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Corey  
103 P/05

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**KENRICH-ESKAY  
MINING CORP.**

**Trading Symbols:**

Toronto: KRE-V

Pink Sheets KREKF

Frankfurt-Berlin: 878 985.

*The geological information contained herein is approved by Paul McGuigan, P. Geo., the Qualified Person for the Company*

*The 2008 Corey exploration program focused on exploring a large volcanic-sedimentary rift basin of the same age and setting as the Eskay Creek mine that is an exceptionally gold- and silver-rich massive sulphide deposit.*

*Multiple discoveries of volcanogenic massive sulphides on Corey property demonstrates that the Eskay Rift sequence is highly prospective south of the Eskay Mine.*

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# EXECUTIVE SUMMARY– 2007 PROGRAM

## Corey Property, BC

### INTRODUCTION

#### Company Making Potential

The Eskay mine of Barrick Gold Corp. (“Barrick”), that is located **10 km north** of the Kenrich-Eskay Mining Corporation (“the Company”) Corey property, is distinguished as the **richest** of an important class of world-wide gold-rich VMS deposits, according to Dr. M. Hannington of the Geological Survey of Canada. The mine is the 2nd richest gold mine in Canada, and the 5th largest silver producer in the world.

Additional major gold-rich VMS discoveries are most likely to be made within the confines of the Eskay rift basin area, and any new discovery has a high potential to share the common characteristics of age, volcanic-sedimentary strata, metal contents, alteration, and stockwork vein structures as those found within the Eskay deposits.

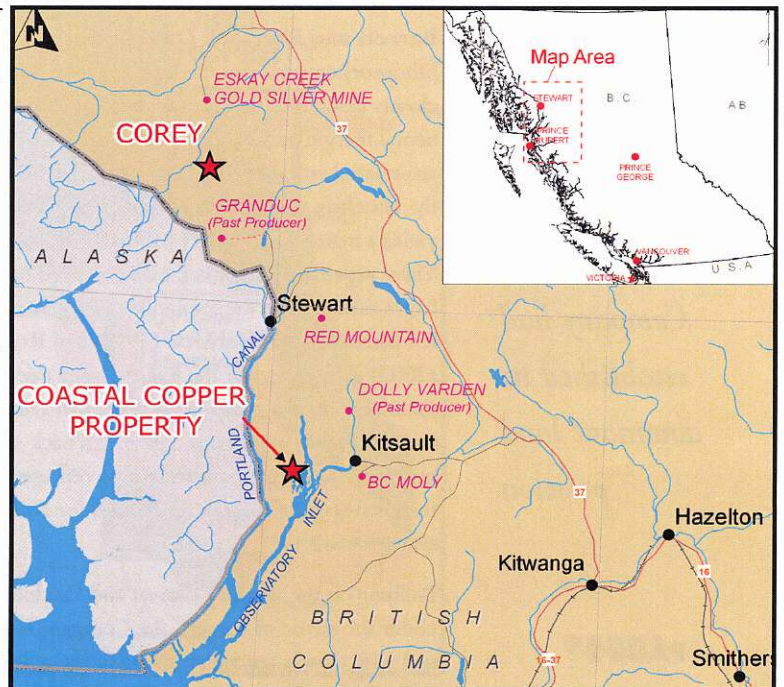
Opportunities to explore a major belt containing volcanogenic massive sulphide (“VMS”) deposits are rare. The Company’s geologists, working with recognized world-experts in volcanogenic massive sulphide deposits, have developed an exploration “signature” for gold-rich VMS deposits in the Eskay rift basin running through the Corey property and have fielded an aggressive, well-disciplined, staged exploration program spanning the 2004-07 field seasons. The targeted Eskay-type “prize” is well-worth a concerted multi-year exploration effort and the Company is well financed and prepared to continue with multiple new tests of this mineralized rift.

#### Location

The mineral properties of Kenrich-Eskay Mining Corporation (“the Company”) are located in north-western British Columbia, 70 km northwest of Stewart, BC (below). The Corey Property is located approximately 10 kilometres south of the Eskay Creek mine property owned by Barrick. In the event of discovery of a mineable deposit on the Corey property, readily constructed access would be via a 15 km extension of the Eskay Creek Mine road.

#### Mineral Tenures

The Corey property is comprised of 466 units of claims that hold 100% of 10,200 hectares (25,190 acres). All are in good standing to beyond 2010. Kenrich holds a 100% interest in the mineral tenures, subject to a 2% Net Smelter Return royalty.



**KRE Mineral Properties, British Columbia**

## GEOLOGICAL SETTING OF ESKAY RIFT

*'The targeted Eskay  
-type "prize"  
is well-worth  
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exploration effort'*

### Geological Studies

Understandably, a decade of intense exploration, diamond drilling and geological investigations ensued after the discovery of the Eskay deposit. Mining companies, provincial and federal geological surveys and academic researchers built a tremendous body of publications, reports and data during that time. The local geological setting of the gold-silver massive sulphide deposits was resolved within several years of discovery. However, geological techniques to trace the important, larger-scale "Eskay Rift" required the accumulation of a critical mass of data and research.

That critical mass of research was reached in 2003 - 2004. The management of the Company subsequently retained and funded a team of geological specialists to assemble the data on the Company's land holdings, and to combine the public domain information from the entire Eskay Camp, in order to trace the important deposit forming, north-south trending "Eskay Rift." Subsequently, the Corey Property was recognized to straddle a complete stratigraphic section of the Hazelton Group, which includes the Betty Creek and Salmon River formations.

### Jurassic Rift-Setting

**Barrett and Sherlock (1996)** argue on the basis of lithogeochemistry that the Eskay rhyolite most closely resembles rhyolites erupted at rifted continental margin and are significantly different from the arc-related volcanic rocks that compose the rest of the Hazelton Group. The hanging wall basalt unit yields a mainly tholeiitic N-MORB composition. These arguments, together with observed or inferred facies variations in the immediate Eskay Creek area, led **Barrett and Sherlock (1996)** and **Roth (2002)** to suggest that the *Eskay Creek deposit formed within a roughly north-south trending zone of localized rifting*, either in a back-arc or an inter-arc paleotectonic setting, that represents the terminal stage of magmatism within the Hazelton Group.

Building on the work by Barrett and Sherlock, and under the advise of Barrett, the Company has continued with closely spaced sampling of the volcanic-sedimentary rift succession and focused all exploration work within the Eskay rift.

Distinctive volcanic and sedimentary rocks define an Eskay-Corey belt that contains **all** the best Eskay-type deposits and significant discoveries in the region. The Corey Property spans the southern portion of this trend and contains mineralization directly analogous to the Eskay deposits. The belt contains the following characteristics:

**Hazelton Group:** The Lower to Middle Jurassic volcanic and sedimentary succession is most effectively subdivided into the Jack, Betty Creek and Salmon River Formations.

**Salmon River Formation:** The deposition of this unit marks a change in volcanism from a largely intermediate suite to a bi-modal extrusive suite, with volcanic signatures ranging from arc to oceanic / back-arc settings. At Eskay Creek, the suite contains sub-aqueous rhyolite and basalt volcanism and intercalated sediments. Salmon River Formation marks a transition from predominantly calc-alkaline arc volcanism of Betty Creek Formation to a transitional to tholeiitic rift and/or back-arc tectonic setting.

**Sub-volcanic felsic intrusions (180-170 Ma):** are contemporaneous with Salmon River Formation and, in part, occupy syn-mineralization faults, such as the Harrymel-South Unuk fault. Those same faults are mineralized and could represent hydrothermal feeders for syngenetic mineralization and later stratabound replacement mineralization.

**Host Rocks:** Tholeiitic and transitional rhyolites, tholeiitic basalt and carbonaceous mudstones. Most of the ore grade deposits formed with the "contact mudstone" that lies on the rhyolite and within small basinal depressions. The hanging wall is comprised of basalt flows, mudstones and basalt sills.

**Eskay stratabound deposits** are localized over footwall alteration zones and syn-mineralization faults of northwesterly and northerly trends. Foot-wall stockworks (feeder zones) are of mineable grade in several locations proximal to the stratabound deposits.

