

~~D/LD~~

104B 008 ?

018946

Sul 1-2, Unuk-20 claims

104B8/9

PROSPECTUS DATED AUGUST 29, 1989  
EFFECTIVE DATE SEPTEMBER 5, 1989

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED FOR SALE BY THIS PROSPECTUS AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

New?

**KENRICH MINING CORP.**  
(the "Issuer")  
(Incorporated in British Columbia)

**NEW ISSUE**

**COMMON SHARE OFFERING  
300,000 COMMON SHARES**

	Price to Public <sup>(1)</sup>	Commission	Net Proceeds to the Issuer <sup>(2)</sup>
Per Common Share	\$0.50	\$0.045	\$0.455
Minimum Offering 200,000 shares	\$100,000	\$ 9,000	\$ 91,000
Maximum Offering 300,000 shares	\$150,000	\$13,500	\$136,500

**FLOW-THROUGH OFFERING  
300,000 FLOW-THROUGH COMMON SHARES**

	Price to Public <sup>(1)</sup>	Commission <sup>(3)</sup>	Net Proceeds to the Issuer
Per Flow-Through Share	\$0.50	\$ nil	\$0.50
Total	\$150,000	\$ nil	\$150,000

- (1) The offering price of the Common Shares and Flow-Through Shares has been determined by the Issuer in negotiation with the Agent.
- (2) Before deduction of expenses of this issue estimated not to exceed \$30,000.
- (3) The Issuer will pay the Agent from working capital a fee of \$13,500 for the sale of the Flow-Through Shares.

THERE IS NO MARKET THROUGH WHICH THESE SECURITIES OF THE ISSUER MAY BE SOLD AND A PURCHASE OF THE COMMON SHARES AND FLOW-THROUGH SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. REFERENCE IS MADE TO THE SECTIONS CAPTIONED "RISK FACTORS", "DILUTION", "PRINCIPAL SHAREHOLDERS" AND "BUSINESS AND PROPERTY OF THE ISSUER".

SEE "PLAN OF DISTRIBUTION" AND "SHARE AND LOAN CAPITAL STRUCTURE" FOR A DETAILED DESCRIPTION OF THE OFFERED COMMON SHARES AND THE OFFERED FLOW-THROUGH SHARES, THE REQUIREMENTS FOR SUBSCRIPTION, AND THE COMMISSIONS AND FEES PAYABLE THEREON.

NO PERSON IS AUTHORIZED BY THE COMPANY TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THIS ISSUE AND THE SALE OF THE SECURITIES OFFERED BY THE COMPANY.

THE DIRECTORS OF THE ISSUER ARE DIRECTORS OF OTHER NATURAL RESOURCE COMPANIES AND HAVE POTENTIAL CONFLICTS OF INTERESTS WHEN SERVING IN SUCH CAPACITIES. REFERENCE IS MADE TO THE SECTION CAPTIONED "DIRECTORS AND OFFICERS".

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(11)

FOR COMPARISON OF THE COMMON SHARES AND FLOW-THROUGH SHARES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ISSUED TO PROMOTERS, DIRECTORS AND OTHER INSIDERS, REFERENCE IS MADE TO THE SECTION CAPTIONED "PRINCIPAL SHAREHOLDERS".

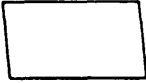
THE OFFERING OF FLOW-THROUGH SHARES OF THE ISSUER IS INTENDED TO ALLOW THE INVESTORS TO ACHIEVE CERTAIN TAX BENEFITS IN THE YEAR OF SUBSCRIPTION. THE ACHIEVING OF SUCH BENEFITS BY THE INVESTORS AND THE EXPENDITURES BY THE ISSUER ON BEHALF OF THE INVESTORS ARE SUBJECT TO RISK AND UNCERTAINTY WHICH ARE DESCRIBED IN THE SECTIONS CAPTIONED "INCOME TAX ASPECTS OF FLOW-THROUGH SHARES" AND "RISK FACTORS".

THE VANCOUVER STOCK EXCHANGE HAS CONDITIONALLY LISTED THE SHARES OFFERED BY THIS PROSPECTUS. LISTING IS SUBJECT TO THE ISSUER FULFILLING ALL THE LISTING REQUIREMENTS OF THE EXCHANGE ON OR BEFORE MARCH 5, 1990, INCLUDING PRESCRIBED DISTRIBUTION AND FINANCIAL REQUIREMENTS.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION OF ALL 300,000 FLOW-THROUGH SHARES OFFERED HEREUNDER AND 200,000 COMMON SHARES OFFERED HEREUNDER. SEE THE SECTION CAPTIONED "PLAN OF DISTRIBUTION".

WE, AS AGENT, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO IN THE SECTION CAPTIONED "PLAN OF DISTRIBUTION".

YORKTON SECURITIES INC.  
14th Floor, 609 Granville Street  
Vancouver, B.C.  
V7Y 1G5



REPORT ON  
KENRICH MINING CORP.  
SUL-1, SUL-2 and UNUK-20 CLAIMS  
SULPHURETS CREEK AREA  
SKEENA MINING DIVISION  
BRITISH COLUMBIA

Geographic co-ordinates  
56 degrees 30 minutes N. Latitude  
130 degrees 19 minutes W. Longitude  
NTS 104 B/8, B/9

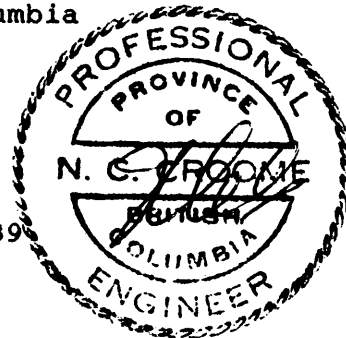
By

N. C. Croome, P. Eng.,  
Senior Engineer

JAMES WADE ENGINEERING LTD.,  
Suite 502 - 455 Granville Street,  
Vancouver, British Columbia  
V6C 1V2

February 9, 1989

Revised July 31, 1989



Note 7 Subsequent Events

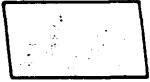
Subsequent to February 28, 1989, the company:

- a) proposes to make a public offering of up to 300,000 common shares for net proceeds to the company of up to \$ 136,500 after commissions of \$ 13,500.
- b) proposes to make a public offering of up to 300,000 flow through common shares for net proceeds to the company of up to \$ 150,000, subject to a fee payable of \$ 13,500.



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## 1.0 INTRODUCTION

The following report entitled, "Kenrich Mining Corp., SUL-1, SUL-2 and UNUK-20 Claims, Sulphurets Creek, Skeena Mining Division, British Columbia" was prepared at the request of K. Trociuk, Director, Chief Executive Officer, Kenrich Mining Corp., whose registered and records offices are located at 100, 200 Granville Street, Vancouver, B.C. V6C 1S4.

The purpose of this report is to evaluate and recommend an exploration program on the Kenrich claims to determine the potential for location of mineralized zones similar to those which are known to exist on adjacent properties.

This report is based on information supplied by K. Trociuk, Chief Executive Officer, Kenrich Mining Corp. and reports by the Ministry of Energy, Mines and Petroleum Resources, Geological Survey Branch and specifically the report by Alldrick, D. J. 1984, Geologic Setting of the Precious Metal Deposits in the Stewart area, Alldrick and Britton, open file map 1988-4, Geology and Mineral Deposits of the Sulphurets Area. Schroeter, T. G., 1983, Brucejack Lake (Sulphurets Prospect) BCDM. Additional information was



provided by various companies presently conducting exploration programs on nearby properties.

A site visit to the Kenrich Property Claims, UNUK-20, SUL-1 and SUL-2, was made on July 24-26, 1989, by the author N. C. Croome, P.Eng. Helicopter and the necessary ground support facilities were made available. Pertinent rock outcroppings were checked and the location of previous rock sampling programs were inspected. The location of the base line and several grid lines for the geophysical VLF-EM program were inspected. The Location Claim Posts for their respective claims were checked and found to be in conformity with the Mineral Tenure Act Regulations of the Ministry of Energy, Mines and Petroleum Resources of the Province of British Columbia.

N. L. Tribe, P.Eng. (Geol.) has visited the Kenrich property and has vested interests in claims adjacent to the Kenrich property on the south and east of the SUL-2 claim. He is presently engaged on a contractual basis to assist Newhawk Mining Ltd. in the exploration and development of their neighboring Sulphurets properties. His review and comments assisted materially in the preparation of this report.





It is understood that, should this proposed exploration program prove successful as anticipated, additional exploration and feasibility studies will be required.

The potential for development of an economically viable entity could exist on the Kenrich Mining Corp.'s holdings in the Sulphurets Creek area.



## 2.0 RECOMMENDATIONS AND PROPOSED PROGRAM

### 2.1 Summary and Recommendations

Kenrich Mining Corp. acquired by purchase 3 metric grid claims, totalling 60 units located in the UNUK-Sulphurets Creek Area, Skeena Mining Division. The claims lie approximately 65 kilometers north of the village of Stewart, British Columbia. Sulphurets Creek traverses the claims in the area of Ted Morris Creek.

The UNUK-Sulphurets area is currently being mapped by the Geological Survey Branch as part of a multi-year study of the geology and mineral deposits of the Iskut-Sulphurets Gold Belt. The project is directed by D. J. Alldrick. Its goals are to revise published geology maps which are now 20 to 60 years out of date to document the numerous mineral discoveries made during that time and to propose models of ore genesis.

The Kenrich claims lie in the Sulphurets Gold Belt, adjacent to the western boundary of the Newhawk Gold Mines Ltd. Two new gold mines are under development; the West Zone of Newhawk Gold Mines Ltd. and the Goldwedge deposit of Catear Resources Ltd.



