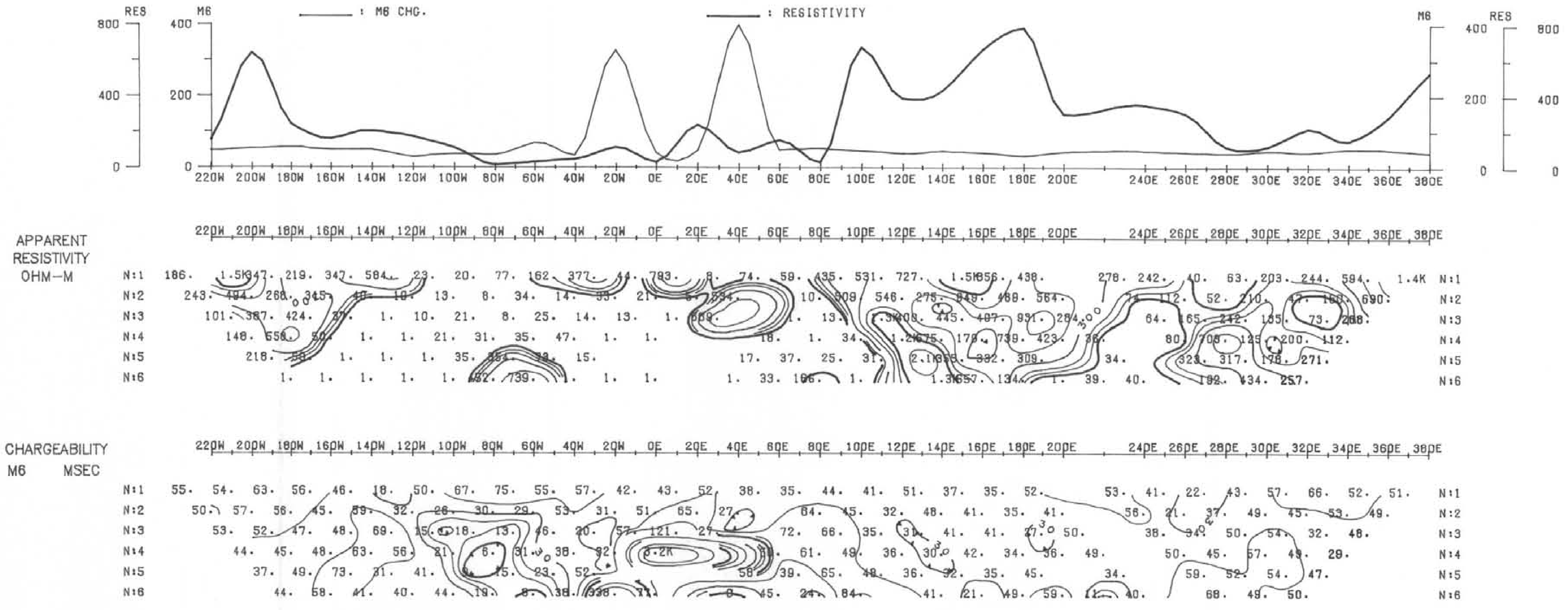

LINE : 500 N

INDUCED POLARIZATION SURVEY

DIPOLE-DIPOLE ARRAY

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"A" SPACING = 20.0 METRES

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