**Eskay-Corey belt:** The Technical Report by **McGuigan et al (2004)** for Kenrich concluded that Eskay-type tholeiitic basalts, and a mixed population of rhyolites (ranging from closely analogous to Eskay Rhyolite to some that are calc-alkaline) occur in a linear, north-south trending belt on the Eskay, SIB

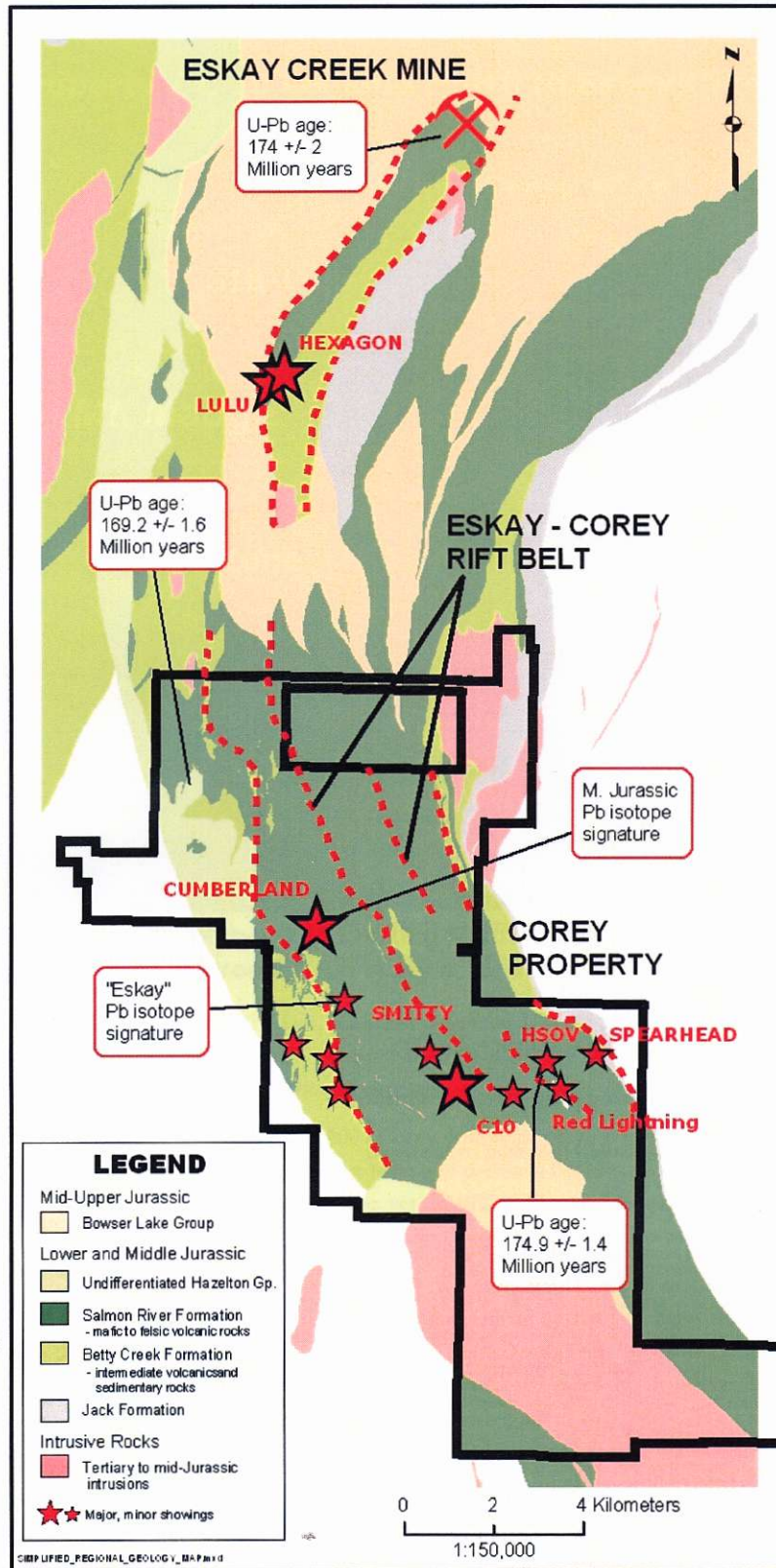
*The huge Eskay  
staking rush came  
AFTER the  
Company had  
established its  
dominant land  
position*

and Corey properties. Together they form a distinct Eskay rift sequence and with the accompanying faulting and gold, silver and base metal mineralization form the "Eskay-Corey belt". All significant gold and silver occurrences in the Eskay Camp are located in this belt.

Calc-alkaline intermediate rocks flank this belt and despite containing time-equivalent members to the Eskay-Corey belt, contain only minor base and precious metal occurrences. This further confirms that the trend of the Eskay rift is the most prospective.

Structural repetition by folding and thrust faulting likely explains that the Eskay Rift sequence outcrops in two north-trending belts on the Corey property. Together, they represent the greatest thickness and areal extent of in the entire region. The western belt or "Unuk Belt", aligns with Eskay Creek and, relative to the eastern belt, contains more Salmon River sedimentary rocks. The eastern belt, or "Mandy Belt" contains higher volumes of felsic and mafic volcanic rocks, and contains significant anomalies in precious metals, both in surficial materials and bedrock. C10, sits in a region transverse to the trend, and has affinities to both belts.

*Research by the Company in 2003-06 further defined the paleotectonic setting of the Eskay Camp, and the important Eskay rift.*



Geology of the Eskay Rift Belt (Limits of Eskay Rift are shown)

*Corey contains the most extensive and best preserved Eskay Rift sequence in the region*

## ESKAY CREEK: GOLD-SILVER VMS DEPOSITS

The nearby Eskay Creek deposit was discovered in 1989 by junior mining companies listed on the Vancouver Stock Exchange (now the TSX-Venture Exchange). The ownership of the Eskay Property passed through several owners via a succession of corporate mergers and stock purchases to the current owner, Barrick. From the first discovery intersection (DDH 109), the deposit was recognized as a massive sulphide body of exceptionally high gold and silver grades.

**Eskay VMS Deposits:** The Eskay Creek Mine (owned by Barrick Gold) contains several deposits of exceptionally gold-silver-rich polymetallic sulfide and sulfosalt mineralization as volcanogenic and replacement massive sulfide ("VMS"); as debris flow breccias; and as discordant veins and stockworks.

**Resources:** The total mineral resource at Eskay is 2.49 million tonnes of 44.38 g/t gold and 2087.68 g/t silver. The deposit also contains approximately 3.2 percent Pb, 5.2 percent Zn, and 0.7 percent Cu.

**Ranking:** It is the fifth largest silver producer in the world and the second-richest producing gold mine in Canada.

**Low-Cost Production:** The cash cost of gold production has been below \$60 US dollars an ounce for the life of the Eskay Creek mine. It is currently producing gold at a cost of \$49 per ounce (Barrick 2006 Annual Report).

**Eskay Rift:** The Eskay deposits formed in a cluster within a narrow, north-south trending rift which is a trough-like seafloor depression.

**Rift-filling bimodal basalt-rhyolite volcanic assemblage is host** (the Eskay Creek member of the Salmon River Formation; Lewis and Tosdal, 2000). The host rocks are both slightly younger (168-178 Ma vs. >181 Ma) and compositionally distinct (tholeiitic vs. mainly calc-alkaline) from volcanic rocks that comprise the rest of Salmon River formation, and indeed, the rest of the Hazelton Group.

*The Eskay Rift belt contains ALL the significant Eskay-type discoveries in the region*

## COREY EXPLORATION PROGRAMS TO 2007

### Systematic Exploration

The Company has applied a systematic and multidisciplinary approach to its exploration at the Corey Property. This program has involved aggressive drilling of targets developed by:

- detailed geological mapping 20sq km,
- geochemical sampling (stream sediments),
- litho-geochemical sampling (rocks), and
- airborne geophysics (AeroTEM II).

Geological research work by the Company in 2003, contributions by Dr. Tim Barrett, Dr. Peter Lewis and field work in 2003-06 further defined the paleotectonic setting of the Eskay Camp. The paleotectonic setting of the Eskay rift is interpreted on a camp scale, using data in the public domain, historical data in the private files of the Company, and now an extensive litho-geochemical database supported by detailed 1:2000 scale geological mapping of the entire property. This systematic work has culminated in the current major phase of exploration at Corey: the drill-testing of the identified target areas.

### 2006 AeroTEM II Survey

An AeroTEM II airborne survey was conducted in Spring 2006 over most of the Corey Property, at 100m line spacing. While detecting numerous conductive targets for drilling that may represent sulphide mineralization, the survey has been also been helpful in modeling the structure deformation and faulting of the geology at Corey, thus enabling Company geologists to interpret the Eskay rift belt with more confidence and precision. Survey results were followed up in both the 2006 and 2007 seasons, and new discoveries, such as the Red Lightning are attributed to follow-up on the AeroTEM survey.

### Stream Geochemistry Detects Strong Anomalies

In 2004 and 2005 a total of over 700 high energy stream sediment samples were collected. The most anomalous areas on the property were the Mandy Creek area (draining C 10, Red Lightning and HSOV) and the South Unuk area, and in particular the areas of the South Unuk near the contact of the Salmon River basalts and the thick, Eskay-equivalent

## COREY EXPLORATION PROGRAMS, cont.



**Corey Property / C 10 Looking North to Eskay Creek Mine**  
**Eastern flank of Mt. Madge is strongly iron stained, reflecting the prospective C 10 Feeder Zone**

mudstones.

More subtle anomalies were also detected in the Battlement area in close proximity to Eskay-equivalent mudstones and rhyolites. In all cases, polymetallic anomalies were detected and included combinations of gold, silver, copper, lead and/or zinc and often anomalous values of other Eskay-type pathfinder elements such as arsenic and antimony. It is interesting to note that the known showings at Cumberland and Smitty responded well to this sampling technique, thus validating the process.