The mineral occurrences in the area can be grouped into four main categories; veins, disseminations intrusive, contacts and stratabound. Several vein types occur including high grade gold and silver which are the preferred exploration target. Large gossans up to 20 square kilometers occur. Within some of the gossans, prospecting has discovered copper, molybdenum, gold and silver mineralization. Sulphide and oxidized metal bearing deposits with a close spatial or temporal association with igneous intrusions are prevalent. Examples of stratabound mineralization consisting of pyritic zones, lenses and seams within a particular stratum have been encountered in the area.

A preliminary program of stream sediment sampling, samples of float material and rock chip samples, and a minimal geophysical survey indicates the presence of mineralization on the SUL-1, SUL-2 and UNUK-20 claims. Because of the proximity of the claims to known mineral and ore deposits on the adjacent Newhawk holdings, a serious exploration program is recommended to explore and test the Kenrich Mining Corp.'s property for an economically viable mining entity.



2.2 Proposed Exploration Program

A phased exploration program at a total estimated cost;


Phase I .....	\$ 129,850
Phase II .....	<u>291,043</u>
Estimated Total Cost - Phase I	
and Phase II .....	\$ 420,893

is recommended to determine the presence of mineralization in economic quantities on Kenrich Claims.

A general outline of the proposed exploration program is as follows:

Phase I

- (1) Establish a base camp on the claims near the confluence of the Sulphurets Creek and Ted Morris Creek adequate for the exploration program.
- (2) Complete a geological mapping and rock chip sampling of outcrops along major structures which outcrop on a north-south trend.
- (3) Extend the presently established base line, both north and south to the property boundaries,



cut and flag transverse grid lines at 200 meter intervals from the base line to the eastern boundaries of the claims (where the terrain permits).

- (4) Conduct combined electromagnetic (VLF-EM) and magnetic survey on the grid lines, survey stations at 25 meter intervals. The total line kilometers of survey approximates 60 Km.
- (5) Soil sampling would be conducted over the two areas delineated by geophysical survey conducted in late 1988 (see Appendix B - Rockel Report). Sample grid lines would be cut and flagged at 200 meter intervals and sampled along grid lines at 25 meters intervals. Soil samples would be assayed for 32 elements by ICP and aqua regia digestion. The samples will be assayed for gold by fire assay and/or AA methods.
- (6) Additional stream sediment sampling will be conducted in those water courses not sampled in the fall 1988 program. The samples will be assayed by similar methods as described above.



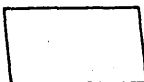
All data derived from the above mapping and sampling programs will be compiled into a report and recommendations made for additional exploration deemed necessary in the Phase II program.

### Phase II

Contingent upon the results obtained in Phase I, a diamond drilling program will be required to test anticipated anomalous areas.

Drilling equipment, fuel and supplies will be delivered by truck to the Tide Lake air strip near the Summit Lake Mine (SC-7) and transported by helicopter to the Kenrich property, a distance of approximately 37 kilometers. Helicopter support will also be required for equipment moves between drill sites during the program.

- (1) A diamond drilling program totalling 4500 feet of BX core size is required to test the two known anomalous areas. Five holes, an average of 450 feet in depth, for a total of 2250 feet, will be drilled in each of the two zones. Exact collar locations will be defined in the Phase I report and will be based on the results of the geological and geochemical surveys done in Phase I (2 and 5).



- (2) Prepare reports and recommendations for further exploration on the Kenrich claims as deemed warranted by consultant.

### Phase III

- (1) Contingent upon the results obtained from the drilling in Phase II, additional exploration by diamond drilling will be required to delineate and expand upon mineralized zones anticipated.
- (2) Prepare summary reports and recommendations for further exploration on the Kenrich claims as deemed warranted.



### 3.0 GEOGRAPHIC SETTING

#### 3.1 Location

The mineral claims SUL-1, SUL-2, and UNUK-20 are located in the Sulphurets Creek Area, Skeena Mining Division in the north-westerly portion of the Province of British Columbia. (see SC-2)

#### Geographical Co-ordinates:

56 degrees 30 minutes North Latitude

130 degrees 19 minutes West Longitude

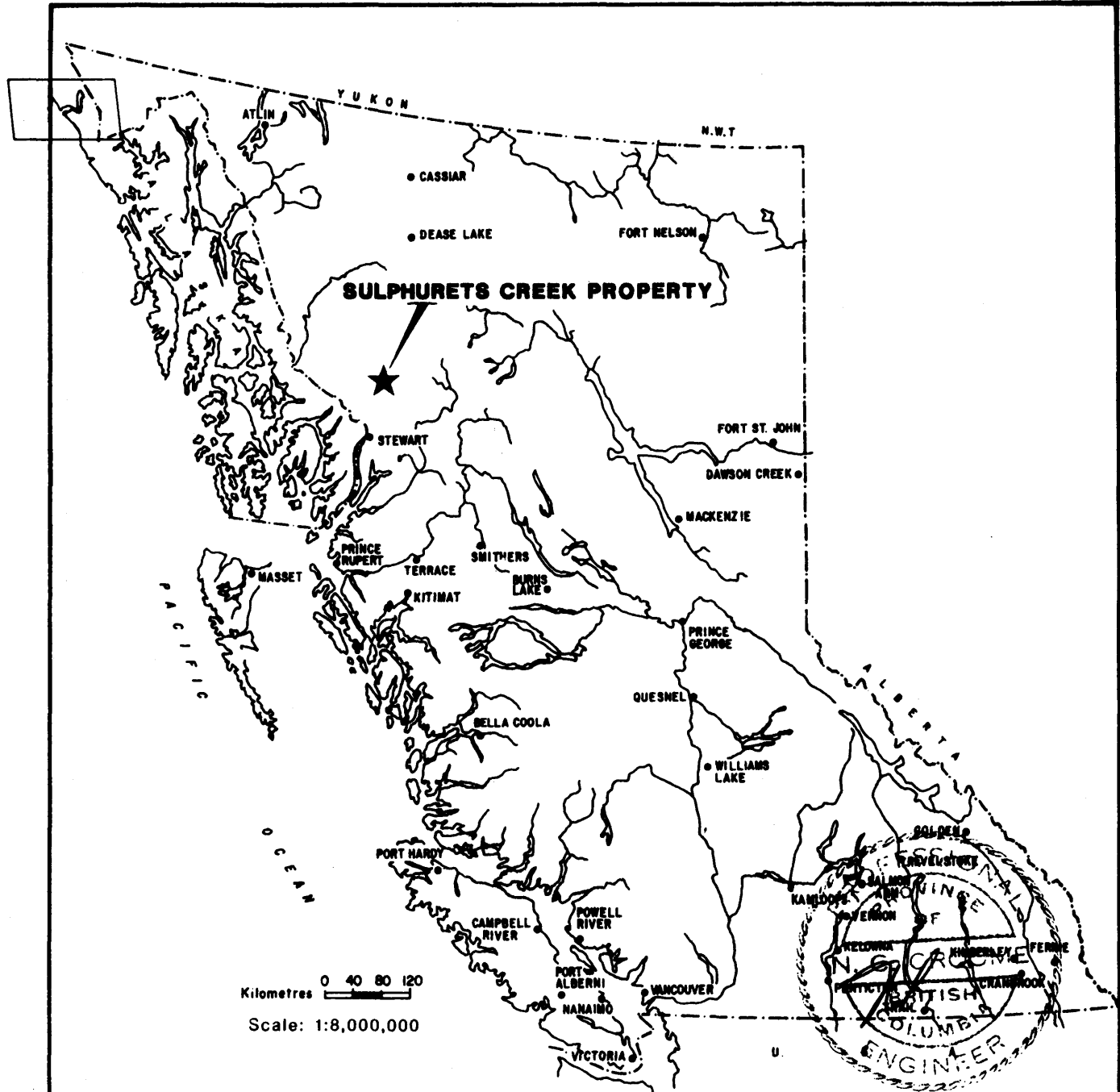
NTS 104 B/8 and 104 B/9

The nearest settlement is Stewart, British Columbia, approximately 65 kilometers to the south and would be the source of the basic supplies required for an exploration program.

#### 3.2 Access

The present access to the property is via helicopter. The road from Stewart runs for a distance of 40 kilometers north past the Silbak Premier Mine to an airstrip just north of the Scottie Gold Mine. Helicopter flying time to the Kenrich Property is from 15 to 20 minutes (approximately 32 kilometers).

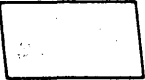




Kilometres 0 40 80 120  
 Scale: 1:8,000,000



<b>KENRICH MINING CORP.</b>		
<b>SULPHURETS CREEK PROPERTY</b>		
<b>LOCATION MAP</b>		
<b>JAMES WADE ENGINEERING LTD.</b>		
DATE: JAN. 1989	BY: N.C.C.	SKETCH No.
SCALE: As shown	CHKD:	SC-1 JAMES WADE ENGINEERING LTD.



An alternate staging point is Highway 37 to the Newhawk/Granduc joint venture camp at Brucejack Lake, constructed in early 1987. Brucejack Lake is located approximately 8.5 kilometers to the east of the Farquest SUL-1, SUL-2 and UNUK-20 claims.

(see SC-2)

### 3.3 Physical Environment

The property is centered on Sulphurets Creek, just east of Mitchell and Ted Morris Creeks, which flow into the Sulphurets from the north and south respectively. Relief ranges from 565 meters to 1430 meters above sea level. Hanging valleys with abrupt cliffs, have been formed in places by glacial action. The treeline is approximately 1200 meters above sea level. Dense vegetation below this is predominantly coniferous with an undergrowth of devils-club. The area is subject to heavy snowfall in the winter months, thereby reducing field exploration capabilities during that period between early November and mid June. The climate is moderate with temperatures ranging between -20 degrees C and +30 degrees C.