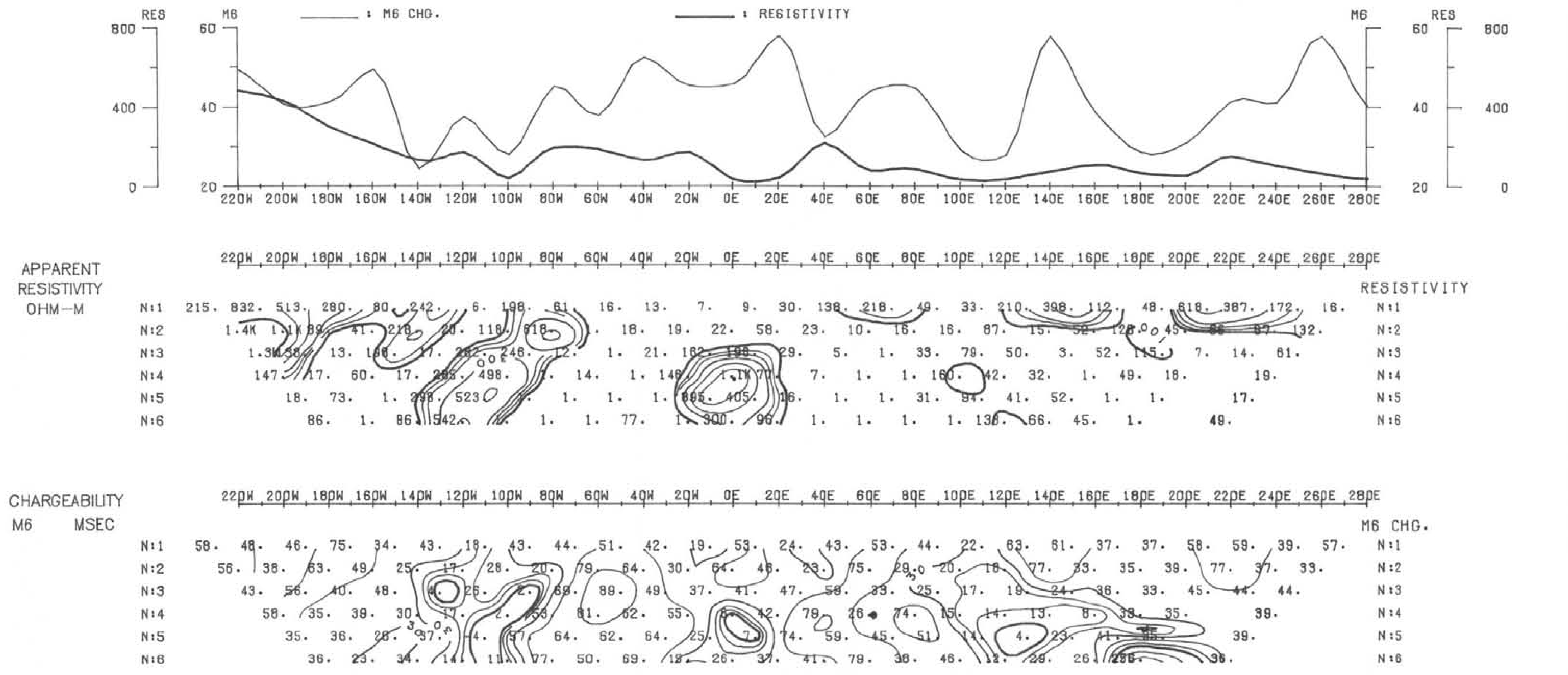
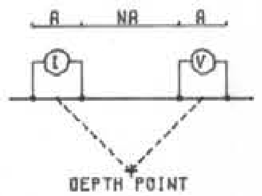


LINE : 550 N

INDUCED POLARIZATION SURVEY

DIPOLE-DIPOLE ARRAY



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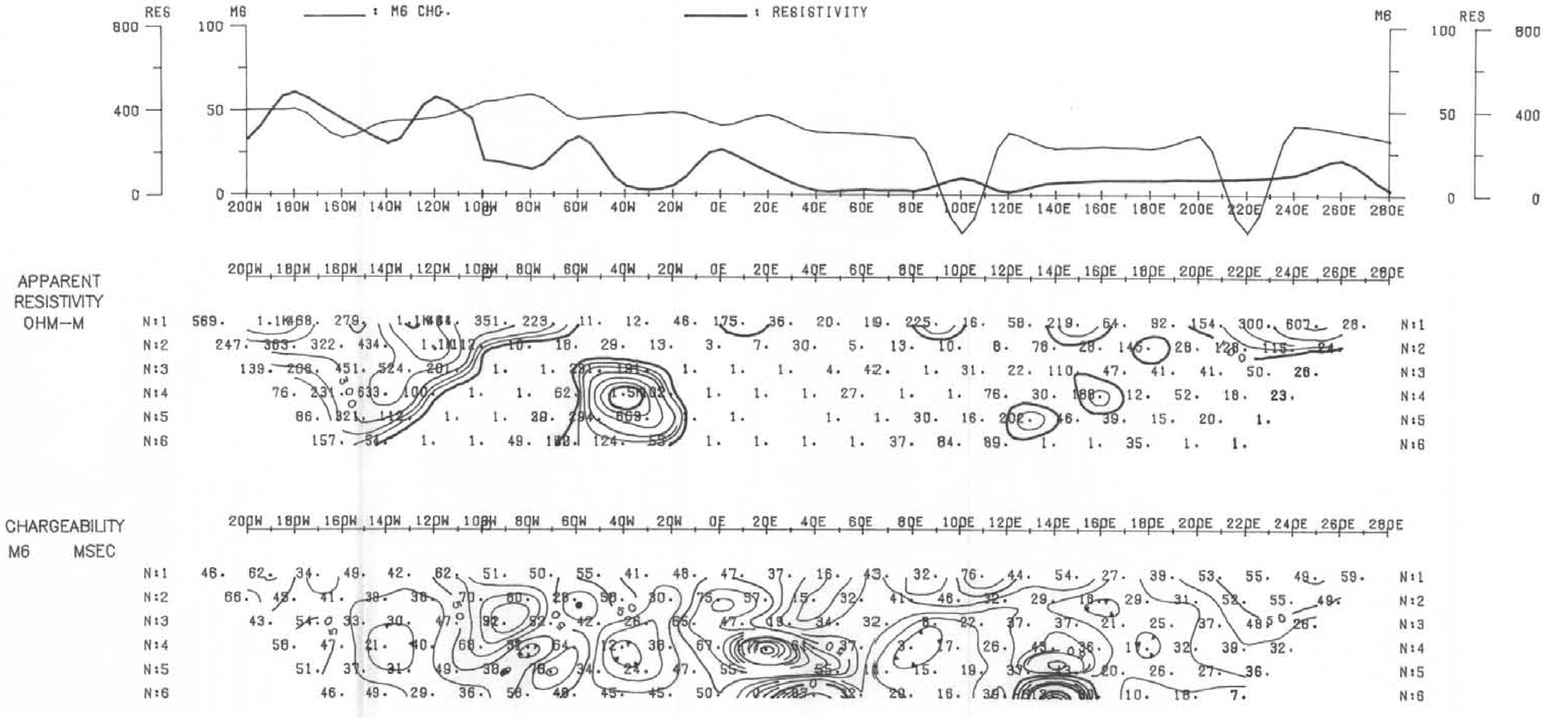

