

LOG NO:	APR 22 1994	RD.
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REPORT ON THE
BEN ALI PROPERTY
STEWART AREA, B.C.
SKEENA MINING DIVISION

for
Mr. David Javorsky
Stewart, B.C.

NTS 103 P/13 and 104 A/4

LATITUDE: 56 00'

LONGITUDE: 129 58'

by

Mark Terry, **GEOLOGICAL BRANCH**
March 1994 **ASSESSMENT REPORT**

FILMED

23,345

ARIS SUMMARY SHEET

District Geologist, Smithers

Off Confidential: 94.12.09

ASSESSMENT REPORT 23345

MINING DIVISION: Skeena

PROPERTY: Ben Ali

LOCATION: LAT 56 00 00 LONG 129 58 00
UTM 09 6206287 439709
NTS 103P13E 104A04E

CAMP: 050 Stewart Camp

CLAIM(S): Ben Ali, Ben Ali #2, Sunbeam Fr.

OPERATOR(S): KRL Res.

AUTHOR(S): Terry, M.

REPORT YEAR: 1994, 22 Pages

COMMODITIES

SEARCHED FOR: Gold, Silver, Copper, Lead, Zinc

KEYWORDS: Tertiary, Hyder Pluton, Quartz monzonites, Quartz veins

WORK

DONE: Geological, Prospecting

PROS 75.0 ha

Map(s) - 1; Scale(s) - 1:5000

MINFILE: 103P 052

SUMMARY

The Ben Ali property has had a history of mining activity dating back to the late 1890's. Four levels were developed on a steeply dipping quartz fissure vein hosted in a quartz monzonite. High gold values have been obtained in the past. A crosscutting vein which intersects the main vein at approximately 90 degrees may be more significant for mineral deposits than originally thought. The single vein system worked on in the past offers little potential today. Assay results from samples taken away from the main workings are encouraging. With the use of modern day geophysics and geology, more vein systems may be found on the Ben Ali property.

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INTRODUCTION

The Ben Ali property was visited on October 16 - 17, 1993 at the request of Mr. David Javorsky of Stewart and KRL Resources Corp. of Vancouver. The visit was primarily aimed at a quick look at the property geology, to access the mineralization in and around the various adits on the property, and to estimate the potential of the adits.

The property consists of three reverted crown grants that are owned by prospector David Javorsky. The property is adjacent to KRL's MM property to the north, and to the Dunwell mine to the south. Mineralization on the Ben Ali appears to have some relationship to mineralization on the MM property and the Dunwell mine.

This report deals with describing what was viewed during the property visit in October, and reviewing previous geological, geochemical, and geophysical data on the property. The geophysical data available to the writer consisted of VLF-EM and total field magnetic data collected during a 1987 field program.

The previous data confirms the presence of high grade gold and silver mineralization on the Ben Ali property.