### 2007 Exploration

Exploration in 2007 was severely hampered by well above average snowfalls from the previous winter combined with cooler summer temperatures. Due to the resulting late melting of the snowpack, less than half of the planned drill program was completed. In

fact, some key targets such as the Spearhead regrettably received no drilling in 2007, but remain high priority targets.

The 2007 Corey drilling program was designed to continue testing of previous Eskay-type massive sulphide discoveries and, importantly, to maintain the follow-up of time domain EM anomalies obtained during the 2006 AeroTEM II airborne geophysical survey. A total of 5754 metres of drilling was completed from 21 drillholes in 2007. Two drillholes (647 metres) were completed at the Battlement area, 8 holes (1675 metres) were drilled at the Cumberland Zone, 4 holes (1717 metres) were drilled at the Smitty Showing, 2 holes (1205 metres) were drilled in the South Unuk area and 4 holes (376 metres) were drilled at the Red Lightning Zone. Also, hole 64 from the 2006 program was extended an additional 135 metres to test the C10 Zone.

*Mandy Creek is a very strong steam geochemical anomaly in Gold, confirming the importance of C-10 and Red Lightning*

## DIAMOND DRILLING PROGRAMS 2005-2007

*The Corey contains the most extensive and best preserved Eskay Rift lithologies in the region*

*Battlement Area is directly along the rift trend, and proximal to the Eskay Creek Mine.*

Three summer seasons of drilling have been completed on the Corey property during the period 2005 to 2007. To date, a total of 129 diamond drill holes have been completed at Corey for a total of about 25,000 metres. Drill hole locations are shown on the facing page.

The following summarizes the highlights of the major components of the 2005-07 drilling program:

### **Eskay Rift: Unuk Belt Battlement Area**

Geological mapping and sampling in 2005-07 the rugged and overburden-covered Battlement zone has established the presence of mudstone and sub-aqueous rhyolite and basalt that are part of the Eskay rift sequence. Litho-geochemical results confirm that this newly discovered zone is of the same tholeiitic magmatic affinity as the main volcanic-sedimentary sequence that hosts the mineralization at the Eskay Creek mine. Co-incident high geochemical sediment survey results in this area confirm the potential of this zone to host Eskay-style mineralization.

The 2006-07 drill program investigated this potential. A total of ten drill holes were drilled from five different set-ups in 2006 and an additional 2 drill holes were completed in 2007. Multiple intercepts containing elevated zinc, silver, gold and other Eskay pathfinder elements were encountered in association with veined and silicified Eskay mudstone.

### **Cumberland Zone**

Surface geological work demonstrated the sulphides at the Cumberland Zone were syngenetic with 'classic' VMS textures and relationships with the enclosing basaltic volcanic rocks.

Collaboration with the Mineral Deposit Research Unit (MDRU) at the University of British Columbia demonstrated that the Cumberland volcanic massive sulphides have a Middle Jurassic lead isotope signature similar to the Eskay Creek deposit itself, as previously reported by the Company.

Results of the 2005 Cumberland Zone drill holes clearly illustrated the high grade, poly-

metallic (Au-Ag-Cu-Pb-Zn) nature these Eskay-style base and precious metal-rich massive sulphides. Tonnage potential was limited and a total of 8 drill holes were completed in 2007, seeking an expansion to the northwest and southeast of the zone. The 2007 drilling did not intersect any new mineralization.

However, a package of favourable rhyolite and mudstone strata lies immediately southeast of the 2007 drilling. These rocks would provide a more favourable depositional environment for massive sulphide accumulation and may provide a viable target for future drilling.

### **Smitty Showing**

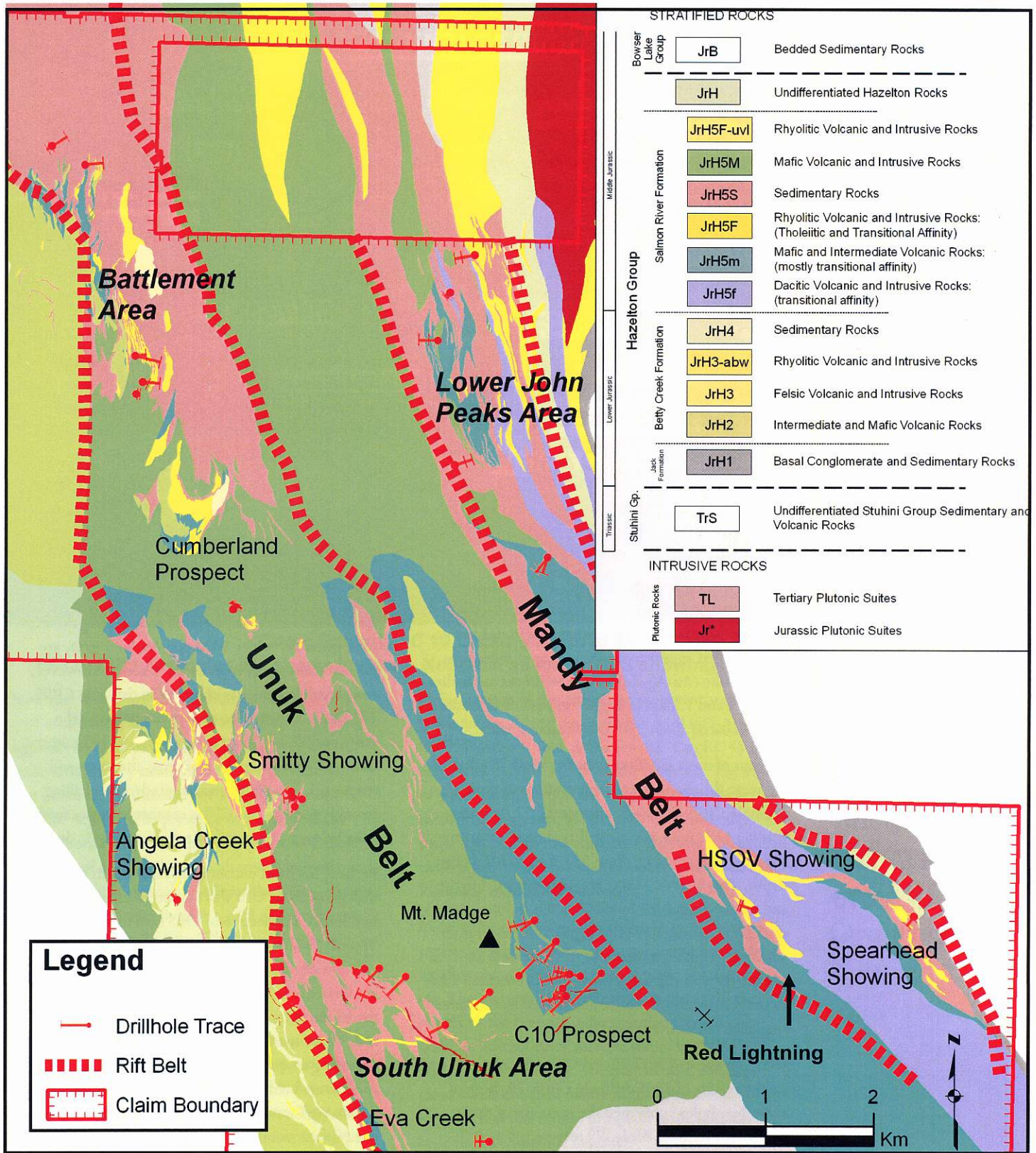
A total of 11 drillholes were drilled at the Smitty Zone during the 2005 program and an additional 4 holes in 2007. This drilling was designed to follow-up the discovery of an Eskay-age silver-rich polymetallic massive sulphide occurrence discovered in outcrop during the 2004 program.

The intervals of Eskay-equivalent mudstones that host the surface showing at Smitty are clearly intruded and disrupted by mafic sills of a closely similar age to the mudstones. This contemporaneous sill formation is a defining feature of the Eskay-rift, but at the Smitty, has increased the difficulty of following the mineralized interval over substantial distances away from the showing.

Notwithstanding, drilling intersected sulphidic intervals containing sub-economic enrichments of zinc over intervals of up to 9 metres in core. For example, drillhole CR05-04 returned an average of 2682 ppm Zn over 4.1 metres from 140.6 to 144.7 me-



**Massive Sulphide in Cumberland Zone**



## DIAMOND DRILLING PROGRAMS 2005-07, cont.

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tres depth. Similarly, drillhole CR05-24 returned 1843 ppm Zn over 9.0 metres from 292.7 to 301.7 metres depth. It is also important to note that these same intervals also contain anomalous concentrations of As, Sb and Hg which are regarded as 'pathfinder' elements for Eskay-type massive sulphide targets.

Similar such intervals are found elsewhere in the Smitty drilling and some of these appear to be continuous between drill holes. Company geologists interpret these results as distal to a seafloor hydrothermal system within the Eskay rift sequence. Future drilling in this area will target more proximal and vent areas where sulphide accumulations of appreciable grades are more likely.