LINE : 600 N

INDUCED POLARIZATION SURVEY

DIPOLE-DIPOLE ARRAY

A NA A

DEPTH POINT

N = 1, 2, 3, 4, ...

"A" SPACING = 20.0 METRES

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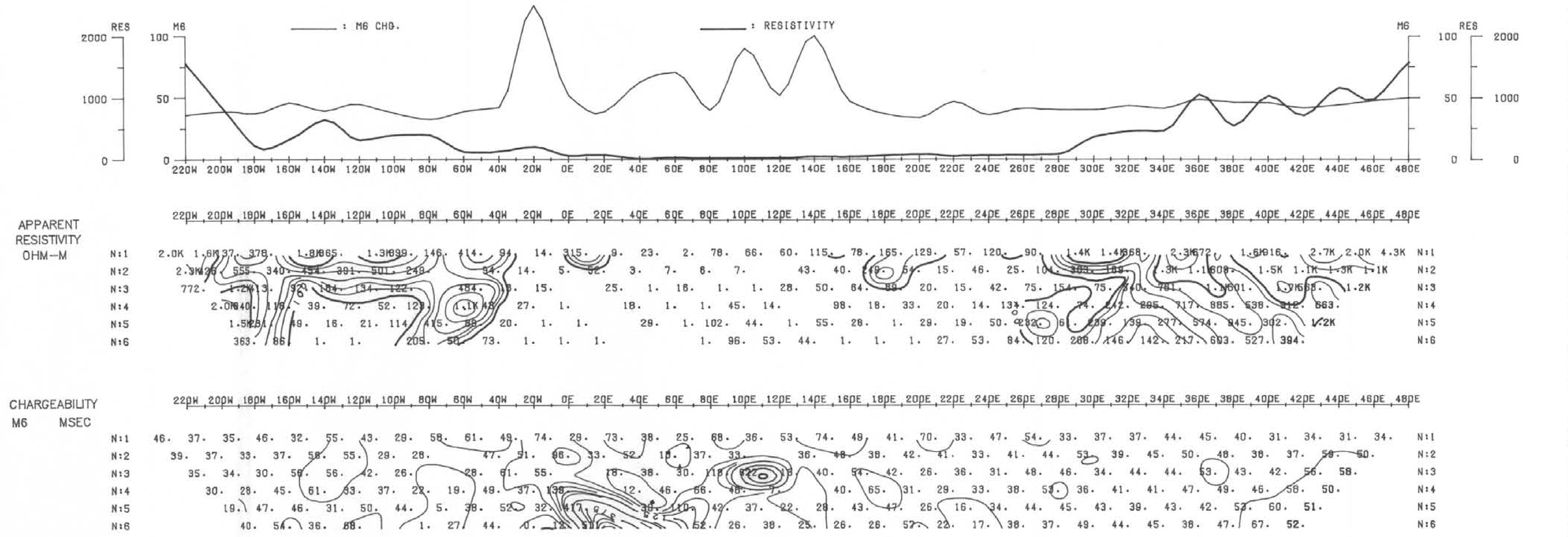
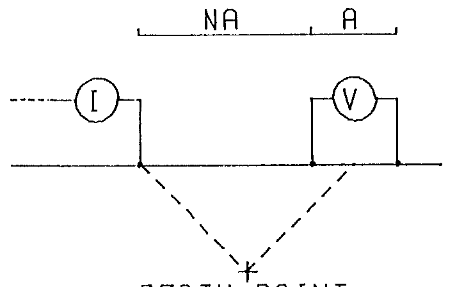