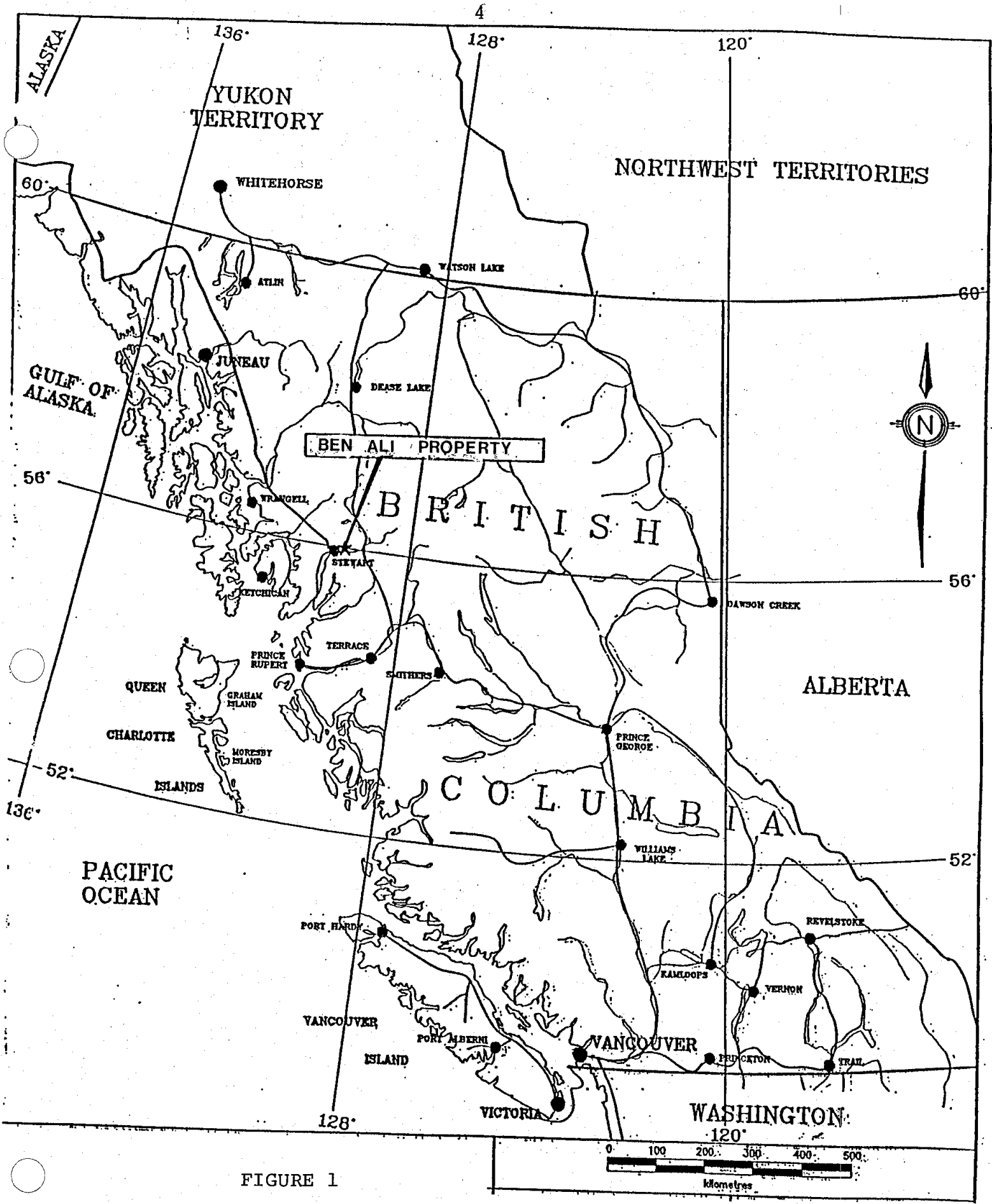


FIGURE 1
 BEN ALI PROPERTY LOCATION

LOCATION AND ACCESS

The Ben Ali property is located 8 kilometers north from the town of Stewart, B.C. It is adjacent to the Dunwell Mine to the south. The Ben Ali claims are located on the boundary of BCDM Mineral Claim Maps 103 P/13W and 104 A/4W and are situated in the Skeena Mining Division.

Access to the property is provided by Highway 37A from the town of Stewart. The property lies approximately 150 meters east off of 37A. An old trail (foot path), kept open by Mr. Javorsky, provides access to the various levels of workings. An old road, suitable for four wheel drives, is reported to lead from the Dunwell Mine to the upper levels of the Ben Ali claims.

CLIMATE AND TOPOGRAPHY

The climate of the Stewart area is extremely wet. Winters are long with very heavy snowfall lasting from late October to early May. Average annual snowfall is between 3 and 5 meters, with some years reporting snowfall accumulation as high as 12 meters. Some higher elevations in the area remain snow covered year round. Temperatures during the winter months

are fairly mild. The summers are for the most part wet. The combination of mountains, glaciers, and coastal effects cause unstable weather patterns. Air travel can be greatly effected by the weather, causing undetermined delays in field work.

The topography is rugged, with steep slopes (up to 40%+), deep gorges, and near verticle cliffs. Elevations on the Ben Ali property range from 120 meters to 600 meters. Vegetation consists of thick undergrowth of Devil's club and tag alders, along with stands of old growth spruce and hemlock.

CLAIM STATUS

The Ben Ali property is comprised of three reverted Crown grants. Claim details are as follows:

<u>CLAIM NAME</u>	<u>TENURE NUMBER</u>	<u># OF UNITS</u>	<u>EXPIRY DATE</u>
SUNBEAM Fr.	250637	1	FEB 08, 1995
BEN ALI	251271	1	JAN 02, 1995
BEN ALI # 2	251272	1	JAN 02, 1995

Mr. David Javorsky is listed as the owner of the above claims. An option agreement has recently been arranged between Mr. Javorsky and KRL Resources Corp. in which KRL can