4.0 PROPERTY AND TITLE

4.1 Property

The Kenrich Mining Corp.'s SUL-1, SUL-2 and UNUK-20 claims form a contiguous group in the Sulphurets Creek area, Skeena Mining District, British Columbia.

Essential claim data is as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>No. of Units</u>	<u>Mining Division</u>	<u>Recording Date</u>	<u>Expiry Date</u>
SUL-1	5215	20	Skeena	Feb 27/86	Feb 27/91
SUL-2	5216	20	Skeena	Feb 27/86	Feb 27/91
UNUK-20	5244	20	Skeena	Feb 27/86	Feb 27/91

Total metric grid units in above claim group 60, less those areas of SUL-1 and UNUK-20 appearing to overstate the Tedray claims 17 and 18, numbers 2644 and 2643.

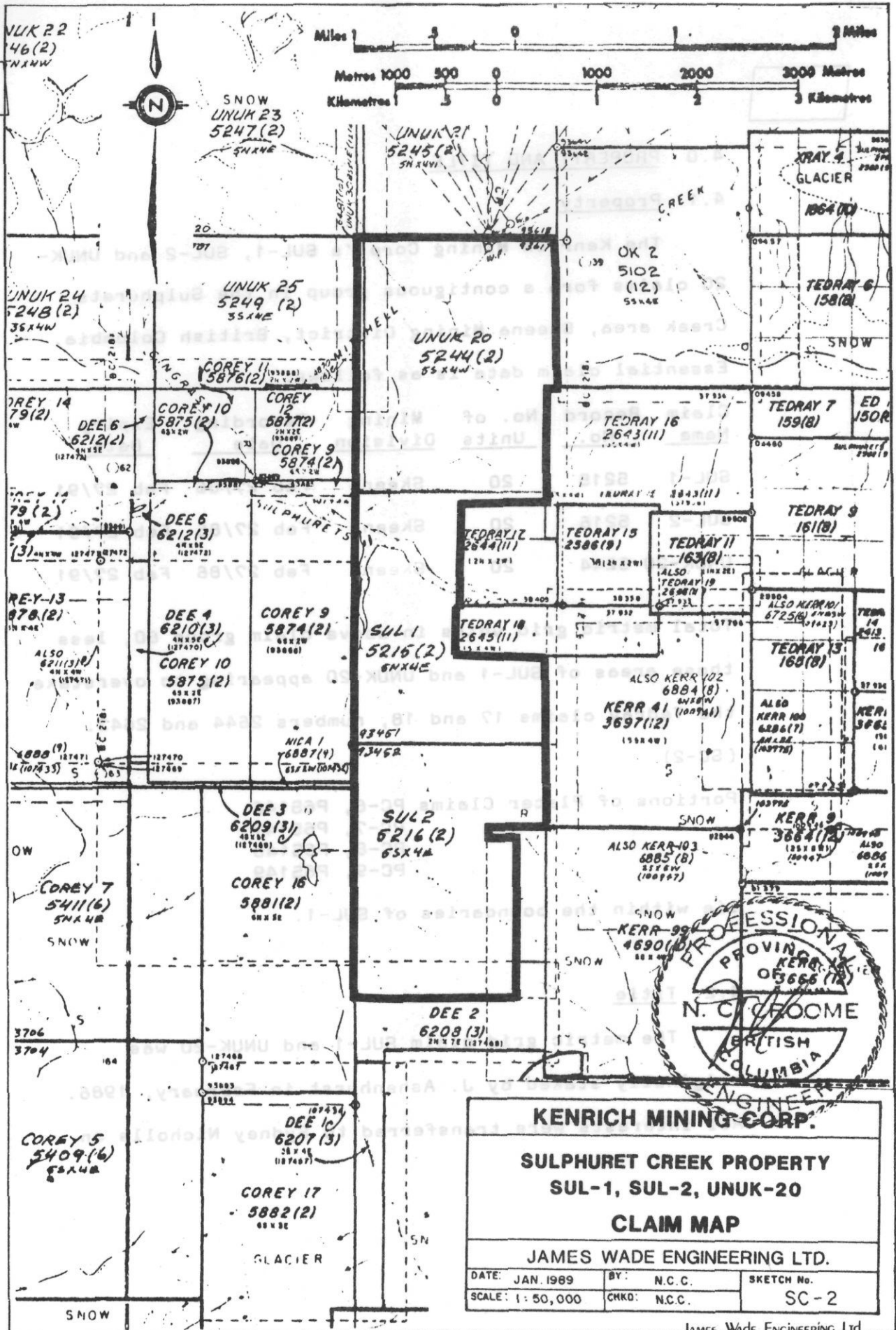
(SC-2)

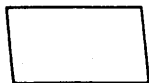
Portions of Placer Claims PC-6, P65146  
 PC-7, P65147  
 PC-8, P65148  
 PC-9, P65149

lie within the boundaries of SUL-1.

4.2 Title

The metric grid claim SUL-1 and UNUK-20 was originally staked by J. Ashenurst in February, 1986. All interests were transferred to Sydney Nicholls on





September 12, 1986, Bill of Sale Number 1905. All interests were transferred to Skelly Resources, September 12, 1986, Bill of Sale Numbers 1906, 1907.

The metric grid claim SUL-2 was originally staked by A. Smallwood in February, 1986. All interests were transferred to Sydney Nicholls on May 1, 1986, Bill of Sale Number 1885. All interests were transferred August 6, 1986, Bill of Sale Number 1902, to Skelly Resources Ltd.

The SUL-1, SUL-2 and UNUK Claims were grouped (60 units), Notice of Grouping No. 2038 on February 27, 1987 and were transferred to Bel Pac Industries Ltd.(C/N No. 265) on September 29, 1987.

Farquest Energy Corp. acquired an option to acquire a (50%) interest in SUL-1, SUL-2 and UNUK-20 claims by agreement dated February 5, 1988, and acquired the remaining fifty percent (50%) interest by agreement dated September 15, 1988.

On April 28, 1989, Farquest Energy Corp. changed its name to Kenrich Mining Corp.

The writer has not inspected the claim posts and cannot express an opinion on the manner of staking, nor can he verify their exact location as shown on the Mineral Claim Map (SC-2).



## 5.0 HISTORY OF AREA

Exploration for precious metals in the Sulphurets Creek area dates back to the late 1800's when placer gold was located in the upper reaches of the Unuk River. By 1898, several prospectors had entered the area including F. E. Gingras, H. W. Ketchum and C. W. Mitchell, who had erected a cabin and were working the gravels at the mouth of Mitchell Creek.

In 1889, the first mineral claims in the area, the Cumberland and Globe groups, were staked by H. W. Ketchum and L. Brant. These claims proved to be attractive and by 1901, the Unuk River Mining and Dredging Company had purchased them and established a stamp mill on the Globe group. A road between Burroughs Bay and Sulphurets Creek was also begun by this company, but was never completed.

In 1905, Dr. Frederick Eugene Wright of the United States Geological Survey explored the drainage of the Unuk River. He concluded "that the area east of the granitic Batholiths warranted careful examination which might reward careful prospecting ventures".



Interest in the region died down until the 1930's when several prospectors ventured into the area. Extensive gossans in the upper reaches of Sulphurets Creek attracted Bruce and Jack Johnson to stake claims in this area in 1935. Hence, the name "Brucejack Lake".

The region was quiet again until 1960 when the search for porphyry copper deposits led Newmont Mines to conduct a helicopter-borne magnetic survey in the Sulphurets area. Claims were staked on behalf of Granduc Mines Ltd. at the Sulphurets Creek headwaters, and between 1961 and 1967, Granduc Mines Ltd. and Newmont Mining Corporation conducted geological and geophysical work on this ground. More claims were acquired by Granduc and their exploration effort continued until 1970.

The increase in precious metal prices renewed activity, and in the period 1975 to 1977, Texasgulf Inc. and Granduc Mines both conducted exploration programs in the Sulphurets area. In 1979, Granduc Mines optioned their claims to Esso Resources Canada



Ltd. who spent in excess of \$2 million over five years in exploration for precious metals.

The Esso-optioned claims reverted back to Granduc and were subsequently optioned under joint venture to Lacana Mining Corporation and Newhawk Gold Mines Ltd.

Since 1985, the Newhawk Gold Mines Ltd. Sulphurets Property, which abuts the east of Kenrich SUL-1, SUL-2 and UNUK-20 claims (SC-7), has conducted a very successful exploration program for gold. The release of these favourable results initiated new staking activity in the area. In February, 1986, the Kenrich Property was staked adjacent to the west of the Newhawk discovery areas.

In 1988, Kenrich Mining Corp. conducted a total of 5.025 kilometers of combined electromagnetic (VLF-EM) and magnetic survey programs on two reconnaissance grids. Areas of interest were located. A sampling program of the stream silts from pertinent waterways on the SUL-1, SUL-2 and UNUK-20 claims was conducted. A total of 44 stream silt samples were taken, 2 selected "float" samples and 4 rock chip samples were collected. The sample locations are plotted on SC-5. Assays are shown in Appendix A.












## 6.0 REGIONAL GEOLOGY AND MINERALIZATION

### 6.1 Regional Geology









The Unuk-Sulphurets area is situated in the rugged Boundary Ranges of the Coast Mountains physiographic belt. It lies along the western margin of the Intermontaine tectonic belt and, according to terrane concepts, is entirely within Stikinia. The area is underlain by Upper Triassic to Middle Jurassic volcanic and sedimentary rocks that have been folded, faulted and weakly metamorphosed, mainly during Cretaceous time. Strata are cut by at least three intrusive episodes that produced small synvolcanic plutons, satellitic stocks of the Coast Plutonic Complex, and various dykes, dyke swarms, and sills. Intrusive activity spans Jurassic to Tertiary time. Remnants of Pleistocene to Recent basaltic flows are preserved west of the Unuk-Harrymel drainage.