LINE : 600 N

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



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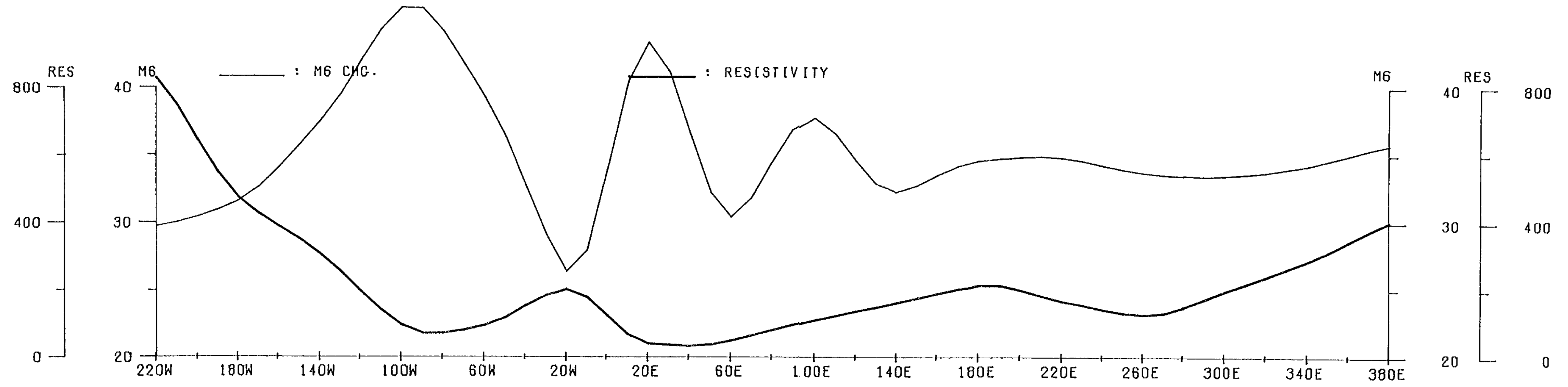

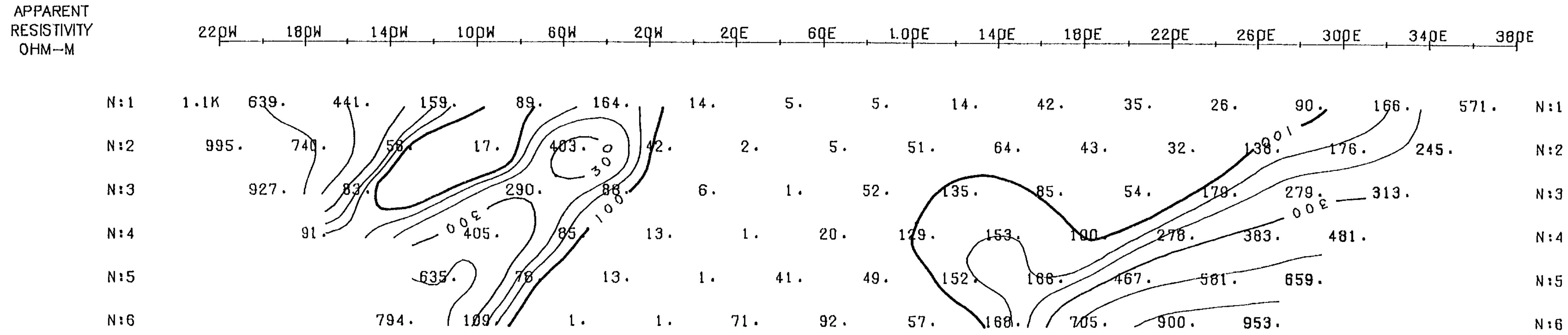

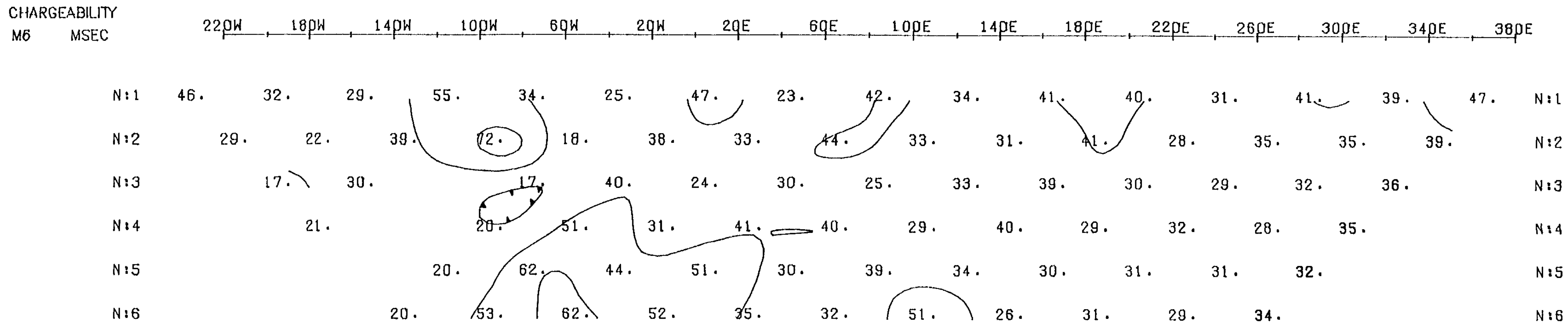

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DATE : AUGUST 1991	REF : NTS 104A/4

SCALE = 1:2500

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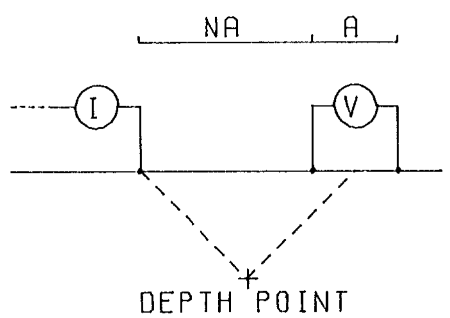
LINE : 700 N