Drilling in 2007 did not locate the more proximal source of the Smitty massive sulphides.

### South Unuk Area

A total of five drillholes were completed in the South Unuk area in 2005 (CR05-19 to CR05-23). In 2007, an additional 2 diamond drill holes tested the area of CR05-20. These holes were drilled to test the prospective Salmon River Formation mudstones and rhyolites that appear to be the source of numerous polymetallic (Au-Ag-Zn) stream sediment anomalies along a trend 1.5 km in length. Individual drillholes being collared about 250 to 600 metres apart.

Perhaps of most significance in the South Unuk drilling were the anomalous concentrations of metals in drillhole CR05-20 which intersected 22.0 metres grading 1158 ppm zinc as well as anomalous arsenic, antimony and mercury from 235.0 to 257.0 metres depth. This interval also contained laminated pyrite and was accompanied by silicification and brecciation of the host mudstones. This highly anomalous interval is very similar in nature to the intersections from the Smitty area discussed above that are located 2 km to the northwest of hole 20 and hosted by the same sequence of Eskay-rift mudstones.

Here, drillholes CR07-79 and CR07-81 followed up on the results of 2005 drillhole CR05-20. Both of these new holes confirmed the presence of this anomalous horizon. Hole -79 intersected a 20.0 metre wide interval from 408.0 to 428.0 metres depth that graded 1671 ppm Zn and 2.1 g/t Ag. Hole -81 intersected a 54 metre wide interval from 350.1 to 404.1 metres depth that graded 1502 ppm

Zn and 2.5 ppm Ag that included a 2.0 metre interval that graded 4344 ppm Zn (equivalent to 0.4% Zn) and 6.1 ppm Ag.

### C10 Zone

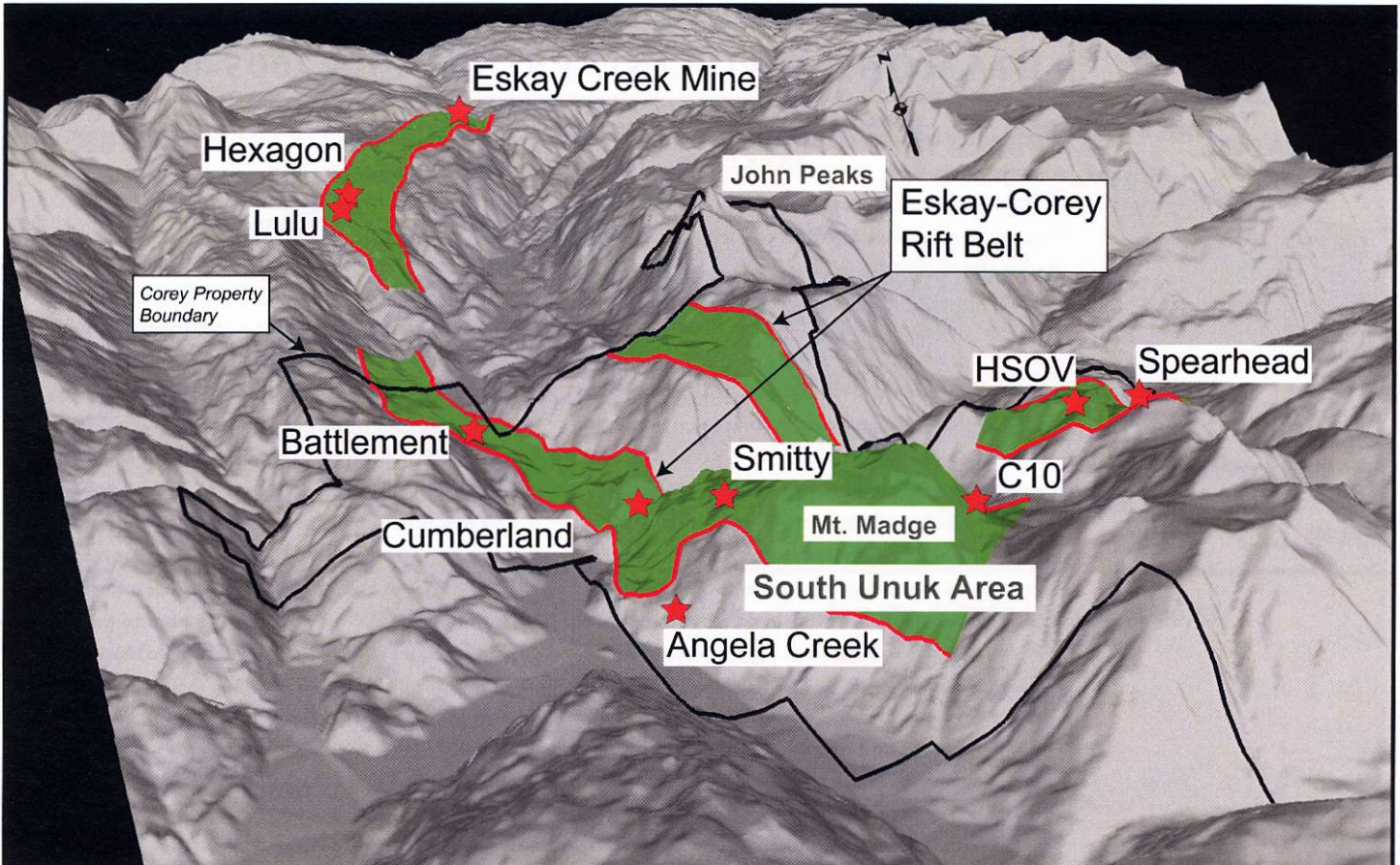
The 2005-07 drilling program at C10 clearly demonstrated the presence of a gold and base metal-enriched hydrothermal system consistent with a feeder zone below a volcanogenic massive sulphide deposit, as explained below.

**A total of 26 diamond drill holes were completed in 2005-07 on the C10.** The zone is hosted by mafic rocks of the Lower to Middle Jurassic Salmon River Formation and occupies the same stratigraphic position as the Eskay Creek Deposit 20km to the north of C10. The 2005-07 drilling and surface mapping and sampling demonstrated that entire altered and mineralized zone has a true width of at least 200 to 250 metres and dips steeply towards the northeast with a strike length of about 1 km. Enrichments of gold, copper and zinc are present throughout, and locally concentrated in distinct, metal-zoned intervals. Isolated anomalous gold samples, generally under 1000 ppb Au (or 1 g/t), are present throughout most of these zones. However, coarse visible gold was observed in drillhole CR05-17. **The 1.5 metre core sample returned a value of 99.4 g/t Au (from 145.5 to 147 metres).** Base and precious metal contents, alteration and stockwork vein styles encountered in the drilling strongly confirm the C10 is consistent with a feeder zone below a volcanogenic massive sulphide deposit.

Perhaps the most encouraging result from the 2006 drill program at C10 was the intersection of mineralized horizon indicative of VMS system. Holes 33, -34 and -35 all intersected 5 to 15 metre wide intervals of a silicified mafic fragmental unit whose matrix comprised massive pyrite. Furthermore, nearby mudstone units contained clasts (fragments) of pyrite. These textures suggest sulphide deposition was occurring at approximately the same time as the host rocks were being deposited, as one would expect with a VMS environment. While these intercepts did not contain metal grades of economic significance, the style of occurrence of the mineralization adds further weight to the interpretation that C10 and its surrounding areas are very prospective for a bona fide VMS deposit.

*Extensive  
VMS-Style  
Feeder Zone  
Present at C10*





**Corey Property / C 10 Looking North to Eskay Creek Mine**

**Eskay Rift Lithologies are shown in green. Note that all major VMS showings are confined to the Eskey Rift**

Now that the nature and orientation of the zone is well-established, the company can move forward to aggressively drill-test those higher levels in the volcanic-sedimentary stratigraphy which provide the best potential for discovery of a high-grade massive sulphide deposit. The presence of visible gold, in conjunction with the exceptional stream sediment geochemical anomalies within altered Salmon River Formation rocks strongly confirms the C10 – Mandy Creek area as prospective for a gold-silver rich massive sulphide deposit of the Eskey Creek type.

### **Eskay Rift: Mandy Belt Red Lightning**

Prospecting in the eastern part of the property to follow up on an AeroTEM II geophysical anomaly resulted in the discovery of a new gold-rich occurrence now called the Red Lightning zone. Five surface grab samples returned assay values from 3.9 to 6.9 g/t gold and from 0.11% to 0.50% copper (see August 28, 2006 news release).

Diamond drilling was planned for the 2007 program to follow up on these promising results. Due to the

high elevation of this target and persistent snowpack, it was impossible to reach the site until mid-August 2007. However, four drillholes (RL-1 to RL-4) were completed before the end of the program. The onset of winter conditions in late September precluded further drilling, and, in fact, hole RL-4 was stopped prior to it reaching its targeted depth. Despite these challenges, holes RL-1 to RL-3 intersected the Red Lightning zone below surface.