The geology is typical of an island arc complex. Formations have characteristics that persist for tens of kilometres but individual members show little

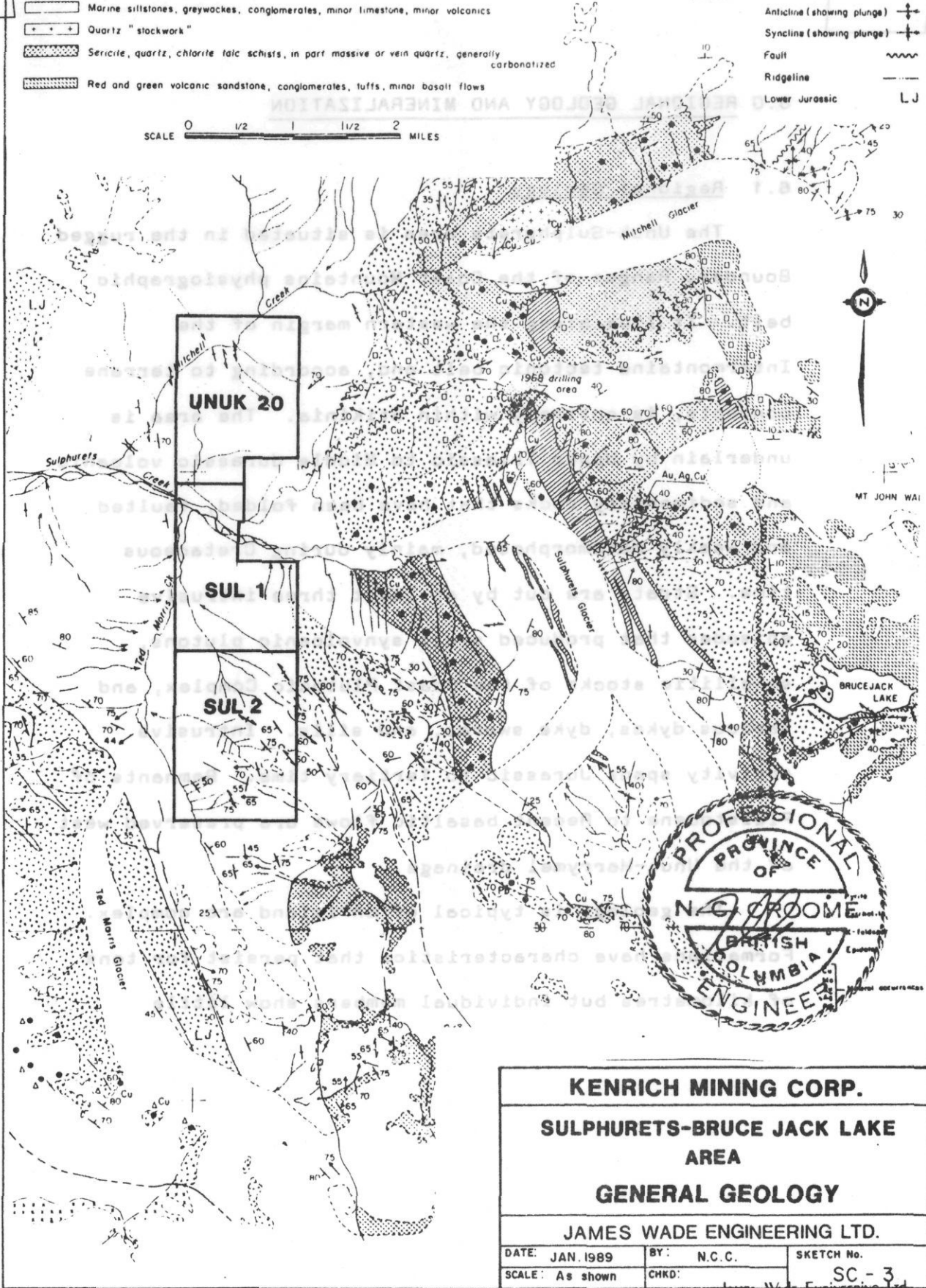
LEGEND

-  La Brant biotite granodiorite
-  Syeno-diorite intrusives granite-syenite, monzonite
-  Green and grey volcanic epiclastics, minor marine sediments, minor flow volcanics
-  Marine siltstones, greywackes, conglomerates, minor limestone, minor volcanics
-  Quartz "stockwork"
-  Sericite, quartz, chlorite talc schists, in part massive or vein quartz, generally carbonalized
-  Red and green volcanic sandstone, conglomerates, tuffs, minor basalt flows

LEGEND

-  Dragfold lineation
-  Bedding - inclined, vertical
-  Schistosity
-  Anticline (showing plunge)
-  Syncline (showing plunge)
-  Fault
-  Ridgeline
-  Lower Jurassic

SCALE 0 1/2 1 1 1/2 2 MILES



<b>KENRICH MINING CORP.</b>		
<b>SULPHURETS-BRUCE JACK LAKE AREA</b>		
<b>GENERAL GEOLOGY</b>		
<b>JAMES WADE ENGINEERING LTD.</b>		
DATE: JAN. 1989	BY: N.C.C.	SKETCH No.
SCALE: As shown	CHKD:	SC - 3

James Wade Engineering Ltd.



lateral continuity due to rapid facies changes and the simultaneous operation of volcanic and sedimentary processes.

### Stratigraphy

Stratigraphic reconstruction of the area is impeded by the lack of good markers, particularly in volcanic successions, the paucity of fossils, few way-up structures, and thrust faults. Sufficient fossil, radiometric, and lithostratigraphic data exist to permit broad correlation with the main Mesozoic Groups: Takla, Hazelton, and Bowser Lake. More precise correlation with formations, members, or facies of these groups is not yet possible. Lithologic similarities alone are a shaky basis for correlation beyond the limits of mapping.

The rocks can be divided into 5 main lithostratigraphic units which form an apparently conformable, but discontinuous, succession spanning Norian to Bajocian time. Formation names are informal.

The oldest unit (Lower Unuk R. formation) consists mainly of immature clastic sediments with volcanoclastic interbeds. The rare occurrence of Monotis indicates a Triassic (Norian) age.



## LEGEND

### INTRUSIVE ROCKS

#### TERTIARY

- 10** POST TECTONIC DYKES: *Keratophyre, lamprophyre, microdiorite, diabase (narrow, not shown)*

#### JURASSIC

**9**

POST-VOLCANIC INTRUSIONS: *Subporphyritic to porphyritic rocks with phaneritic groundmass. Texturally dissimilar to their volcanic host rocks*

##### MITCHELL-SULPHURETS SUITE

- 9a** Alkali-feldspar Granite: *dark red, holofelsic, medium-grained, equigranular, hypersolvus granite*
- 9b** Monzonite, Quartz Monzonite: *grey-green, pink and red, medium to coarse-grained, subporphyritic (K-feldspar, plagioclase) subsolvus rock. With increasing quartz locally grades into a texturally identical granite*
- 9c** Monzodiorite: *greenish grey, plagioclase-hornblende porphyritic, medium-grained rock; locally grades into light grey equigranular biotite monzodiorite or monzonite*

**8**

SYN TO POST-VOLCANIC INTRUSIONS: *Porphyritic, hypabyssal rocks with aphanitic groundmass. Texturally similar to extrusive rocks; intrusive relationships not always apparent*

- 8a** Walker Porphyry: *light grey, homogeneous, plagioclase porphyritic dactite with fine-grained cognate xenoliths*
- 8b** Rounsell Porphyry: *light grey, coarse biotite and feldspar phenocrysts in dactitic groundmass*
- 8c** Two-feldspar Porphyry: *medium to dark green, coarse K-feldspar and fine plagioclase  $\pm$  hornblende phenocrysts in andesitic groundmass. (Hypabyssal equivalent of Unit 2a)*
- 8d** Wedge Lake Porphyry: *light green, plagioclase  $\pm$  quartz phenocrysts in dactitic groundmass*

**7**

SUBVOLCANIC INTRUSIONS: *Porphyritic hypabyssal rocks with phaneritic groundmass. Composition and phenocrysts similar to extrusive rocks*

- 7** Lee Brant Stock: *Light grey, K-feldspar porphyritic, hornblende-biotite quartz monzonite*

### METAMORPHIC ROCKS

**A B  
C**

Phyllite equivalents of Unit 1. Protolith is Triassic to Jurassic; metamorphism is Cretaceous (?)