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



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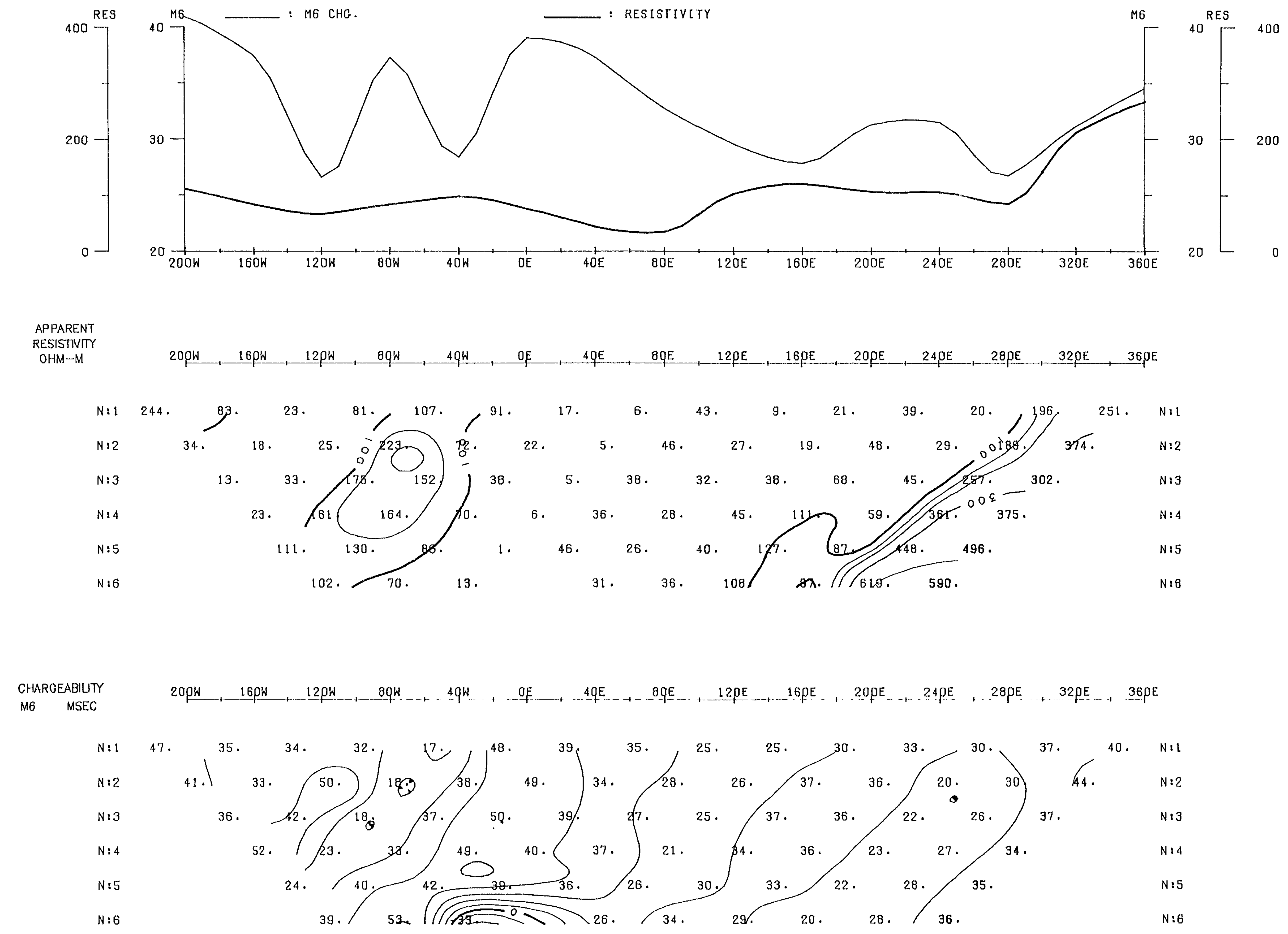
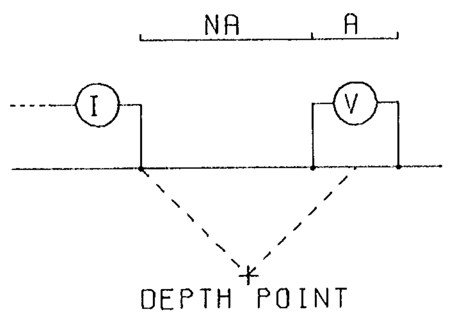