Mineralization consists of stringer to semi-massive pyrite-pyrrhotite-chalcopyrite-sphalerite hosted by a variably chlorite-epidote altered mafic volcanic breccia. The textures of the sulphides in places fill the matrix to the breccias indicating that this is a syngenetic, or volcanogenic massive sulphide (“VMS”) style of mineralization. The polymetallic and precious metal-enriched nature of the mineralization suggests that this zone is prospective for an Eskey-style massive sulphide deposit.

Drilling has defined a steep northeasterly-dipping zone having individual drill intercepts of about 10 metres containing stringer to semi-massive sulphides with narrower intercepts of higher grade material.

*Discovery and  
Drilling of the Red  
Lightning has  
Confirmed the  
AeroTEM II  
Capability in these  
Rocks*

*Red Lightning, HSOV, Spearhead and C-10 have a common host rock assemblage and mineralization setting*

## DIAMOND DRILLING PROGRAMS 2005-07, cont.

The zone has been traced to 75 metres below surface and 60 metres along strike between the two drill-sites. Mineralization is open in all directions. The host rocks to the Red Lightning are very similar to those at the C10 Zone which lies immediately due west across the Mandy Creek valley. This area provides a good target for future drilling.

### HSOV Zone

A total of three drillholes were completed in the HSOV Zone in 2005 (CR05-26 to CR05-28) to test the surface occurrence comprising massive pyrite hosted by black mudstones and rhyolites. Holes 27 and 28 both successfully intersected several metres of stringer to massive pyrite within mudstones and brecciated rhyolites down-dip and along strike of the surface occurrence; hole 26 did not intersect the mineralized zone due to a wide fault which offset the zone.

While these intersections did not yield significant metal values, they demonstrated that the HSOV mineralization has VMS characteristics. Given that the host package of mudstones and rhyolites can be traced on surface along a strike length of about 1 km,

Company geologists are keen to test this zone with additional drilling in 2008.

### Spearhead Zone

Prospecting in the late 2006 season in an area of prominent gossans in the eastern part of the property resulted in the discovery of a new massive sulphide surface showing – the Spearhead Zone. This new occurrence consists of massive, semi massive and stringer pyrite occurring near the contact of rhyolite and black mudstone. A trend of altered volcanic rocks and sulphide mineralization extends for several 100s of metres top the southeast from the main showing. The Spearhead showing shows remarkable similarities in host geology and style of mineralization to the HSOV zone located 1.5 km to the west, but provides a larger, more laterally extensive target area than the HSOV. Two short drillholes were completed in 2006 that traced the sulphide mineralization into the subsurface. While no significant metal values have yet been returned from this zone, the extensive nature of the hydrothermal alteration and mineralization at Spearhead make it an attractive new exploration target.

## CONCLUSIONS & RECOMMENDATIONS FOR 2008

### Eskay Rift is Now Defined

Detailed geological mapping complemented by a comprehensive lithochemical survey and an airborne geophysical survey has resulted in a very well defined geological template for the Corey Property. This work has clearly demonstrated that the Eskay rift rocks (the Salmon River Formation) not only trend onto the Corey property, they are thick and areally extensive. The rift rocks at Corey define a roughly north-south trending belt. The outcrop pattern of the Eskay Rift lithologies is roughly confined to two north-south trend belts, the Unuk and Mandy belts.

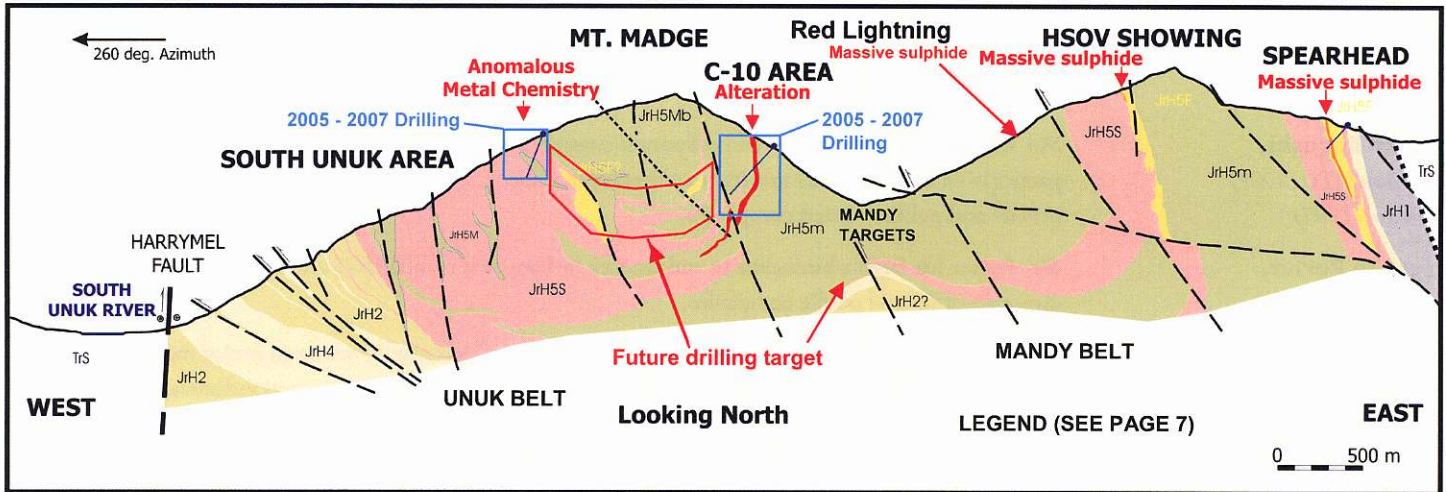
### Eskay Rift: Unuk Belt

The Unuk belt at Battlement contains all the Eskay volcanic and sedimentary rocks, akin to the ridge south of the Eskay Creek mine, however, those rocks pass into a sediment and mafic volcanic dominated assemblage, southward along the trend to the

South Unuk area. Notwithstanding, the sedimentary rocks there contain a discrete horizon of strongly anomalous Salmon River mudstones, and at intervals, base and somewhat precious metal-rich massive sulphides such as at Cumberland, Smitty and Angela creek. To date, drilling has not been able to build any significant tonnages of the targeted massive sulphides. Drilling of the South Unuk area mudstones has revealed distal evidence of seafloor sulphide mineralization characterized by discrete layers enriched in base metals and "pathfinder" elements. The presence of Au, Ag, As, Sb, Hg, Zn and Cu in the mudstones points to a source somewhere in the belt, at depth, under Mount Madge, or Eva Creek.

Lithochemical results from 2007 are not received yet, but after the receipt and interpretation, the lithologies for the Unuk belt should be compiled against the airborne magnetic and time domain results, to complete the detailed mapping of this belt.

Cumberland and Smitty have proven to be promising



**Cross-Section of Mt. Madge & Mandy Creek, showing the drilling targets at depth**

in the tenor or of the mineralization but mafic flows and sills in that part of the Unuk belt have disrupted the massive sulphide accumulation and preservation. Near Cumberland, a newly mapped felsic sequence should be drill tested as the horizon and lithologies are favourable.

Drilling in 2005-07 has clearly demonstrated that the C10 zone comprises a gold and base metal-enriched hydrothermal feeder zone to a possible massive sulphide deposit. Simply put, the C10 area comprises the potential pathway for ore-forming fluids while the South Unuk mudstones constitute a potential "Eskay-like" host to mineralization.

A new development in this interpretation is that the C-10 is now seen as sharing the same geological assemblage, mineralization and alteration as the new discovery at Red Lightning. Tying C-10, Red Lightning, HSOV and Spearhead together, across the late faults, suggests that the Unuk and Mandy belts merge at Mandy Creek. (See the next section). This region has some of the highest gold in stream geochemistry anomalies in the region, suggesting a covered source, under the till and ice of the toe of Mandy Glacier.

### Eskay Rift: Mandy Belt

The Mandy belt is centered on Mandy Creek, comprising the assemblage of volcanic and sedimentary rocks of the same chronological age and volcanic composition and affinity as Eskay Creek. Resolution of the stratigraphic succession and structure on the

high mountain ridges near HSOV, Spearhead and now, Red Lightning, indicated a steeply dipping to overturned succession, that becomes younger to the west. C-10 geology becomes younger to the east. C-10 alteration and mineralization is now interpreted to plunge southward, and likely is folded. The glacial outwash, till and ice of Mandy Glacier cover a zone that is likely to share geological characteristics with both C-10 and Red Lightning.

The presence of nearby massive sulphides, feeder zone alteration and sulphides and gold-silver and base metal anomalies, point to massive sulphide targets under the floor of Mandy creek.

### 2008 EXPLORATION PROGRAM

A continuation of the successful systematic, aggressive approach to exploration at Corey is recommended in 2008. Drilling will involve 2 to 3 drills phased in over the course of the late spring and early summer as snow cover permits. Primary focus should be on the Mandy creek area targets in an effort to track the anomalous South Unuk mudstones, the feeder zone / massive sulphides identified at C10 and Red Lightning. The secondary targets include the Battlement and Spearhead, within the same prospective stratigraphy. Mapping of the high grade GFJ and TM showings south of HSOV and Spearhead is also required.