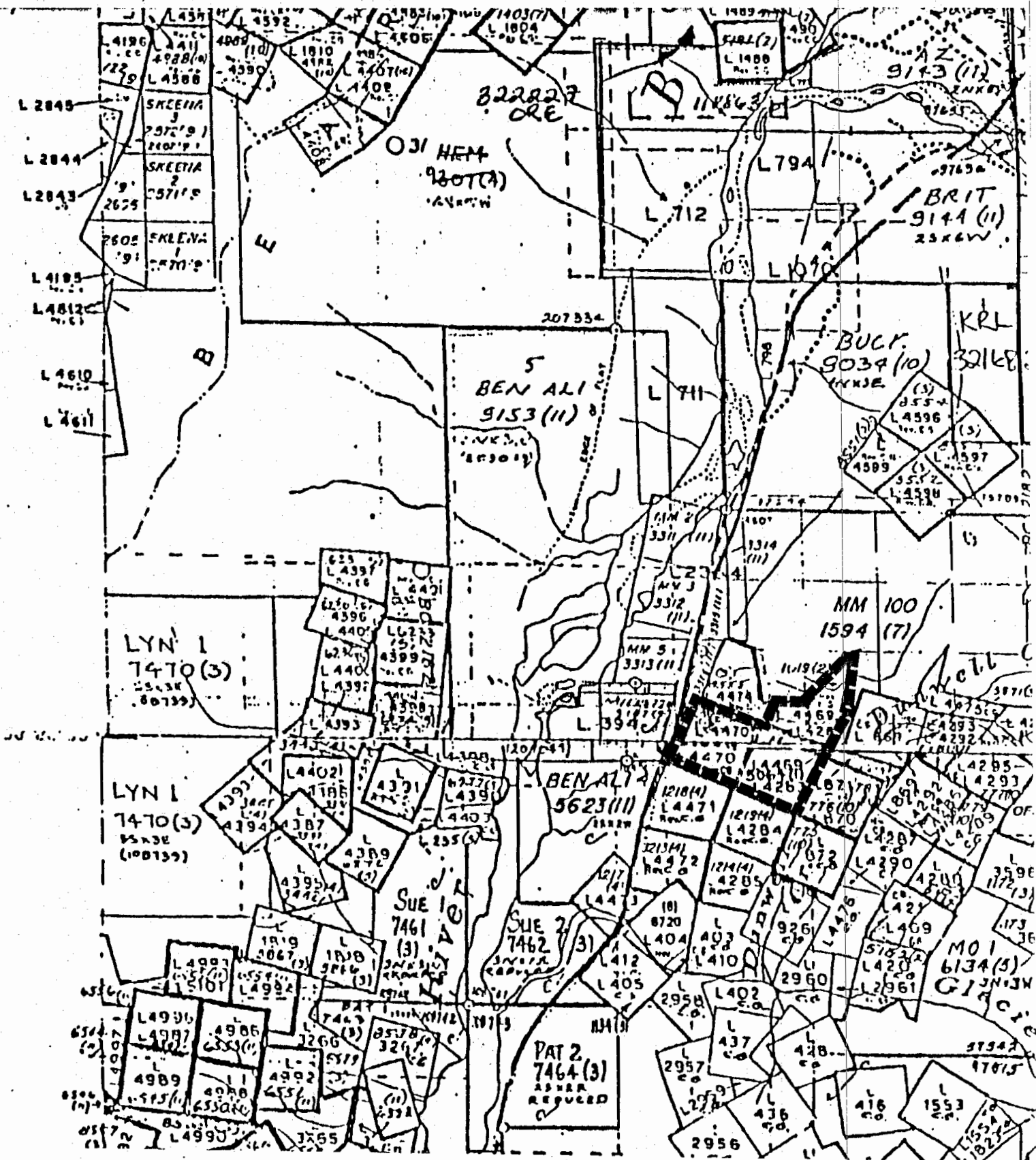


FIGURE 2

BEN ALI CLAIM BOUNDARY ■■■■■■■■■■

acquire 100% ownership in the claims.