- A** Metapelite: *dark grey, carbonaceous, quartz-feldspar-sericite phyllite*
- B** Felsic Metavolcanics: *light green, quartz-illite-chlorite-sericite phyllite; locally with deformed lapilli*
- C** Mafic to intermediate Metavolcanics: *dark green, plagioclase-chlorite phyllite*

**VOLCANIC AND SEDIMENTARY ROCKS**

(Note: No stratigraphic order is implied within units)

**QUATERNARY**

- 6** UNCONSOLIDATED SEDIMENTS: Alluvium, glaciofluvial deposits, landslide debris (not shown)

**TRIASSIC TO JURASSIC****HAZELTON GROUP****MIDDLE JURASSIC (TOARCICAN TO BAJOCIAN)****5****SILTSTONE SEQUENCE (Salmon River Formation):** Dark grey, well bedded siltstone and fine sandstone

- 5a Basal, fossiliferous, pyritic wacke  
5b Rhythmically bedded siltstone  
5c Thickly bedded sandstone  
5d Limestone lenses

**LOWER JURASSIC (TOARCICAN)****4****FELSIC VOLCANIC SEQUENCE (Mount Ditworth Formation):** Light weathering, intermediate to felsic pyroclastic rocks, including dust tuff, crystal and lithic tuff, and lapilli tuff. Locally pyritic (5 to 15%) and gossanous. Minor chalcocenic quartz veins locally

- 4a Massive to bedded airfall tuffs  
4b Variably welded ash flow tuffs  
4c Kripple Porphyry: coarse white glomeroporphyritic plagioclase phenocrysts set in grey dacitic-andesitic groundmass

**LOWER JURASSIC (PLIENSACHIAN TO TOARCICAN)****3****PYROCLASTIC-EPICLASTIC SEQUENCE (Betty Creek Formation):** Heterogeneous, red, green, purple and grey, bedded to massive pyroclastic and sedimentary rocks


- 3a Massive, green and grey andesitic to dacitic tuff, lapilli tuff, tuff breccia and minor flows;  
3ah Hematitic mudstone seams within 3a  
3b Bedded, heterogeneous, red, green, and grey volcanic breccia, lapilli tuff, crystal and lithic tuff, commonly hematitic  
3c Basaltic to andesitic pillow lavas  
3d Atkins Porphyry: hornblende and feldspar porphyritic andesite  
3e Massive grey arkosic rocks and greywacke  
3f Bedded, hematitic siltstone, sandstone and conglomerate; locally fossiliferous

**LOWER JURASSIC (HETTANGIAN-PLIENSACHIAN)****2****ANDESITE SEQUENCE (Upper Unuk River Formation):** Green and grey, rarely purple, intermediate to mafic pyroclastics and flows with minor interbeds of siltstone and wacke

- 2a Medium to dark green, K-feldspar and plagioclase  $\pm$  hornblende porphyritic trachyandesite tuffs and flows  
2b Grey and green plagioclase porphyritic andesite  
2c Dark green, hornblende  $\pm$  augite porphyritic basalt-andesite  
2d Dark grey rhythmically bedded siltstone (turbidite)  
2e Grey well-sorted arkosic wacke, greywacke and conglomerate

**UPPER TRIASSIC TO LOWER JURASSIC (NORIAN TO HETTANGIAN)****1****LOWER SEDIMENTARY SEQUENCE (Lower Unuk River Formation):** Brown and grey mixed sedimentary rocks with tuffaceous interbeds

- 1a Immature arkosic and lithic wacke  
1b Siltstone  
1c Polymictic conglomerate  
1d Tuffite  
1e Andesitic pyroclastics



This is succeeded by a thick sequence of mainly andesitic pyroclastics and flows (Upper Unuk R. formation) with thin sedimentary interbeds that include turbidites, wackes, and conglomerates. Sequences of pillowed andesites, limestones, and lenses of felsic pyroclastics are useful as local markers within this unit. The uppermost strata of this formation, particularly near Brucejack Lake, are marked by the appearance of coarse K-feldspar phenocrysts in plagioclase-hornblende phyric andesite ("Premier Porphyry"). Age is Hettagnian to Pliensbachian.

Succeeding this is a heterogeneous sequence of varicoloured tuffs and flows, interbedded with hematitic sedimentary rocks, subordinate pillow lavas, and columnar-jointed dacites (Betty Cr. formation). Widespread hematite in this unit implies that much of it was deposited subaerially. Age is Pliensbachian to Toarcian.

This is overlain by a thin but widespread sequence of felsic pyroclastic rocks, including welded tuffs (Mt. Dilworth formation). This forms a useful regional marker that is locally distinguished by abundant pyrite and siliceous hydrothermal alteration. Age is Toarcian.

**GOSSANOUS ALTERATION ZONES**




Pyrite-quartz-sericite ± carbonate ± clay; locally foliated to schistose

Disseminated pyrite

**SYMBOLS**

Geological boundary (defined, approximate, assumed) .....	
Bedding, tops known (horizontal, inclined, vertical, overturned) .....	
Bedding, tops unknown (horizontal, inclined, vertical, dip unknown) .....	
Bedding, estimated dip (gentle, moderate, steep) .....	
Schistosity, cleavage, foliation (horizontal, inclined, vertical): .....	
Trend line .....	
Minor folding .....	
Axes of minor folds (horizontal, inclined, vertical) .....	
Anticline (normal, overturned) .....	
Syncline (normal, overturned) .....	
Fault (defined, assumed; solid circle indicates downthrown side) .....	
Thrust fault (teeth indicate relative movement) .....	
Mineral prospect; mineral showing .....	x6      xpy
Mine under development .....	*x
Placer deposit (gold) .....	x Au
Fossil locality .....	(F)
Flammé .....	(f)
Limit of phyllite zone .....	
Tractor road .....	

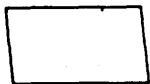




The uppermost unit (Salmon R. formation) is a thick sequence of mainly turbiditic siltstones and fine sandstones. The basal member is a coarse, pyritiferous, fossil-bearing wacke of Toarcian age. On Prout Plateau a distinctive chert-pebble conglomerate occurs within 200 metres of the basal contact. This unit appears to pass conformably upwards into Bowser Lake sediments (late Bajocian and younger Ashman Formation).

## 6.2 Mineralization

Both precious (Au,Ag) and base (Cu,Pb,Zn,Fe,Ni) metal deposits occur in the map area. Two new gold mines are under development: the West Zone of Newhawk Gold Mines Ltd. and the the Goldwedge deposit of Catear Resources Ltd. Underground exploration commenced in 1987 on the DOC property (Magna Ventures-Silver Princess joint venture). Limited mining has also occurred at the Globe and Cumberland gold prospects in the 1900s, and the E&L nickel-copper deposit in the 1960s.




Using a simple, nongenetic scheme mineral occurrences can be grouped into four main categories: veins, disseminations, intrusive contacts, and stratabound.

### Veins

Several types occur including high-grade gold-silver veins which are the preferred exploration target at present. Vein types and examples are as follows:

1. Base metal quartz-carbonate veins with pyrite, galena and sphalerite occur locally outside the main areas of alteration around Brucejack Plateau.
2. Silver-rich base metal veins with pyrite, galena, sphalerite, tetrahedrite, and chalcopyrite occur mainly in the south-west of the map area. An example is the Knip prospect which yields assays of up to 3000 grams per metric ton (gpT) Ag but less than 1 gpT Au.
3. Precious and base metal veins consist of polymetallic quartz-(carbonate) stringers, stockworks, and tension gash fillings. The best exposed example is the Brucejack Lake West Zone which contains pyrite, ruby silver, tetrahedrite, electrum, argentite,



chalcopyrite, galena, and sphalerite. Precious metal and base metal mineralization may belong to different mineralizing episodes. The Kerr A zone may be of this type.


4. Precious metal veins are essentially pyrite and electrum in quartz or quartz-calcite veins.

Arsenopyrite may occur peripherally in the host rocks. An example is the Goldwedge deposit.

5. Fissure veins are massive bull quartz with little or no wallrock alteration. In the Q17/Q22 veins on the DOC property gold is associated with specular hematite, galena, and pyrite especially along sheared vein margins.

6. Carbonate veins, some strongly pyritiferous, are widespread, late stage stringers. They are not known to carry precious metal values but sampling has been limited. Thickest examples occur near Atkins Glacier.

7. Barite veins with minor quartz, calcite, and sulphides occur locally near Brucejack Lake.

  
Disseminations

The large gossans up to 20 square km in area occur around Treaty, Mitchell, Freegold, Sulphurets, and Cone Glaciers, the Sulphurets Icefield, and the ridges between Tritescook, Fewright, and King Creeks. These consist essentially of pyrite disseminated in argillic and phyllic alteration zones that have been dynamically metamorphosed. At Treaty gossan native sulphur and alunite indicate acid-sulphate alteration characteristic of high levels in epithermal systems. Within some gossans prospecting has discovered copper, molybdenum, gold and silver mineralization in silicified zones, quartz stockworks, and porphyry-style disseminations. Precious and base metal zones do not necessarily coincide. Examples include the Snowfield gold zone south of Mitchell Glacier which has 7 MT of 2.57 gpT disseminated Au; the Mitchell, Kirkham, Sulphurets and Kerr B porphyry copper-molybdenum prospects near Brucejack Plateau; and the Eric and Cole copper propsects west of the Unuk R.



### Intrusive Contacts

Sulphide and metal oxide bearing deposits with a close spatial or temporal association with an igneous intrusion are included in this category. Examples are: The Konkin zone, a possible gold skarn; the E&L nickel-copper deposit; the Max iron-copper skarn; the pyrrhotite-chalcopyrite mineralization around the margin of the Lee Brant stock.

The Konkin gold zone consists of electrum-magnetite-hematite-chalcopyrite-pyrite-quartz-calcite veinlets in chlorite-diopside-garnet-bearing rock adjacent to a dioritic stock. The discovery chip sample (Aug. 1987) assayed 960 gpT over 1.3 m.

The E&L deposit is massive and disseminated pyrrhotite-pentlandite-chalcopyrite-pyrite along the margin of a hornblende gabbro. Drill indicated reserves are 1.5 MT of 0.7% Ni, 0.6% Cu with untested PGE potential. The Max deposit is a skarn-type replacement in limestone with magnetite and chalcopyrite that has 10 MT of 45% Fe.