A total budget of \$5,000,000 is recommended.

*Recommended  
2008 Exploration  
Budget is  
\$5 Million*

# KENRICH-ESKAY MINING CORP.

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Telephone (604) 582-0559 Facsimile (604) 580-6805  
corporate@kenrich-eskay.com www.kenrich-eskay.com  
Attn. Mr. Wally Boguski

## Directors

### **Wally Boguski,**

*President / CEO (2002)  
Director (1997)*

Mr. Boguski is a businessman and corporate consultant with a finance and mining background. He has participated in mining and mineral exploration in Canada, USA and Mexico for over 26 years, in both private and publicly-listed companies.

### **Vernon Porter,**

*CFO (2003)*

Mr. Porter has been a businessman and teacher in Vancouver since 1975 and has served on the board of directors of several public companies.

### **Thal Poonian,**

*Director (2002)*

Mr. Poonian is a businessman and corporate consultant. Currently he serves in senior management position and directorships of several public companies, in mining, oil & gas and industrial sectors.

### **Robert Michor,**

*Director (1991)*

Mr. Michor has been a director of the Company since April 1991 and is a businessman and licensed real-estate broker. He is also a member of the Audit Committee and has been active in the management of public resource companies. He has participated in the Company since its inception in 1990.

## Advisory Committee

### **Paul McGuigan, P. Geo.**

*Cambria Geosciences Inc.*

Mr. McGuigan is a Professional Geoscientist with 33 years of international experience in management of mineral exploration and mining operations, including work in the Eskay Creek region since 1979.

### **David Shaw, PhD**

*Consultant*

Dr. Shaw is a geologist and financial consultant with over 33 years of international professional experience. His main area of expertise is in the investigation of structural controls of mineralization.

### **Michael Hitch, PhD. P. Geo.**

*University of BC, Mining Dept.*

Dr. Hitch has enjoyed a 21-year career in the mining industry with major mining companies. Mr. Hitch also has extensive experience as a mining analyst and corporate finance professional.

## Company History and Share Structure

Kenrich-Eskay Mining Corp. has an 20-year history in the Eskay Creek and Sulphurets Gold Camps, in northwestern BC. The Company and its predecessors have been active in the Eskay Creek and Stewart Mining Camps since 1988, securing the important parts of its strategic Corey property prior to the discovery of the Eskay Creek deposit in 1989.

By 1996, Kenrich had obtained full control and 100% ownership of the Corey land position, subject only to a 2% NSR.

In 2006, the Company expanded its exploration effort southward along the Early to Middle Jurassic age Eskay Rift, acquiring a 50% option on mineral tenures in the his-

toric Anyox mining camp. The project is named the Coastal Copper project.

Recommendations for the 2008 programs are pending the receipt of the full geological reports from the 2007 programs, expected in early February 2008.

The Company has allocated an initial \$5,000,000 to fund the 2008 program, from funds on hand. Plans will be finalized upon receipt of the final recommendations of the Company's advisors and consultants.

Corporate information may be viewed at [www.sedar.com](http://www.sedar.com). Exploration information is also available at [www.kenrich-eskay.com](http://www.kenrich-eskay.com).

### **Share capital issued (November 26, 2007)**

72,099,068

### **Warrants**

4,365,150 @2.00 (expires June 6/08)

8,659,863 @0.75 (expires June 6/07)

### **Options outstanding**

915,967 @1.75 (expires Feb. 10/08)

2,120,650 @1.00 (expires June 22/08)

200,000 @\$1.48 (expires July 10/08)

1,162,425 @\$0.80 (expires Nov 24/08)

1,406,045 @0.70 (expires June 22/09)

### **Working Capital**

Approximately \$7,000,000(Dec. 07)

prepared by DYNAMIC STOCK MARKET ANALYSIS

EXCLUSIVE ON-LINE INTERVIEWS AND REPORTS AT WWW.SMARTSTOX.COM

Watch the Smartstox interview with CEO Wally Boguski and Chief Geologist Paul McGuigan  
[www.smartstox.com/interviews/kre](http://www.smartstox.com/interviews/kre)



Wally Boguski

Paul McGuigan

# Kenrich-Eskay Mining Corp.

KRE: TSX.V | *On the trail of another 'Eskay Creek'*

## UPDATE 1

**F**ew names in Canadian mining history carry the magic of 'Eskay Creek'. The area in northwestern British Columbia went from virtual anonymity in the early 1980s to be the hottest exploration camp in the country by 1990. For the last decade it's been host to Barrick's Eskay Creek Mine, one of the world's highest-grade deposits.

Now, Canadian exploration junior **Kenrich-Eskay Mining Corporation** is working with new geological models and modern technology in the same

geological belt. Their exploration suggests they're on track towards their goal of finding another Eskay. Exploration on their Coastal Copper project, also in northern BC, is also proceeding apace, more on that in a moment.

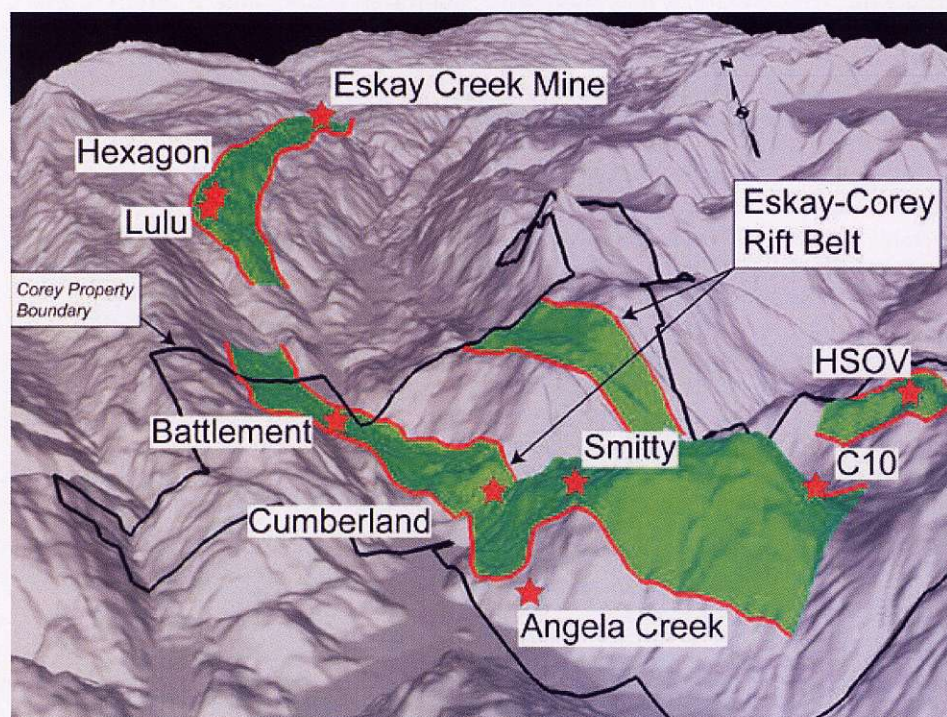
### ESKAY CREEK HISTORY

Hardy pioneer prospectors discovered metal values in the Eskay Creek area as far back as 1881, but it was soon forgotten when the Klondike Gold Rush of the late 1800s grabbed everybody's attention. A century later

a few discoveries in the area prompted several juniors to accumulate land positions. The largest claim holdings belonged to Prime Resource Group, run by fabled mining financier Murray Pezim. In 1989, on Prime's 109th hole on the property, they hit the home run—682 feet of drill core grading 0.88 ounces of gold per ton!

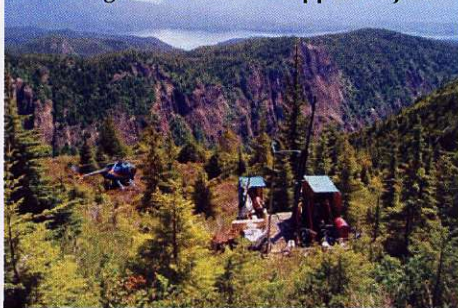
In retrospect, much of the challenge for the region's prospectors was from the geological model being chased. Exploration had always been primarily directed at quartz vein mineralization, but the true riches lay in a very non-descript rock unit termed mudstones. The Eskay Creek deposits are volcanic massive sulphide (VMS) deposits, formed when ancient underwater hot springs precipitated metals along the sea floor, which were then covered by later sediments.

Homestake (now Barrick) purchased the Eskay Creek properties and put the Eskay Creek Mine into operation. As of 2003, the Eskay Creek Mine had produced over 2.5 million ounces of



*"Kenrich found an extensive gold and base metal-enriched hydrothermal feeder system at the C10 Zone that intersects highly prospective mudstone of the same age as those at Eskay Creek."*

### Drilling at the Coastal Copper Project



*“The contact horizon is the host to numerous copper-zinc-gold-silver bearing massive sulphide deposits, including the old mines.”*

gold and 120 million ounces of silver from only 1.66 million tons of ore—a recovery of more than 1.5 ounces of gold and 72 ounces of silver per ton!