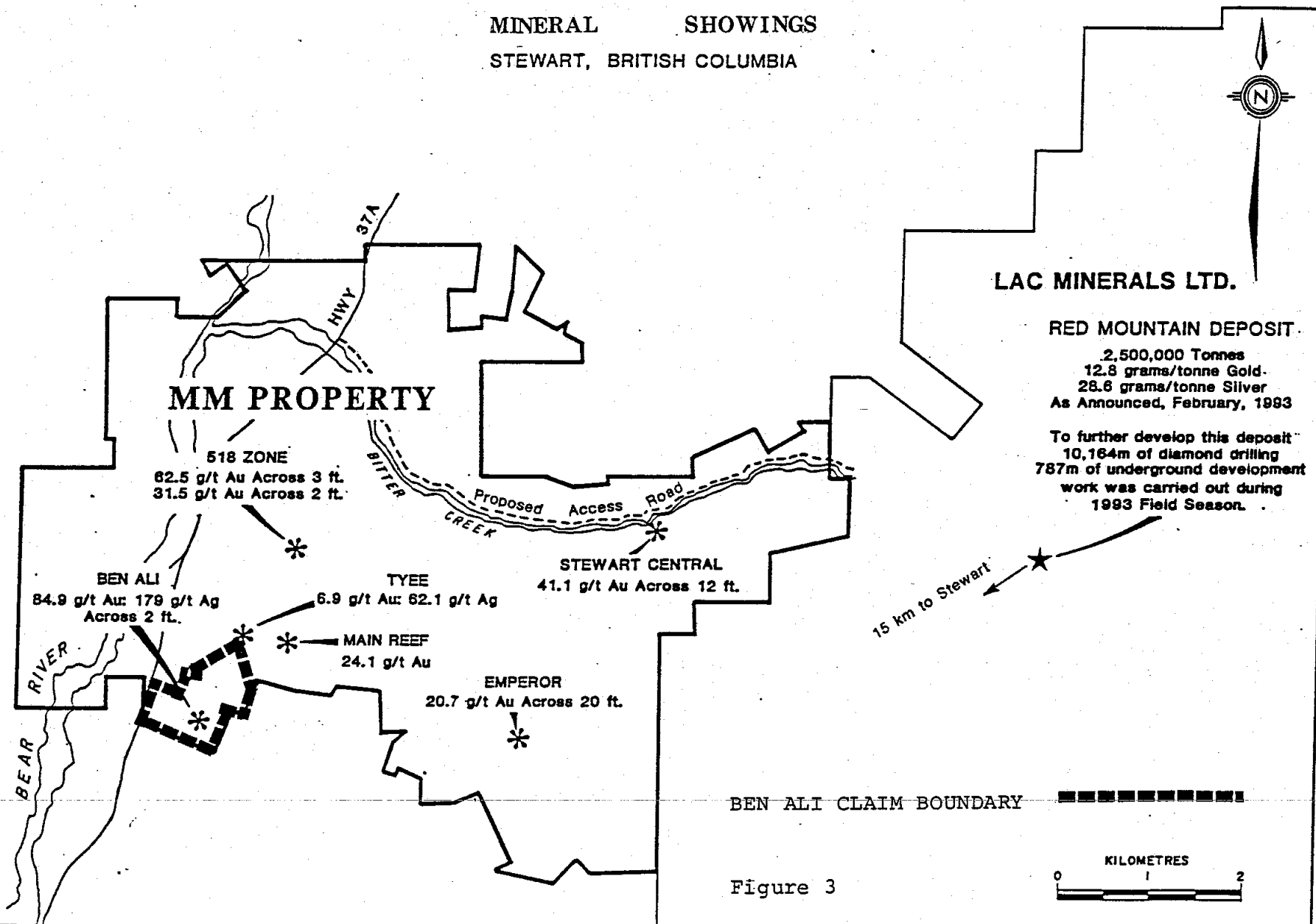
HISTORY

The Stewart area is one of the major precious metal mining districts in western Canada. Several million ounces of silver and gold has been produced from this area. A recent discovery by LAC Minerals on their nearby Red Mountain discovery indicates potential for several million contained ounces of gold.

Placer miners on their way to the Klondike in the late 1800's entered the Stewart area via Portland Canal. Gold is reported to have been found in Bitter Creek, Glacier Creek, and Mayflower Creek. The earliest recorded hard rock activity is found in the B.C. Ministry of Mines Annual Report of 1898 concerning the staking of gold-quartz claims along Bitter creek by H.B. Connors and partners. From then on, a number of workings have been developed in the area. Several adits are visible along Victoria and Mayflower creeks near the Ben Ali property. The Dunwell Mine to the south produced 4872 oz Au, 102855 oz Ag, 1.2 million lbs Pb, and 1.624 million lbs Zn

KRL RESOURCES CORP.

MINERAL SHOWINGS
STEWART, BRITISH COLUMBIA



LAC MINERALS LTD.

RED MOUNTAIN DEPOSIT.

2,500,000 Tonnes
12.8 grams/tonne Gold.
28.6 grams/tonne Silver
As Announced, February, 1993

To further develop this deposit
10,164m of diamond drilling
787m of underground development
work was carried out during
1993 Field Season.

15 km to Stewart

BEN ALI CLAIM BOUNDARY



Figure 3

from 27,067 tons of ore milled. A further 23,231 tons was milled in 1941, yielding 4,878 oz Au, 233,017 oz Ag, 511,082 lbs Pb, and 789,854 lbs Zn.