  
Stratabound

Stratabound mineralization consists of pyritic zones, lenses and seams contained within a particular stratum or restricted set of strata. Examples include: disseminated pyrite in Mt. Dilworth formation felsic pyroclastics between Treaty Glacier and Prout Plateau; pyritic seams in the lowest members of the Salmon R. formation; and disseminated to massive pyrite in dacite porphyry and its overlying sediments at the toe of Knipple Glacier. The Kay prospect on Prout Plateau may belong to this category. It consists of stockwork mineralization (galena-sphalerite-tetrahedrite-jamesonite-polybasite) and massive sulphide pods (sphalerite-galena-pyrite) in silicified, brecciated felsic pyroclastics.



## 7.0 PROPERTY GEOLOGY AND MINERALIZATION


### 7.1 Property Geology

No detailed mapping has been completed on the claims, however regional mapping by Grove 1968 shows the area of SUL-1, SUL-2 and UNUK-20 claims to be underlain by differentiated marine siltstones, gray wackes, conglomerates limestone and volcanics, (see SC-4 and SC-5). Bedding tends to strike north-northeast with steep to vertical dips. Schistosity is shown as parallel to bedding with more variable dips in both directions.

A double plunging, southwest trending syncline plunges to the southwest on the north side of Sulphurets Creek and to the northwest on the south side (see SC-4).

### 7.2 Property Mineralization

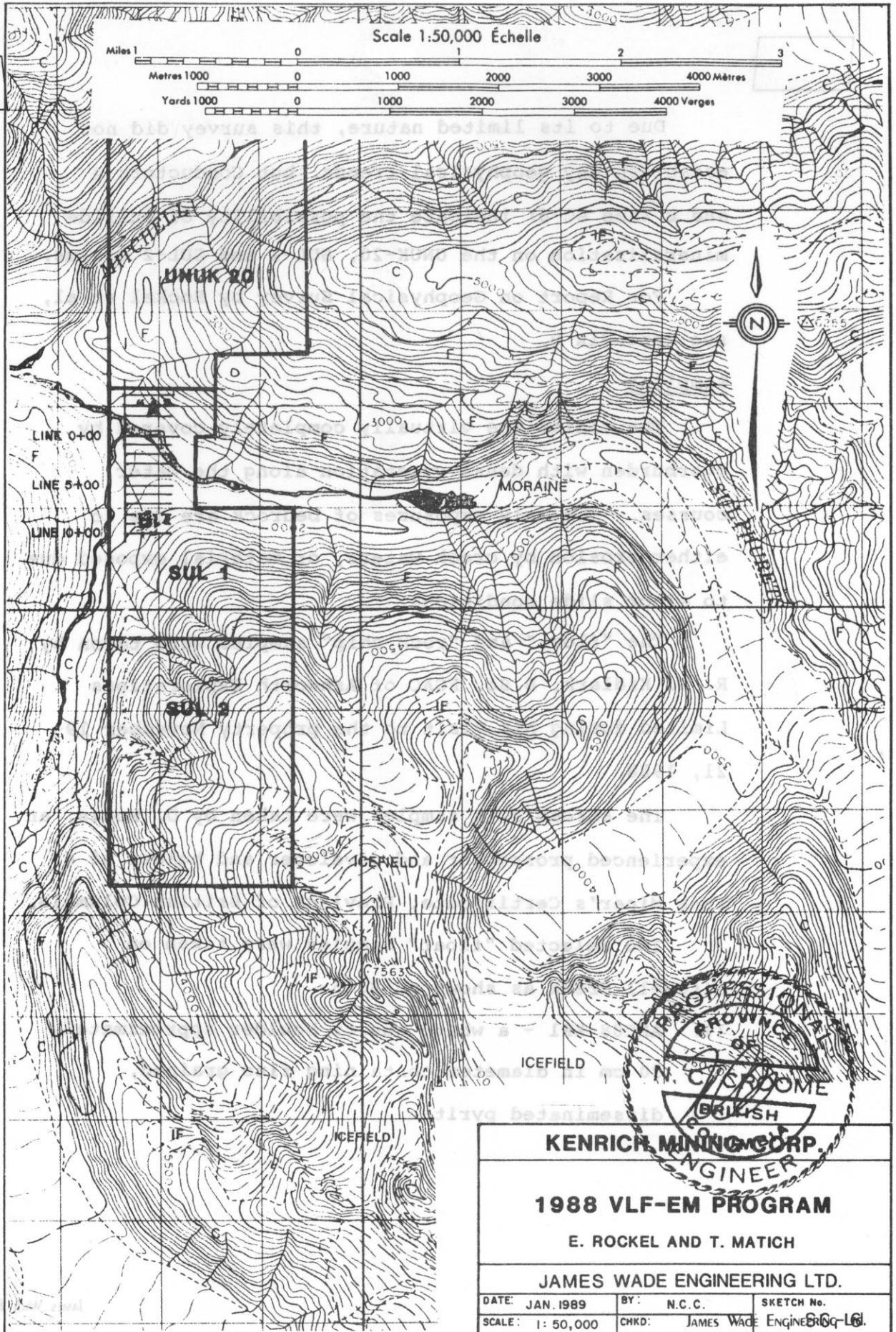
Regional geochemical work by Wallaster (1984) included 4 silt samples taken in the SUL-2 area. Three of these samples contained slightly anomalous values of silver in addition to values in arsenic, copper,



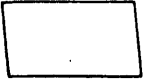
lead. Gold values ranged from 5 to 10 parts per billion. This work covered a very small percentage of the drainages in the area with only one sample per creek. Numerous other streams and tributaries were not sampled and no prospecting work is recorded. Only one silt sample is recorded as coming from the southwest corner of what is now the SUL-1 claim. This sample contained 3.1 ppm silver, 153 ppm copper, 152 ppm lead and 5 ppb gold.

In November, 1988, a grid was laid out (see SC-6) and a VLF-EM and magnetometer survey conducted. The base line was run in a north south direction, line intervals were at 100 meters and stations along the lines at 25 meter intervals. A total of 5.025 line kilometers was completed. The purpose of this geophysical survey was to establish a co-relation between magnetic minerals and mineralized trends, to test the effectiveness of VLF-EM in following mineralized trends and to establish new unrecognized conductive trends and to establish geophysical areas of interest for future exploration.





<b>KENRICH MINING CORP.</b>		
<b>1988 VLF-EM PROGRAM</b>		
E. ROCKEL AND T. MATICH		
<b>JAMES WADE ENGINEERING LTD.</b>		
DATE: JAN. 1989	BY: N.C.C.	SKETCH No.
SCALE: 1: 50,000	CHKD: JAMES WADE	ENGINEER



Due to its limited nature, this survey did not establish any geophysical trends. but Conductors A and B (see SC-6) indicate the possibility of sulfide mineralization on the UNUK-20, SUL-1 and SUL-2 claims.

For Report on Geophysical Survey by Rockel et al, see Appendix B.

#### Sampling

The claims are virtually completely covered by overburden with dense vegetation along the water courses. The only exposures of bedrock are due to either erosion by creek waters, or material exposed due to minor slide conditions.

The "float" and "rock chip" samples were taken by R. G. Kidlark, B.Sc. FGAC of Ashworth Explorations Limited during his visit to the property November 19-21, 1988.

The stream silt samples were taken by D. Moase, an experienced prospector and developer and holder of a Free Miner's Certificate, Province of British Columbia.

Two selected "float" samples were taken on Mitchell Creek as shown on SC-5.

- (1) ARC88-KR1 - a white quartz boulder approximately 30 cm in diameter containing fine grained, disseminated pyrite.



Assayed 20 ppb gold and .5 ppm silver with minor lead zinc.

- (2) ARC88-KR2 - a white quartz boulder approximately 36 cm in diameter containing an estimated 1 percent fine grained disseminated galena, 1 percent sphalerite, 1 percent pyrite and traces of chalcopyrite.

Assayed 12 ppb gold, 1541 ppm copper, 3173 lead and 10,116 ppm zinc.

For complete assays see Appendix A.