LINE : 800 N

INDUCED POLARIZATION SURVEY

POLE-DIPOLE ARRAY



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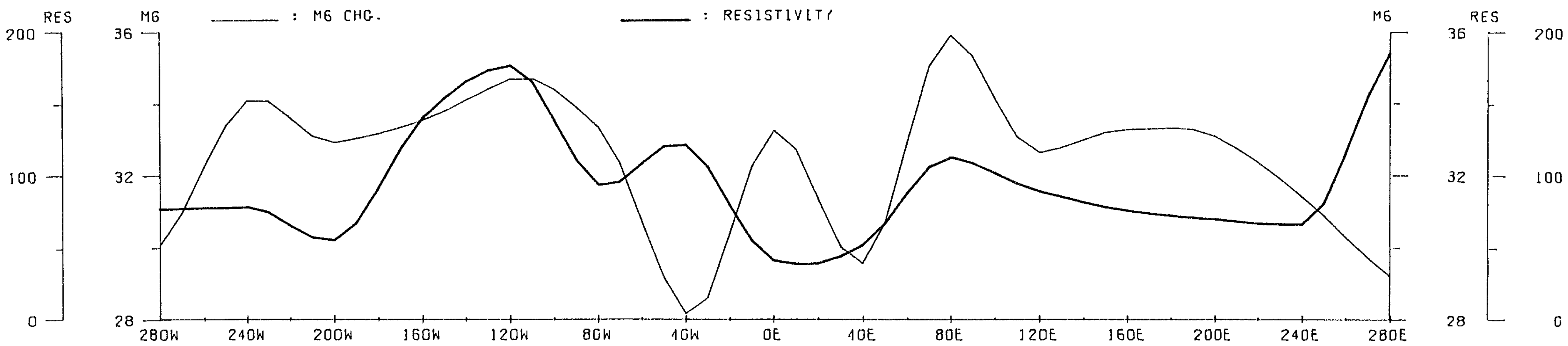