The Ben Ali property has been extensively worked in the early and mid 1900's. Four levels of workings were drifted on the main Ben Ali vein, with only the lowest one being accessible today. Old reports state that 5,000 tons of ore from the Ben Ali was milled at the Dunwell Mine, yielding 3,000 oz Au. A 1987 field program consisting of 13 line kilometers of grid with VLF-EM and magnetic surveys, along with trenching and mapping of the adits by Shangri-La Minerals of Vancouver gave encouraging results.

Several showings are found along Mayflower and Victoria creeks, which cut across the northern edge of the Ben Ali property. These include the Victoria, Tyee, Mayflower, and the Main Reef. Another showing, the 518 zone, was found by KRL near the head waters of Victoria Creek in 1990.

REGIONAL GEOLOGY

The Stewart area lies near the Coastal Plutonic Complex of the Cordilleran Orogen. Rock formations which underly the

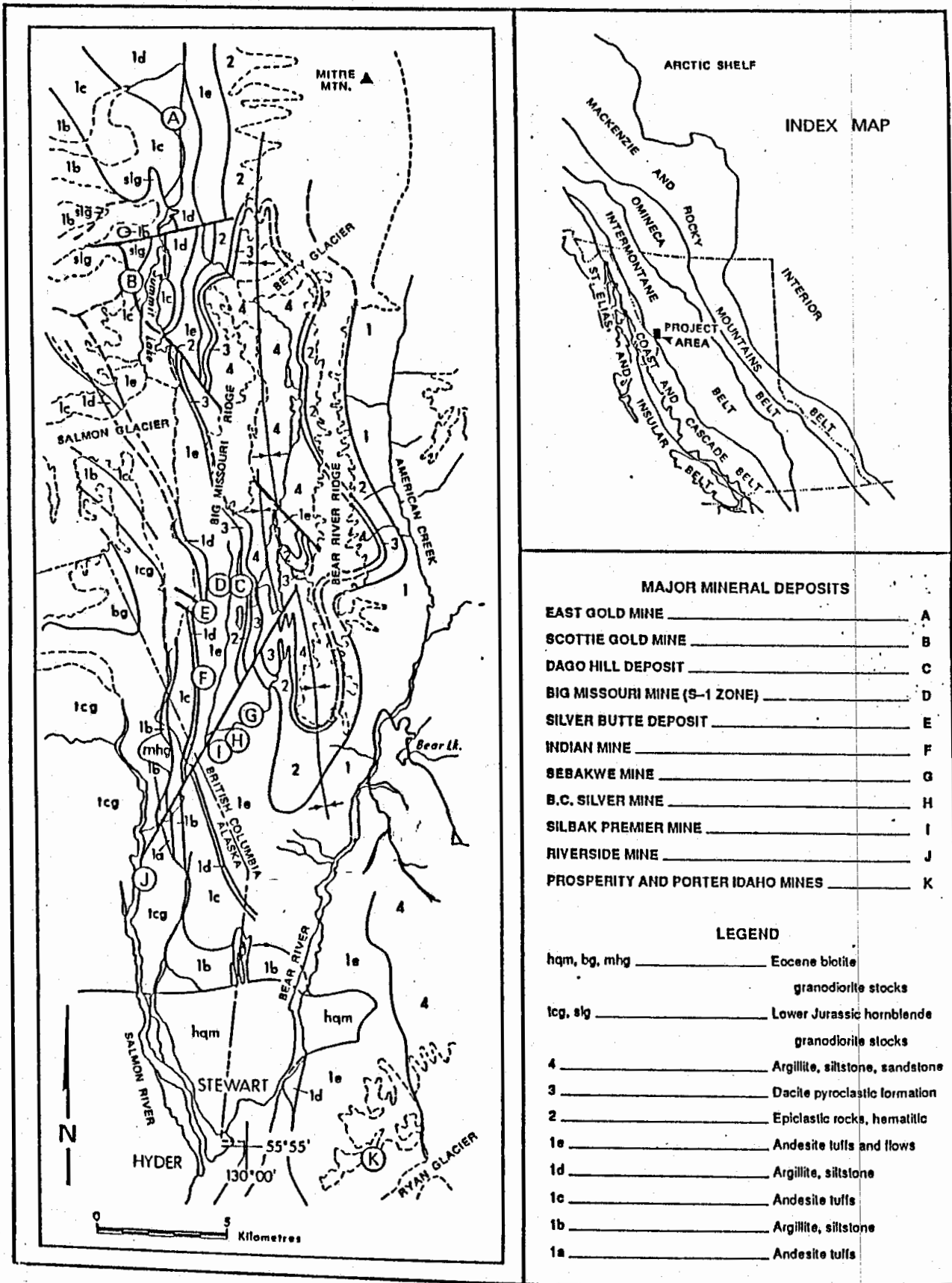


FIGURE 4 REGIONAL GEOLOGY
(from Aldridge, 1985)

area include the Lower Jurassic Hazelton Group of calc-alkaline basalts, andesites, and some rhyolites, with lesser amounts of sedimentary rocks. Sedimentary rocks of the Middle Jurassic Bowser Lake Group are in - folded along north - northwest trending synclinal axis, and are disrupted by north and northwest trending faults.