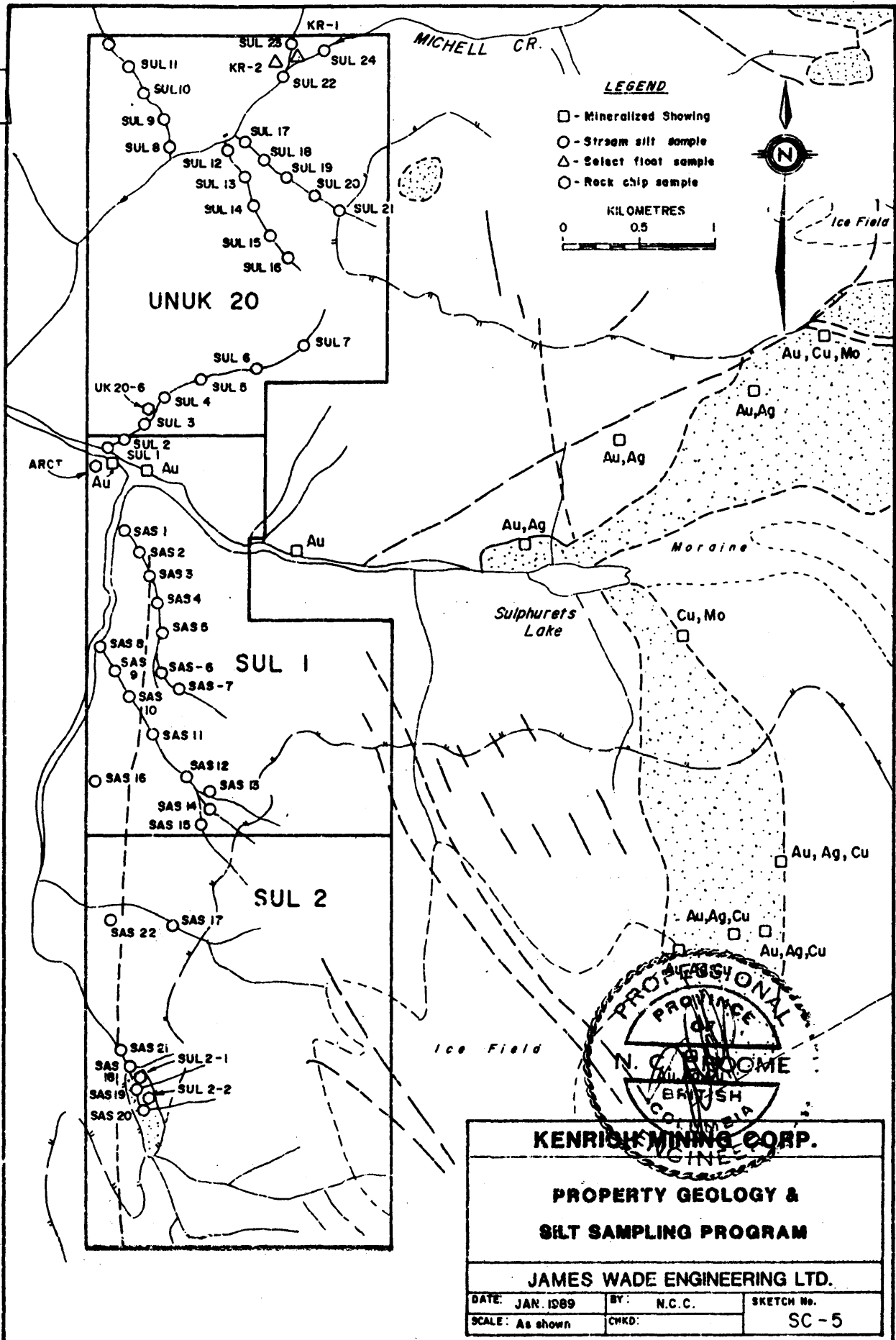
"Rock chip" samples were taken from four locations as shown on SC-5.

FARQ SUL 2-1 - Rock chip sample across a small outcropping exposed width 40 meters, gossanous alteration zone, quartz carbonate, sericite with visible pyrite crystals.

Sample assayed 10 ppb Au and <0.2 ppm Ag.

FARQ SUL 2-2 - Rock chip sample across a rock face exposed by a slide, width 5.0 meters, gossanous alteration zone, quartz sericite with disseminated pyrite crystals.

Sample assayed <5 ppb Au. <0.2 ppm Ag.



<b>KENRISH MINING CORP.</b>		
<b>PROPERTY GEOLOGY &amp; SILT SAMPLING PROGRAM</b>		
<b>JAMES WADE ENGINEERING LTD.</b>		
DATE: JAN. 1989	BY: N.C.C.	SKETCH No.
SCALE: As shown	CHKD:	SC-5



FARQ UNUK 20-6 - Selected rock chip samples across a rock face exposed by creek water erosion, width 4.0 meters, gossanous alteration zone, quartz, carbonate, sericite with visible pyrite crystals in fresh surfaces.

Sample assayed 30 ppb Au. <0.2 ppm Ag.

ARCTURUS ROCKS - Selected rock chip samples across an outcrop exposed by Sulphurets Creek water erosion, gossanous alteration zone quartz carbonate and sericite with pyrite across area sampled, width 1.0 meters.

Sample assayed 120 ppb Au.

#### Stream Silt Sampling

A program of sampling of silts from the principal streams and their tributaries was conducted in 1988 on UNUK-20, SUL-1 and SUL-2 claims. The samples on the streams north of Sulphurets Creek are numbered from SUL-1-24 inclusive. The samples on streams south of Sulphurets Creek are numbered from SAS-1-20.

Stream Silt Sample Assays

Assays methods used were fire and atomic absorption. For sample locations (see SC-5). For complete analysis of samples see Appendix A.

<u>Sample Description</u>	<u>Au. PPB</u>	<u>Sample Description</u>	<u>Au. PPB</u>
SUL 1	2770	S. Arm SUL 1	500
" 2	1740	" 2	790
" 3	500	" 3	320
" 4	415	" 4	610
" 5	420	" 5	100
" 6	165	" 6	420
" 7	430	" 7	70
" 8	500	" 8	25
" 9	830	" 9	40
" 10	150	" 10	50
" 11	300	" 11	25
" 12	1440	" 12	180
" 13	2220	" 13	65
" 14	180	" 14	90
" 15	180	" 15	40
" 16	100	" 16	5
" 17	75	" 17	25
" 18	55	" 18	30
" 19	480	" 19	440
" 20	1600	" 20	660
" 21	25		
" 22	385		
" 23	135		
" 24	210		

## 8.0 THEORETICAL AND PRACTICAL CONSIDERATIONS

The UNUK-Sulphurets area is currently undergoing a considerable exploration and development program. The Kenrich Mining Corp.'s SUL-1, SUL-2 and UNUK-20 claims, consisting of 60 metric grid units is located adjacent to the west of Newhawk Gold Mines Ltd., one of the more active developments in the area.

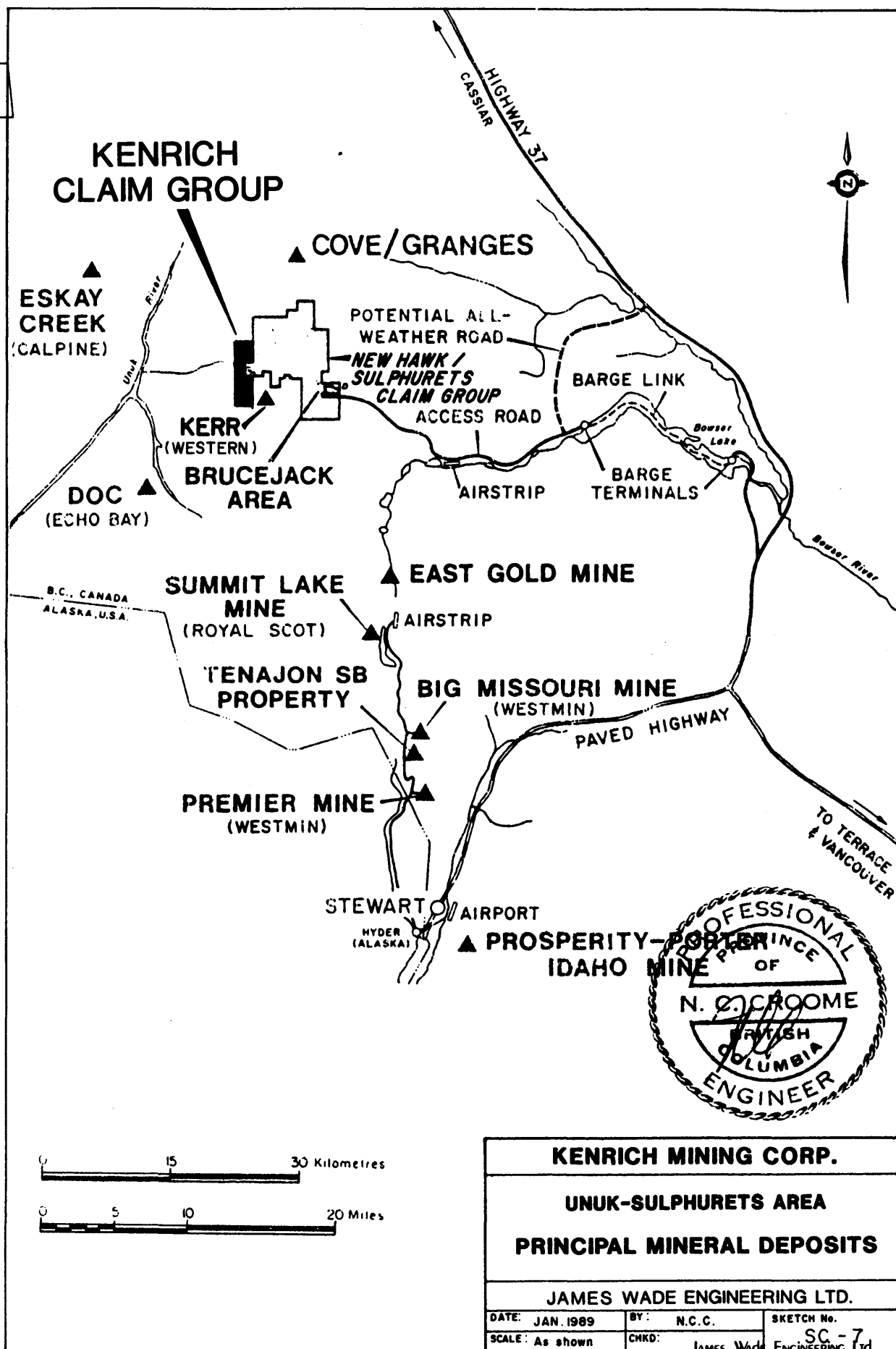
As of Jan. 1, 1988 (Newhawk Annual Report) Ore

Reserves:

<u>West Zone Area</u>	<u>Tons</u>	<u>Gold oz/T</u>	<u>Silver oz/T</u>
Proven	300,151	.516	28.28
Probable	324,500	.496	12.67
Inferred	<u>879,837</u>	<u>.506</u>	<u>20.17</u>
Total	1,504,488	0.506	20.17

The total mineral inventory for the Newhawk Sulphurets-Brucejack area:

	<u>Tons</u>	<u>Gold oz/T</u>	<u>Silver oz/T</u>
West Zone (all classes)	1,504,488	.506	20.17
Shore Zone (Inferred)	539,776	.203	27.23
Gosson Hill Zone (Inferred)	<u>27,639</u>	<u>1.940</u>	<u>3.51</u>
Total	2,071,903	0.462	21.78



<b>KENRICH MINING CORP.</b>		
<b>UNUK-SULPHURETS AREA</b>		
<b>PRINCIPAL MINERAL DEPOSITS</b>		
<b>JAMES WADE ENGINEERING LTD.</b>		
DATE: JAN. 1989	BY: N.C.C.	SKETCH No.
SCALE: As shown	CHKD: James Wade	SC-7 Engineering Ltd.