#### KENRICH'S COREY PROJECT

The company's most advanced project, the Corey property covers 10,200 hectares and is located 12 km due south of the Eskay Creek Mine.

Kenrich had core parts of the Corey property in hand even before the 1989 Eskay Creek discovery, but some legal wrangling and a declining metals market in the 1990s slowed up the development.

Kenrich remobilized efforts in 2003 to analyze and reinterpret their existing data on the Corey holdings and undertake new fieldwork. It was evident that the geology, mineralization and alteration at the Corey property closely resembled Eskay Creek and that the Corey Property was indeed highly prospective for the discovery of a second Eskay Creek style deposit.

Kenrich has delineated a corridor of exploration targets that extends south from the Battlement zone, though the Smitty and Cumberland massive sulphide zones, and to the prominent, highly altered feeder zone at C10 zone. KRE interprets this mineralized corridor to represent a strong structural break within the original Eskay Rift basin, formed during the time of the volcanism and rifting that generated

the exceptionally rich VMS deposit at Eskay Creek.

An aggressive program of up to 15,000 m of drilling at Corey is in store for 2007. Kenrich had a late start this year, as crews couldn't begin work till near the end of June because of the high snowpack in the north.

One priority target is the Mount Madge area. Kenrich found an extensive gold and base metal-enriched hydrothermal feeder system at the C10 Zone that intersects highly prospective mudstone of the same age as those at Eskay Creek. One 2005 drill intersection assayed 99.4 g/T (almost three ounces of gold per ton) over 1.5 m. Drilling last year helped determine the geometry of the sought-after stratigraphic horizons, and it appears that folding has caused them to plunge to the east under Mount Madge in such a manner that they should be in close proximity to the C10 alteration zone at depth.

Additional targets for drilling in 2007 include the Eskay-age Smitty and Cumberland massive sulphide prospects as well as the Battlement area in the northwest of the property. Surface surveys will better define the newly discovered Spearhead massive sulphide showing in the eastern Corey property.

#### THE COASTAL COPPER PROJECT

The Coastal Copper property is on tidewater 60 km south of Stewart BC in the historic Anyox mining camp. Kenrich has now earned their 70% interest in the 6,250 hectare land package that encircles two of the region's former producing Hidden Creek and Bonanza Creek copper mines. Kenrich can earn up to 100% of the project with additional payments, exploration, and conversion of partner's interest into net smelter royalties.

Airborne geophysics and over 14,000 m of drilling were conducted at Coastal Copper last year. The airborne program identified numerous conductive EM anomalies with co-incident magnetic-high responses lying along the 20 km of contact horizon between basaltic volcanic rocks and overlying sedimentary hosted on the property. The contact horizon is the host to numerous copper-zinc-gold-silver bearing massive sulphide deposits, including the old mines.

The known Double Ed deposit is one of those, too. Discovered by prospecting in 1952, previous work there outlined an historic resource that KRE has now upgraded through its 2006 drilling to an NI43-101 compliant Indicated Resource standing at 1,850,000 tonnes of 1.6% copper 1.0% zinc and 15.1g/T silver.

KRE's work at the Double Ed shows that the mineralization remains open in all directions; along strike to the north and south as well as down dip. 2007's drilling will attempt to expand the mineral resource at the Double Ed Cu-Zn deposit and will test some additional geophysical targets delineated by the 2006 airborne EM survey. Surface geological mapping and prospecting will follow up on the other promising geophysical and geochemical anomalies.

**Shares Outstanding: ~ 61.5 MM**

**Fully Diluted: ~65 MM**

**6-Month High: \$0.91 | Low: \$0.57**

#### DYNAMIC CONCLUSION

Kenrich-Eskay has large drilling programs underway on two outstanding properties in established mining camps. The Corey property exhibits the best elements of the Eskay Creek deposits and though the camp is remote, because of nearby Eskay Creek Mine, roads are not far off and an extension into the Corey property will be readily built if a mineable deposit is identified.

At Coastal Copper, the potential to expand the Double Ed deposit and the number of targets on the property make this a compelling project as well. Deep tidewater access and a power project being developed adjacent to their claims are great attributes, too.

*Watch for news releases coming from KRE projects through the summer and fall.*

#### FOR MORE INFORMATION



**Kenrich-Eskay Mining Corp.**

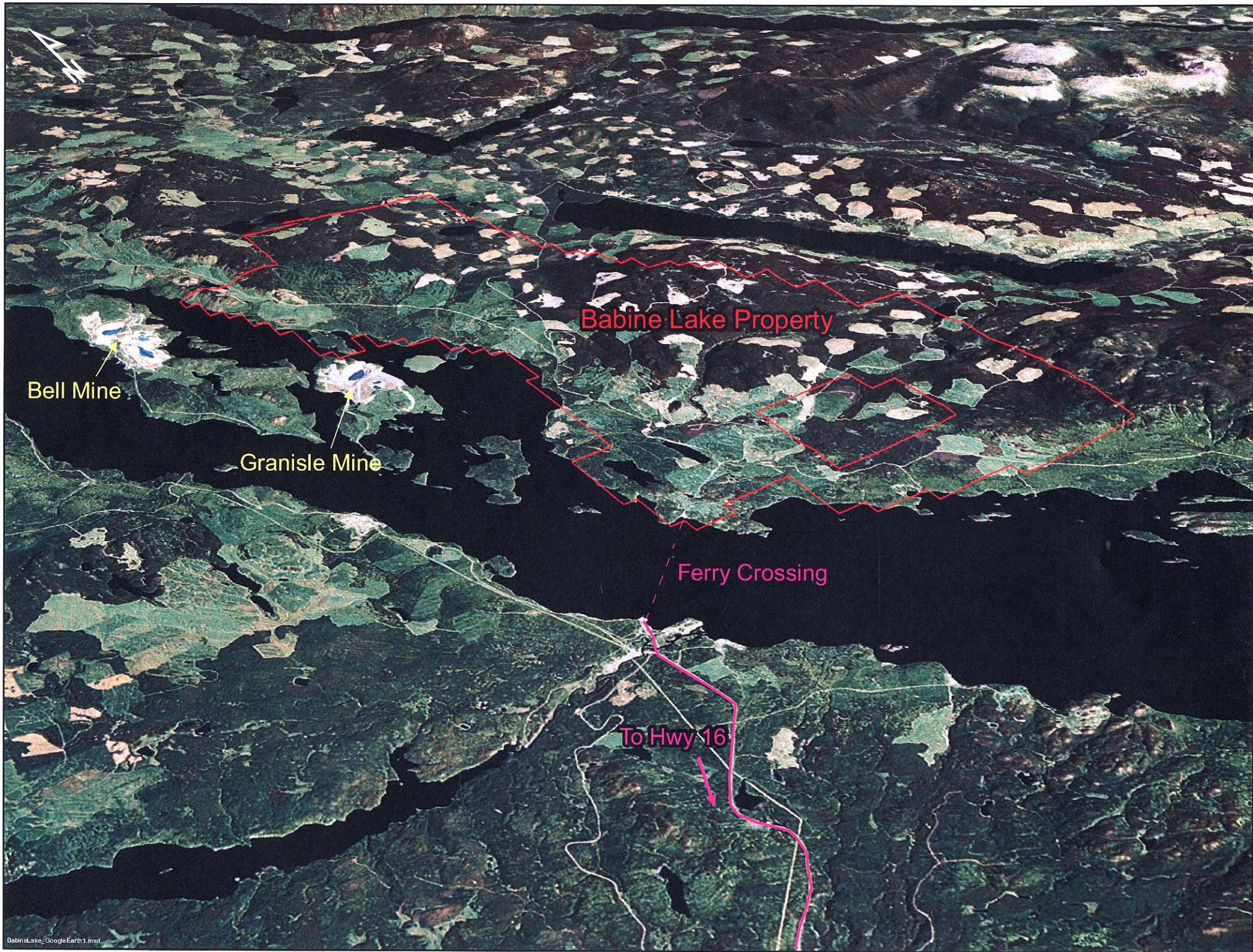
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Bell Mine