Intrusions of the northwest trending Coast Plutonic Complex are predominant throughout the area. The intrusions are mainly intermediate in composition and are usually quartz diorite and granodiorite, with lesser amounts of diorite and quartz monzonite. There are at least two separate generations of intrusive activity in the area. One is the Mesozoic Texas Creek granodiorite, and the Tertiary Hyder quartz monzonite, Bitter Creek quartz monzonite, and the Glacier Creek augite diorite.

The Stewart area has had a complex Tectonic history. Several folds, shears, and faults are located throughout the region. Certain folds have been re - folded. The major folds in the area include the American Creek Anticline and the Mount Dillworth Syncline. Several minor folds, some thought to be closely related to mineralization, are found throughout the Hazelton and Bowser assemblages.

Fault zones in the region contain many closely spaced faults and conjugate cleavage sets, sometimes obscuring primary fabrics. The most prominent structural feature in the Stewart area is the Portland Canal Fissure Zone, an irregular shaped northeast trending shear zone with related mineralized quartz veins. The Tertiary Portland Canal Dyke Swarm is prominent in the region. The relationship between the dykes and mineralization is unclear at this time. Some showings are in close proximity to dyke(s), while others are found with the absence of any dyke material.

PROPERTY GEOLOGY

The Ben Ali property is underlain by four distinct lithologic units. Lower Jurassic Unuk River and Middle Jurassic Salmon River formations were intruded by the Tertiary Hyder Quartz Monzonite. The lower elevations of the property are covered Quarternary sands and gravels.

The main Ben Ali vein where the four adits were drifted on is a sulphide - rich quartz vein hosted in the quartz monzonite. The vein strikes northwest at 140 degrees and dips steeply to the southwest. The vein ranges in thickness from a few centimeters to over a meter, with an average width of 0.30 to

0.35 meters. Width appears to increase with depth. Vertical extension of the vein appears to be over 100 meters.

The main sulphide in the vein is pyrite, with some sphalerite, galena, pyrrhotite, tetrahedrite present. No chalcopyrite was observed, but malachite was found at the vein - quartz monzonite contact in the upper level adit. Fine anhedral pyrite is found in the host quartz monzonite, but not in any significant amounts.

Outcrops found north of the workings consist mainly of medium grey-green, strongly altered metavolcanics. Outcrops exposed along Victoria Creek in the northern area of the claims include Hyder intrusive, altered volcanics of andesitic composition, and altered sediments including pelites and cherty quartzites or greywackes. The dominant fabric trends at 140 degrees, with a prominent fracture (?) trending 040 to 055 degrees evident in much of the outcrops. Interstitial fine pyrite is found in much of the outcrop observed along Victoria Creek.

The major creeks on and near the Ben Ali property (Dunwell, Mayflower, and Victoria Creeks) all have abrupt changes in their flow directions which may be related to a possible fault (see Figure 5) which transects the streams. The

strike of this proposed fault is roughly parallel to the main vein on the Ben Ali property. The direction of the Mayflower and Victoria creeks east of this assumed fault is roughly parallel to strike of the crosscutting vein on the Ben Ali property.

DISCUSSION

Most of the previous work performed on the Ben Ali property was concentrated at or near the vein (s) in the old adits. Although high gold and silver values were obtained, this vein is too small to be of interest to any mining company. Past sampling of the vein also indicates that the gold and silver values are not consistent throughout, with large sections of the vein being barren of economic gold and silver values. Only 5 rock samples were collected during the property visit in 1993. One of these samples (BA-1) was taken from the hanging wall of the main Ben Ali vein at the Number 1 adit (highest elevation). This sample assayed high in copper, lead, and zinc, but not in gold and silver. Another sample (FR-1) was taken just above the Number 1 adit. This sample was anomalous in nickel, cobalt, and chromium (1105 ppm, 80 ppm, 471 ppm), and is the most interesting sample taken. The other samples, 548573, 548574, and 548575, were all taken away from the main showings (see Figure 5). These samples

were low in silver and gold content, but relatively high in base metal values.