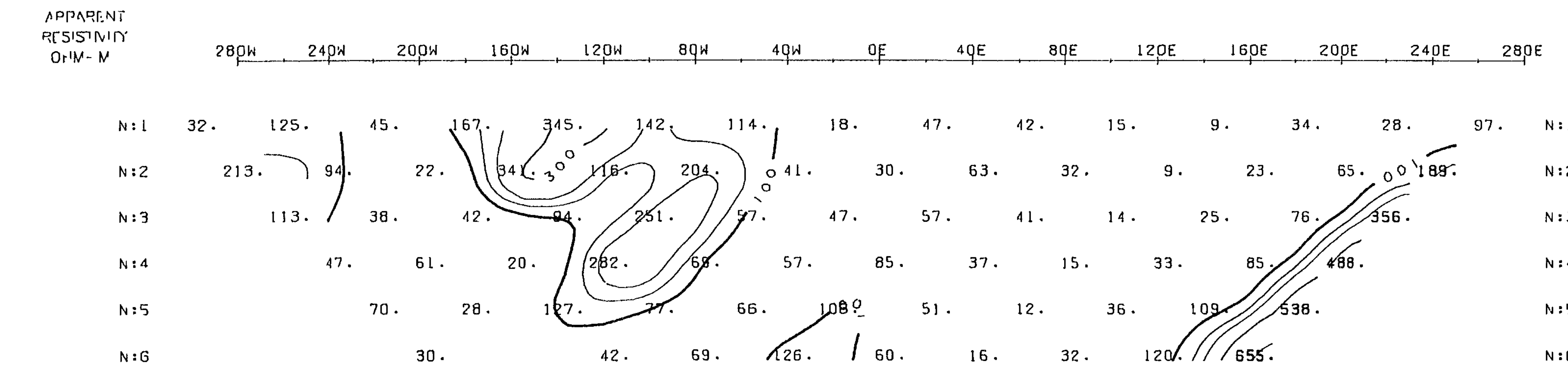

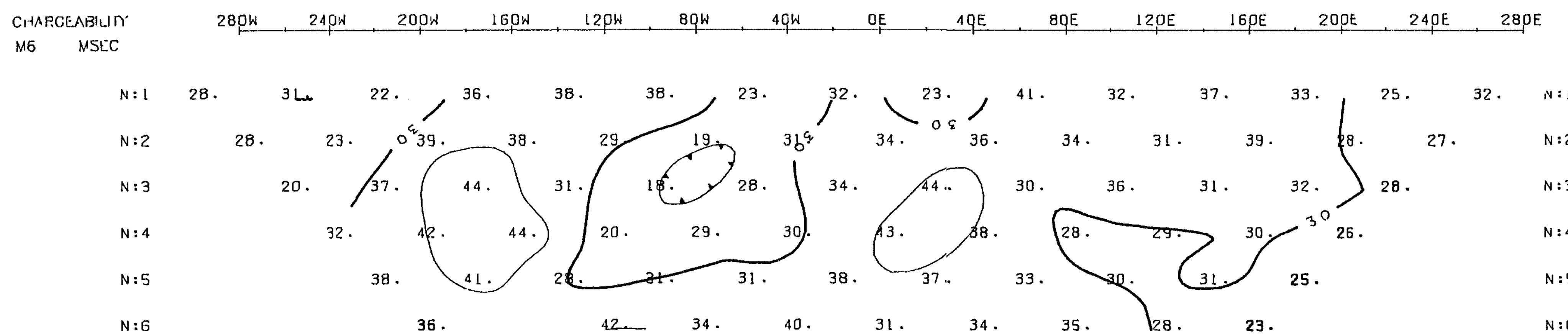

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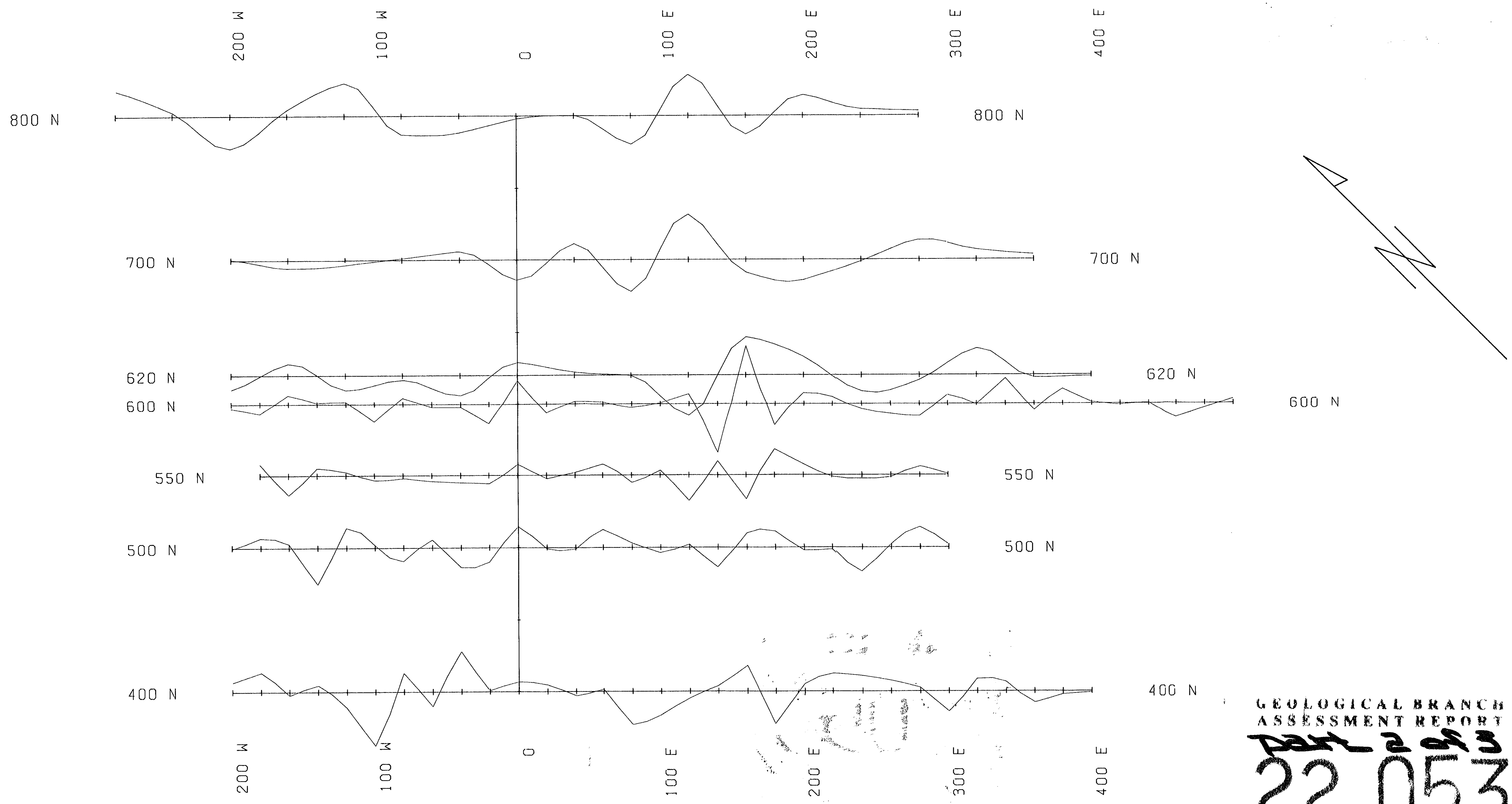


LEGEND

L620 IS L600 REDRAWN 20M NORTH. IT IS 40M "A" SPACING. POLE-DIPOLE
L700 & L800 ARE 40M "A" SPACING. POLE-DIPOLE
L400, L500, & L600 ARE 20M "A" SPACING. DIPOLE-DIPOLE

PROFILE SCALE : 200 UNITS / CM
BASE VALUE : 0
MINIMUM VALUE : -377 UNITS
MAXIMUM VALUE : 406 UNITS
INSTRUMENTATION : RECIEVER: ANDROTEX TDR-6
TRANSMITTER: 2.5 KW

KRL RESOURCES CORP.