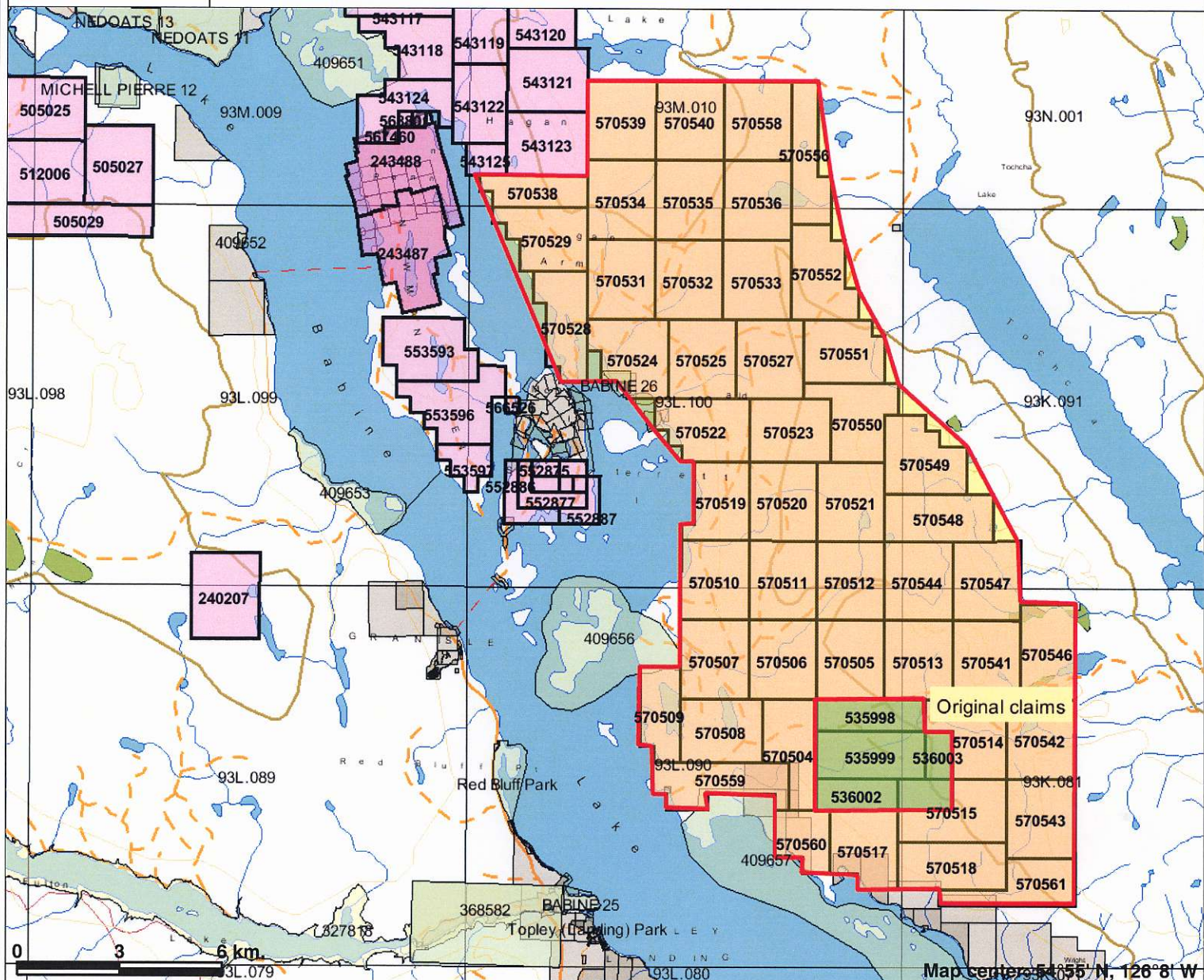
Granisle Mine

Babine Lake Property

Ferry Crossing

To Hwy 16

# Babs Property (Nov. 23, 2007)



## Legend

- Indian Reserves
- National Parks
- Parks
- Mineral Tenure (current)
- Mineral Claim
- Mineral Lease
- Mineral Reserves (current)
- Placer Claim Designation
- Placer Lease Designation
- No Staking Reserve
- Conditional Reserve
- Release Required Reserve
- Surface Restriction
- Recreation Area
- Others
- Survey Parcels
- BCGS Grid
- Contours (1:250K)
- Contour - Index
- Contour - Intermediate
- Area of Exclusion
- Area of Indefinite Contours
- Annotation (1:250K)
- Transportation - Points (1:250K)
- Airfield
- Anchorage - Seaplane
- Ferry Route
- Heliport
- Seaplane Base
- Air Field
- Airport
- Air Feature - Condition Unknown
- Airport.Abandoned

Scale: 1:176,246

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.





# Kenrich-Eskay Mining Corporation

K R E T S X V E N T U R E

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January 17, 2008 Symbol: KRE: TSX-V "FRANKFURT – BERLIN- 878 985"

## NEWS RELEASE

### ACQUISITION OF BABS PROPERTY

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*Vancouver, BC – KENRICH-ESKAY MINING CORPORATION (the "Company")* is pleased to announce that it has entered into an option agreement to acquire the "Babino" or "Babs" claim group (the "Property"). The Property is located on the northeast side of Babine Lake, between Wilkinson and Wright bays, about 76 kilometres east of the community of Smithers, British Columbia. Four centrally located mineral tenures were acquired from a prospecting partnership. Under the terms of the agreement, the Company has added an additional 49 mineral tenures to the Property, which now comprises a total of 53 contiguous mineral tenures and an approximate area of 22,827 hectares.

The acquisition agreement requires the Company to expend \$800,000 on property exploration, issue to the property owners a total of 400,000 common shares and make property payments totaling of \$215,000 over the four-year term of the option, to vest at 100% ownership. Of this consideration, \$30,000 and 100,000 common shares will be paid in the first year upon TSX approval of the transaction. A 2% net smelter return royalty has been reserved by the vendors, and this may be purchased at any time by the Company for additional cash payments aggregating \$4,000,000. An annual advance royalty payment of \$40,000 per year becomes payable commencing on that date which is 60 months after the execution date. Finders' fees will be paid in accordance with the TSX guidelines. This transaction remains subject to regulatory approval.

The Property, which has very little outcrop, was staked to cover a southeast-trending train of well mineralized, subangular biotite feldspar porphyry boulders that are transported within glacial till. The boulders are typical of the Eocene Babine intrusions which are the hostrocks at the Bell and Granisle copper mines. Locally, over 80 boulders ranging from 10 to 150 centimetres in diameter have been located within an area of 150 metres by 300 metres. Limited diamond drilling was done by Equity Exploration in 1992 and by Noranda in 1993 and 1994.

The Babs boulder train occurs within a northwest-trending belt of altered quartz phyric pyroclastic rocks that are located with a northerly trending fault block, bordered by Early Jurassic Topley intrusive rock. The felsic pyroclastics are probably Eocene in age and part of the Babine igneous suite based on lithologic similarity to quartz phyric rocks on the Newman Peninsula.

Historically, a large angular block of biotite feldspar porphyry with a chalcopyrite-pyrite stockwork was located by prospector and property owner Ralph Keefe in a new forest

clearcut at the southeast limit of the boulder train. A sample from this block assayed 10,491 parts per million copper and 411 parts per billion gold (Property File - Property description by MacIntyre, 1995). Many of the boulders are strongly magnetic, have intense stockwork veining or crackle breccia textures and appear to contain secondary biotite.

The boulders are very similar to rocks and mineralization from the Granisle mine which is 14 kilometres to the northwest and up ice from the Babs boulder train. However, subsequent drilling and prospecting has shown that some copper mineralization occurs in sericite-clay altered quartz phytic tuffs that underlie the boulder train and this suggests the boulders may be locally derived. Although the source of the boulders has not yet been located, an area stripped of glacial till exposes pervasive, sericite-clay altered quartz phytic tuffs containing minor disseminated pyrite, chalcopyrite and malachite. Similar rocks occur as large angular blocks or subcrop within the area of the boulder train. Similar rocks were also intersected in drilling done by Equity in 1992 and Noranda in 1994. The best intersection was Noranda hole NB94-10 which was drilled just north of the stripped area and intersected 0.19 per cent copper over 77.3 metres (MacIntyre, 1995).

The Company's geologists are currently examining all historical exploration on this prospective belt and are designing a program of field work, leading to drilling. Targets will include copper and copper-molybdenum porphyry deposits, with the possibility of significant precious metal contents.

This exploration opportunity is welcomed by the management of the Company, as it is easily accessed by road from Smithers which is the local logistics base for our exploration and diamond drilling work on the Company's main asset, the highly prospective Corey property. We expect that the Babs property work will compliment the work at Corey, allowing for a longer exploration season and more efficient use of the Company's established infrastructure in northern British Columbia.

*The geological information contained in this document has been reviewed by Paul McGuigan, P. Geo., a Qualified Person as defined by National Instrument 43-101.*

Kenrich-Eskay Mining Corp. has agreed to grant new stock incentive options to certain directors, executive officers and consultants of the company under the company's rolling stock option plan granting to such optionees the right to purchase up to a total of 1,419,820 common shares at a price of \$0.31 cents per share for a two-year period until January 17, 2009.

**On behalf of The Board of Directors of Kenrich-Eskay Mining Corporation.**

Wally E Boguski,  
President, CEO, Director

This document contains certain forward looking statements which involve known and unknown risks, delays, and uncertainties not under the corporations control which may cause actual results, performance or achievements of the corporation's to be materially different from the results, performance or expectation implied by these forward looking statements.

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*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.*