The VLF -EM data from the 1987 survey is questionable. The profiles plotted used data from two different transmitting stations and interpreted the entire data set as coming from one station. The total field magnetic data was corrected for diurnal effects. The Hyder quartz monzonite intrusive shows up somewhat on the magnetic contour plot, but the survey covered an area too small to make any strong interpretations.

Further work is needed to properly evaluate the economic potential of the Ben Ali property. A VLF-EM and magnetic survey should be carried out over the property, making sure to cover the northern area of the claims, as well as the area near the old workings. Detailed geological mapping has to be done on the property and surrounding area to get some geologic control. Soil sampling should be confined to any areas of interest identified from the mapping and geophysics. Some limited trenching may be required, but overburden cover should be relatively thin. The best time to undertake this work is in late spring or early summer, when the snow has gone and leaves and undergrowth is still at a minimum.

REFERENCES


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1918 p K77, 1921 p G65, 1922 p N71, 1924 p B64
1925 pp A90-92, 1934 p B23, 1936 p B17
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- Watkins, J.J.(1990): Report on Field work on MM Property
for KRL Resources Corp.

STATEMENT OF QUALIFICATIONS

I, Mark Terry of 10-1265 West 12th Ave, Vancouver, B.C. hereby certify that:

1. I am a graduate of St. Francis Xavier University (1986) and hold a B.Sc. degree in Geology
2. I have practised my profession in Canada, United States, and Europe continuously since graduating from university.
3. I personally visited the Ben Ali property and collected the five rock samples discussed in this report.
4. I do not own any interest, directly or indirectly, in the Ben Ali property.

Dated in Vancouver, B.C. this 10th day of March, 1994


Mark Terry, B.Sc.

APPENDIX I

ASSAY CERTIFICATE

GEOCHEMICAL ANALYSIS CERTIFICATE

KRL Resources Corp. File # 93-3265

1022 - 470 Granville St., Vancouver BC V6C 1V5 Submitted by: Mark Terry



SAMPLE#	Mo ppm	Cu ppm	Pb ppm	Zn ppm	Ag ppm	Ni ppm	Co ppm	Mn ppm	Fe %	As ppm	U ppm	Au ppm	Th ppm	Sr ppm	Cd ppm	Sb ppm	Bi ppm	V ppm	Ca %	P %	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Au* ppb
BA-1	2	705	302	918	5.4	4	3	539	2.46	8	<5	<2	6	3	1.8	<2	<2	14	.23	.052	12	5	.40	34	<.01	<2	1.01	.01	.24	2	41
FR-1	1	27	5	20	<.1	1105	81	431	3.37	47	<5	<2	<2	18	.3	<2	<2	7	.92	.001	<2	471	13.89	5	<.01	<2	.09	<.01	<.01	<1	7
548573 H	136	106	25	515	1.4	290	10	224	2.49	86	12	<2	2	104	9.0	9	<2	481	4.52	.092	3	51	.26	14	.09	2	2.20	.24	.10	<1	13
548574 H	64	225	12	389	1.1	242	27	205	6.25	43	<5	<2	2	167	6.0	<2	<2	138	4.15	.068	<2	52	.79	42	.11	<2	2.99	.37	.39	1	8
548575 H	35	829	7	28	1.0	411	34	93	18.84	413	<5	<2	2	23	.7	<2	<2	50	.53	.041	2	12	.12	3	.08	<2	.54	.11	.02	<1	5
RE 548575 H	35	817	10	29	1.1	421	33	89	18.91	432	<5	<2	2	22	1.0	<2	5	48	.52	.043	2	11	.12	2	.08	<2	.53	.10	.02	<1	5

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO3-H2O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.

THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL.