The Kerr Property (SC-7) lies adjacent to both the Kenrich SUL-2 and Newhawk claims. Exploration of the Kerr Property indicates an extensive gold geochemical anomaly which hosts several zones of mineralization. On the A zone, high grade precious metals have been traced over considerable lengths. The B zone is considered to have potential for a large tonnage open pit copper deposits.

The Catear Property, in the immediate area, completed an underground exploration program on their Goldwedge Property. Proven reserves on the Golden Rocket vein are (July 1988) at 26,106 tons with a grade of 0.825 oz/ton gold.

During 1988, the additional following companies were active in the UNUK-Sulphurets area: Continental Gold, Big Horn Development Corp., Tenajon Silver Corporation, Consolidated Stikine Silver Ltd., Magna Ventures, Teuton Resource Corp. and Cove Energy Corporation.

9.0 ESTIMATED COST OF EXPLORATION PROGRAM

A phased exploration program is proposed and the following costs anticipated:

Phase I

(1)	Establish camp at confluence of Sulphurets Creek and Ted Morris Creek and maintain for 30-day field program		
	Camp cost, 30 day, \$80 per day	\$ 2,400	
	Subsistence and fuel		
	164 man days/\$40 per day	6,560	
	Field supplies	3,000	
	Mobilization and demobilization	<u>8,000</u>	
	Sub total		\$ 19,960
(2)	Extend established base line north an additional 2000 meters and south an additional 1000 meters, cut and flag grid lines at 200 meter intervals to extend to eastern boundary of SUL-1, SUL-2 and UNUK-20 claims.		
	1 Technician -		
	10 days/\$220 per day	2,200	
	1 Assistant -		
	10 days/\$180 per day	<u>1,800</u>	
	Sub total		4,000
(3)	Geological mapping, rock chip sampling -		
	Senior geologist -		
	14 days/\$260 per day	3,640	
	Field technician -		
	14 days/\$200 per day	2,800	
	Laborer - 14 days/\$160 per day	2,240	
	Helicopter support -		
	10 hrs/\$650 per hours	6,500	
	Assays - 100 rock chip samples \$17/sample	<u>1,700</u>	
	Sub total		16,880

(4)	Soil sampling on selected grid lines, 2 areas,		
	Technician - 20 days/\$225 per day	4,500	
	Assistant - 20 days \$180 per day	3,600	
	Assaying - 2100 samples		
	\$11.00 per sample	23,100	
	Helicopter support -		
	10 hrs, \$650/hour	<u>6,500</u>	
	Sub total		\$37,700
(5)	Conduct a combined electro-magnetic (VLF-EM) and magnetic survey on SUL-1, SUL-2 and UNUK-20 claims, grid lines at 200 meter intervals, survey station 25 meters, approximately 60 line kilometers.		
	Equipment rental - \$250 per day (EDA Omni plus combined VLF-EM and magnetometer)	5,000	
	Geologist operator		
	20 days/\$200 per day	4,000	
	Technician - 20 days/\$180 per day	3,600	
	Helicopter support -		
	10 hrs, \$650 per hour	6,500	
	Data processing	3,500	
	Complete assessment report	<u>1,500</u>	
	Sub total		<u>24,100</u>
	Sub Total		102,640
	Consulting Supervision, Drafting, Report Preparation, Project Accounting - 15%		<u>15,396</u>
	Sub Total		118,046
	Contingency - 10%		<u>11,804</u>
	Total Estimated Cost - Phase I		\$ 129,850



Phase II

## (1) Field Camp and Crew

Camp Costs -		
40 days/\$80 per day	\$	3,200
Subsistence, fuel, etc.		
80 man days/\$40 per day		3,200
Field supplies		1,500
Senior Geologist -		
40 days/\$260 per day		10,400
Field Technician -		
40 days/\$200 per day		8,000
Laborer - 20 days/\$160 per day		3,200
Helicopter support -		
10 hrs/\$650 per hour		<u>6,500</u>
Sub total		36,000

## (2) Diamond Drilling

Diamond drilling 4500 feet BX core, helicopter support, crew maintenance, core boxes, drilling muds, mobilization and demobilization - at \$45.00 per foot		<u>202,500</u>
Sub total		202,500

## (3) Assaying of core samples

500 samples at \$15.25		<u>7,625</u>
Sub total		<u>7,625</u>

Sub Total	246,125
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Consulting, Supervision, Drafting, Report Preparation, Project Accounting 7.5%		<u>18,460</u>
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Sub total	264,585
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Sub total carried forward	\$ 264,585
Contingency - 10%	<u>26,458</u>
Total Estimated Cost - Phase II	\$ 291,043



## 10 EVALUATION

A reasonable and fair value of Kenrich Mining Corp., Sulphurets Creek Property is created and established in the opinions of potential purchasers or financial agencies. The value is dependent on the perceived risks of the weight of negative attributes, whether technical, economic or political in nature.

In quoting William Stevenson, Consultant for the B.C. Securities Commission, "... there are ten stages of a project passed through from prospect to producing mine".

Regional evaluation having the highest degree of risk, is 10 on the scale. As the various developments of property events takes place, the degree of risk is reduced and the fair market value increased as shown in Schedule I. This approach to evaluation of a property, albeit simplistic, is not unreasonable and conveys the concept of reduction of risk as the exploration and development program successfully proceeds through the various stages to ultimate commercial production.

SCHEDULE IRISK VALUE SCALE FOR MINERAL PROPERTIES

<u>Risk Scale</u>	<u>Property Events</u>	<u>Degree Risk</u>	<u>Fair Market Value</u>
10	Regional Survey	Maximum	Minimum
9	Property Rights		
8*	Exploration		
7	Preliminary Evaluation		
6	Conceptual Design		
5	Preliminary Feasibility Study		
4*	Test Mining and Milling Program		
3	Final Feasibility Study		
2*	Final Design and Construction		
1	Commercial Production	Minimum	Maximum

Kenrich Mining Corp., Sulphurets Creek Project is at Stage 8 and requires an additional exploration program prior to achieving Stage 7, having several excellent targets for exploration for gold, silver, lead and copper minerals.

\* Major points of project development expenditure.



11.0 REFERENCES

- Alldrick, D. J. Open File Map 1988-4, Geology and Mineral Deposits of the Sulphurets Area.
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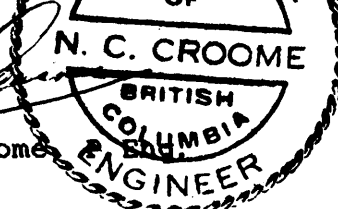
CERTIFICATE

I, Norman C. Croome, of the Municipality of Surrey, Province of British Columbia, hereby certify as follows:

1. I am a Consulting Engineer with an office located at 1681 Amble Greene Blvd., Surrey, British Columbia, V4A 6B8.
2. I am a Professional Engineer (Mining) registered in the Province of British Columbia and Ontario, am a life member of the Association of Professional Engineers of the Province of Alberta, am a member of the American Institute of Mining, Metallurgical and Petroleum Engineers and the Canadian Institute of Mining and Metallurgy.
3. I have graduated with the degree of Bachelor of Science (Engineering) with additional geology options from the University of Manitoba in the year 1960.
4. I have practiced my profession continuously for thirty-eight years and have been engaged in all phases of mineral exploration, mine development and mineral production in Canada, United states, Mexico Peru and Bolivia.
5. I am the author of this report which is based on information obtained on a site visit July 24 - 26, 1989, collaboration with N. Tribe, P.Eng., Consulting Geologist, Kenrich Mining Corp. and on research of published and unpublished material.
6. I have no material interest, direct or indirect, in the properties discussed in this report or in the securities of Kenrich Mining Corp.
7. I hereby consent to the publication of this report dated February 9, 1989, revised July 31, 1989, entitled Report, Kenrich Mining Corp., SUL-1, SUL-2 and UNUK-20 Claims, Sulphurets Creek Area, Skeena Mining Division, British Columbia.

Dated at Surrey, British Columbia, this 31st day of July, 1989.

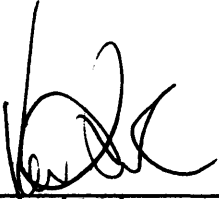
  
 N. C. Croome



**CERTIFICATES**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act and its regulations.

DATED: August 29, 1989



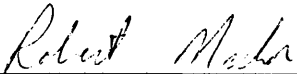
\_\_\_\_\_  
Kenneth William Trociuk,  
President and Chief Executive  
Officer

**ISSUER**

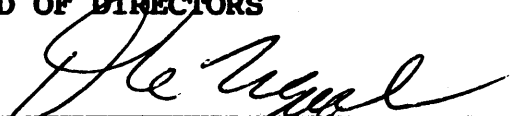


\_\_\_\_\_  
Boyce Butler  
Secretary

**ON BEHALF OF THE BOARD OF DIRECTORS**



\_\_\_\_\_  
Robert Alan Michor  
Director



\_\_\_\_\_  
David Robert Moase  
Director



**PROMOTER**

\_\_\_\_\_  
Kenneth William Trociuk

**AGENT**

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act and its regulations.

DATED: August 29, 1989

Yorkton Securities Inc.

Per: 

Donald Risling

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