MM PROPERTY

1991 MM GRID

SKEENA MINING DIVISION, B.C. NTS: 104 A/4

SELF POTENTIAL PROFILES (N=1)

SCALE 1:2000

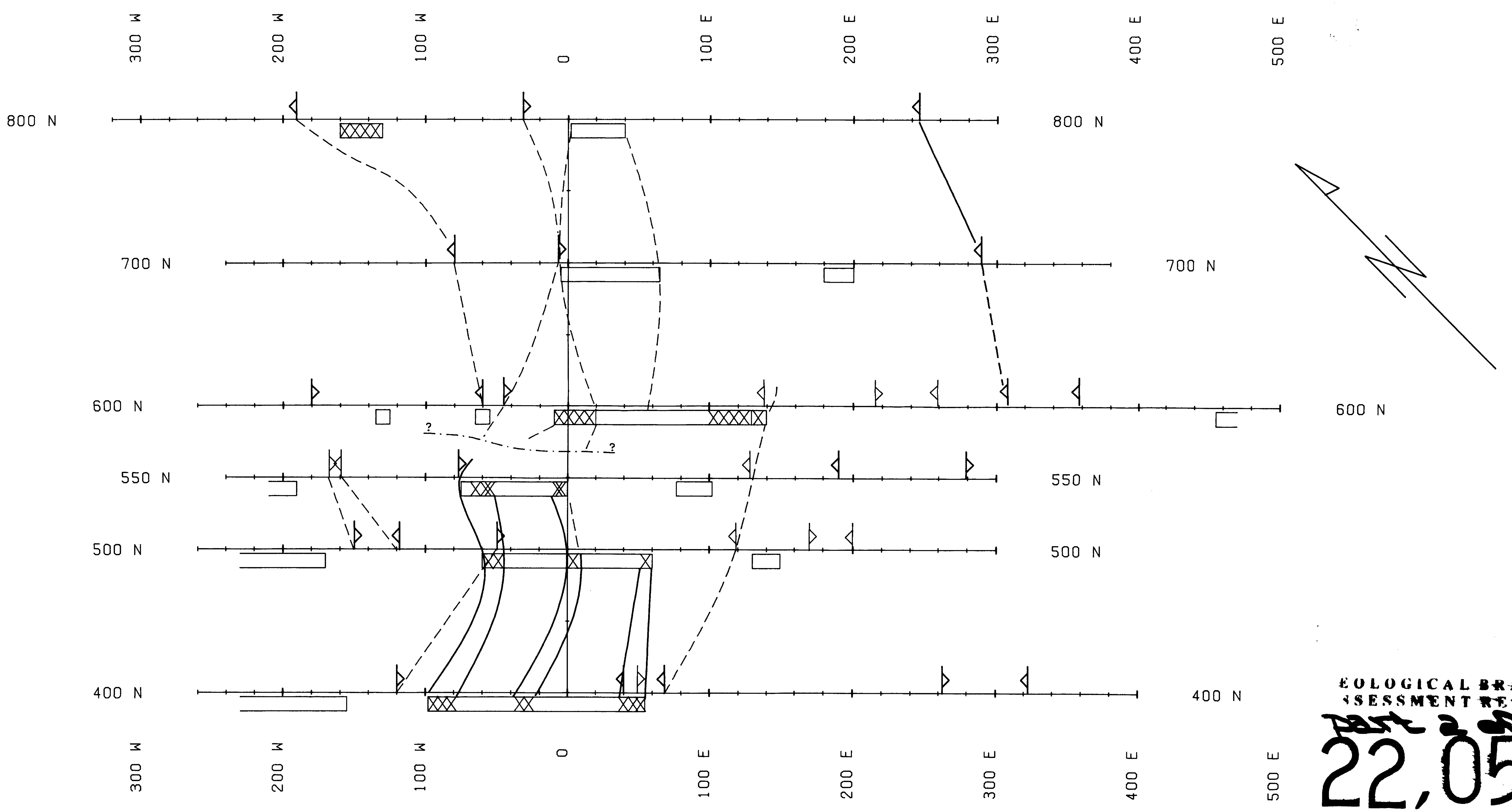
50 0 50 100 150

SCALE IN METRES

AUGUST 1991

PLATE IP1

SJ GEOPHYSICS LTD.



LEGEND

CONDUCTIVITY CONTRAST (CONTACT ZONE)
(arrow in direction of increasing conductivity)

WELL DEFINED — POORLY DEFINED

IP ANOMALY — GOOD — WEAK

LINES 400N,500N,550N & 600N SURVEYED WITH 20M "A" SPACING, DIPOLE–DIPOLE ARRAY
LINES 600N, 700N & 800N SURVEYED WITH 40M "A" SPACING, POLE–DIPOLE ARRAY
LINE 600N SURVEYED BY BOTH POLE–DIPOLE AND DIPOLE–DIPOLE ARRAYS

KRL RESOURCES CORP.
MM PROPERTY
1991 MM GRID

SKEENA MINING DIVISION, B.C. NTS: 104 A/4

INDUCED POLARIZATION SURVEY COMPILATION MAP

SCALE 1:2000

50 0 50 100 150

SCALE IN METRES

SJ GEOPHYSICS LTD.

AUGUST 1991

PLATE IP2