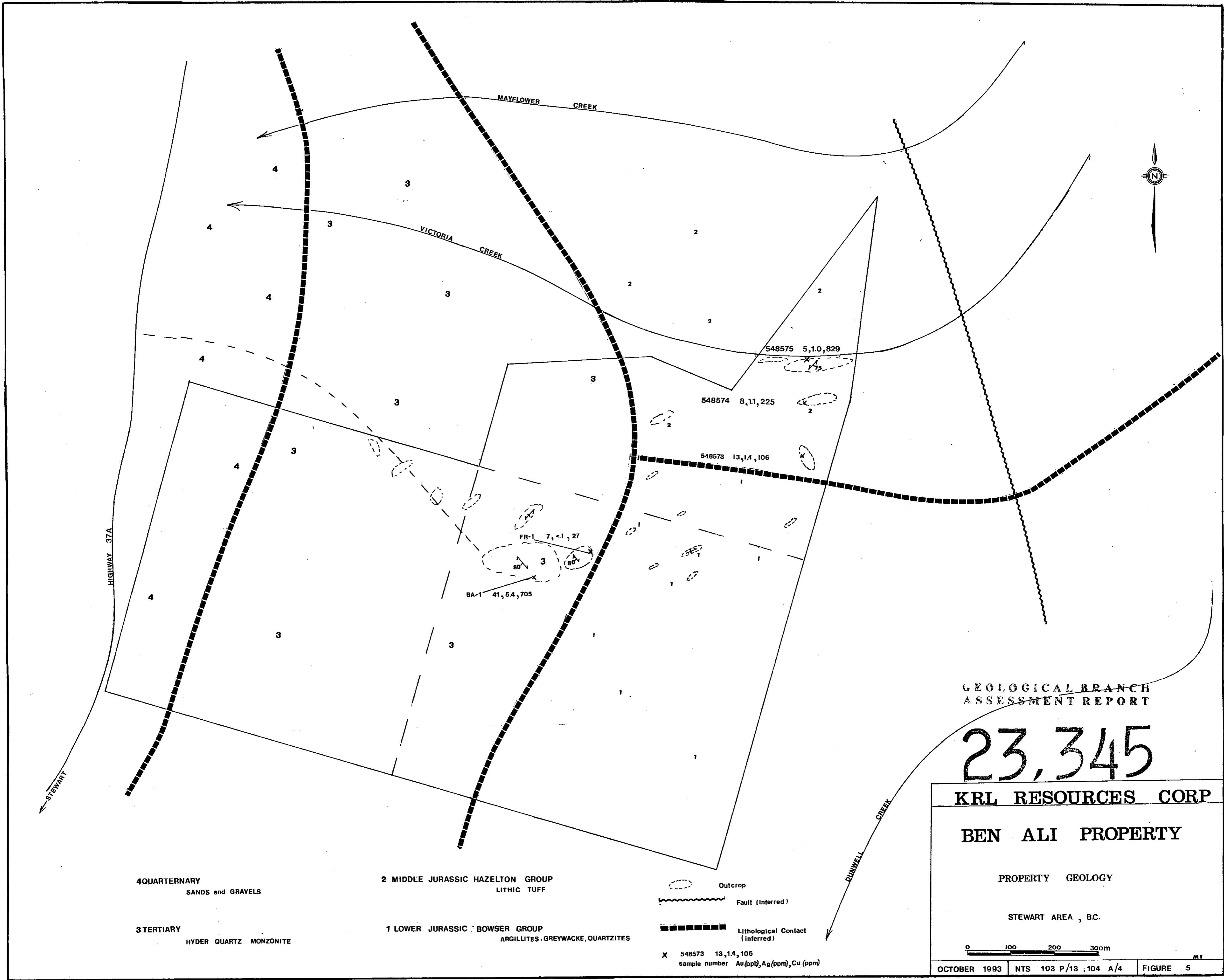
ASSAY RECOMMENDED FOR ROCK AND CORE SAMPLES IF CU PB ZN AS > 1%, AG > 30 PPM & AU > 1000 PPB

- SAMPLE TYPE: ROCK AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE. Samples beginning 'RE' are duplicate samples.

DATE RECEIVED: NOV 12 1993 DATE REPORT MAILED: Nov 22/93. SIGNED BY: *C. Leong* D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

STATEMENT OF COSTS

Geologist	2 days @ 225/day	450.00
Room & Board		100.00
Assays		77.84
Truck Rental		100.00
Report typing & copying		<u>22.16</u>
TOTAL COSTS:		<u>750.00</u>



HIGHWAY 37A

STEWART



4 QUATERNARY
SANDS and GRAVELS

3 TERTIARY
HYDER QUARTZ MONZONITE

2 MIDDLE JURASSIC HAZELTON GROUP
LITHIC TUFF

1 LOWER JURASSIC BOWSER GROUP
ARGILLITES, GREYWACKE, QUARTZITES

○ Outcrop

~~~~~ Fault (Inferred)

■■■■■ Lithological Contact (Inferred)

X 548573 13,14,106  
sample number Au(ppb), Ag(ppm), Cu(ppm)

GEOLOGICAL BRANCH  
ASSESSMENT REPORT

**23,345**

KRL RESOURCES CORP

BEN ALI PROPERTY

PROPERTY GEOLOGY

STEWART AREA, B.C.

0 100 200 300m

MT

OCTOBER 1993 NTS 103 P/13 ; 104 A/4 FIGURE 5