803470

R. V. Kirkham
- incomplete

PROGRESS REPORT

1740

2008 EXPLORATION ON THE ESKAY PROPERTY

Eskay Creek Camp, Northwestern British Columbia

Latitude 56° 35' N
Longitude 130° 29' W

NTS 104B 9E and 10E

SIB Area

FOR

KENRICH-ESKAY MINING CORP.

C206-9801 King George Hwy.
Surrey, B.C. V3T 5H5
Canada

Prepared By

Sean D. McKinley, M.Sc., P.Geo.

Stephen C. Tennant Ph.D.

Christopher F.B. Sebert, M.A.Sc., P.Eng.

Edward W. Nelles, B.Sc., GIT

Cambria Geosciences Inc.
303-5455 West Boulevard
Vancouver B.C. V6M 3W5
Canada

February 16, 2009

EXECUTIVE SUMMARY

Location: The mineral properties of Kenrich-Eskay Mining Corp. (Kenrich, "the Company") are located in northwestern British Columbia, 70 kilometres northwest of Stewart, B.C. The reference map sheets are NTS sheets 104B9 and 104B10. The Eskay Creek Area properties, including the SIB claim block on the Eskay Property and the contiguous Corey Property surround and abut the Eskay Creek mine property of Barrick Gold Corppration and the past producing Eskay Creek mihe.

Mineral Tenures: Kenrich holds an interest in mineral tenures comprising 177 claims over 146,400 hectares. Kenrich holds a 70% interest in 140 of these claims over 33,000 hectares via an pptien agreement with St. Andrew Goldfields Ltd (the Eskay property). Kenrich has a 100% interest in the remaining 37 claims (the Corey property). All claims are in good standing at the present time.

Eskay Property: The property adjoins Barrick's prolific past-producing Eskay Creek mine property. The principal target on Kenrich's Eskay Property is the Lulu Zone, a gold, silver and base metal-enriched zone of stringer and semi-massive sulphides having the same geochemical and geological characteristics as the Eskay deposit. The property also encompasses the Hexagon Zone, which is a large hydrothermal system most likely related to Volcanogenic Massive Sulphide (VMS) type mineralization. The 2008 Eskay Property exploration program comprised geological mapping and lithogeochemical sampling, along with 4 drillholes for 2333.6 metres of drilling.

The 2008 mapping has concentrated on the Lulu Zone area. Here, the Salmon River Formation rocks likely had an original fan-type geometry produced by successive wedge-shaped rhyolite bodies emplaced along a slope composed of older Betty Creek volcano-sedimentary rocks. The contact between the volcaniclastic rocks of the Betty Creek and Salmon River rocks lying to the west appears not to be strongly faulted but largely conformable in nature. There was a significant hiatus between the emplacement of the Betty Creek rocks and Salmon River rocks. At the Lulu Zone, the direction of movement on the Coulter Creek Thrust Fault (CCTFF) was likely a few degrees south of east moving to azimuth 275° several hundred metres to the north of the Zone. The amount of displacement on the Coulter Creek Thrust remains uncertain, but the results of the 2008 program have been very helpful in improving the structural interpretation of this area.

Several areas containing strong phyllic alteration with variable levels of pyritization were encountered on surface. In general terms, occurrences of alteration are controlled by stratigraphic contacts and by a portion of the fault structures. The "Mercury Anomaly" Zone and Hexagon Zone, the largest and most intense zones of alteration, are located at the eastern edge of the map area and are spatially associated with two extensive north-northeast and northeast-trending faults. These are presently seen as older structures that pre-date the Coulter Creek thrust fault. It is likely that the veins that host the gold in the Hexagon Zone represent part of a deformed feeder system of an Eskay-type precious metal enriched VMS deposit.

Another extensive zone of phyllic alteration accompanied by variable pyritization extends from the southern end of the SIB ridge northeastward along the very upper section of the Betty Creek volcaniclastic and intrusive rocks, close to their contact with overlying sedimentary rocks. Minor apophyses of this phyllic alteration extend southward along select lineaments that represent the surface traces of old north to northwest-striking

crosscutting faults. This suggests that the alteration may in part have been controlled by these older structures.

Diamond drilling in 2008 concentrated on the extension of the Lulu Zone host rocks on the footwall side of the CCT Fault. All drillholes have successfully intercepted Salmon River Formation stratigraphy, including Eskay-type rhyolites and two of the holes intercepted mineralization with Eskay-like geochemical characteristics (highly anomalous in Au, Ag, Zn, Pb, As and Sb).

The strata in the footwall block immediately below the CCTF are vertical to steeply east-dipping, but are overturned in a downhole direction. This likely reflects drag folding associated with movement along the thrust fault. Beyond this immediate footwall zone, multiple fault-bounded blocks of 10 to 100 metres drilling thickness characterize the stratigraphy. Both the detailed chemostratigraphy and lithostratigraphy of these blocks suggests that they were once laterally continuous but now sit in an imbricate, thrust-faulted "stack". Furthermore, the imbricate nature of the stratigraphy here is permissive for there being multiple, fault-repeated intercepts of a mineralized horizon within in a single drill hole.

The lithogeochemical characteristics of all of the rhyolite samples taken from 2008 drillholes outside the Lulu Zone are of transitional to tholeiitic Eskay type (E-type), but their detailed chemistry differs from those directly hosting the Lulu Zone mineralization. These rhyolites are either feldspar phyric "high Zr/Y" types of mildly transitional magmatic affinity and low Zr/TiO_2 (<2300) or LREE enriched tholeiitic E-types with high Zr/Nb ratios (>5). This is unlike the tholeiitic rhyolite with lower Zr/Nb and Zr/Y ratios, plus higher Zr/TiO_2, which is in contact with the Lulu Zone mudstone. As no rhyolites of the exactly equivalent chemostratigraphic type to those around the Lulu Zone have been found it is thus impossible to define the exact displacement of the CCTF relative to the Lulu Zone using chemostratigraphic criteria from drill hole sampling. However, the rhyolites encountered in the 2008 drilling are considered to have the same broad tectonic affinity as those hosting both the Lulu Zone and Eskay Creek deposits.

Drillhole EK08-133 intercepted the Lulu Zone mineralization near the location of the past drilling. E-type tholeiitic rhyolite forms the hangingwall and footwall of the mineralization and associated mudstone. It cut a notable 10 metre thick mineralized zone, including a 2.3 metre drilled interval (55.7-58.0 metres) of finely laminated to clastic pale to dark grey massive and semi-massive sulphides (likely stibnite) and sulphosalts, plus mudstone. This had length-weighted average grades of **15.9 g/t Au, 1299 g/t Ag, 0.5% Zn, 0.4% As and 7.8% Sb**. Below the more massive mineralization, fine pyritic laminations occur in black mudstone. This 7.7 metre drilled interval (58.0-65.7 metres) is also metal enriched, with length-weighted average grades of **10.7 g/t Au, 212.1 g/t Ag, 0.2% Zn, 0.4% As and 2.3% Sb.**

The presence of Eskay-equivalent stratigraphy in hole EK08-134 (tholeiitic basalt and VMS stockwork polymetallic veined E-type rhyolite in proximity to mudstone) indicates excellent potential for massive sulphide mineralization at this contact both along strike and up and down dip. This extensive veined interval encompasses a 25.4 metre thick drilled interval (488.2 to 513.6 metres) with length-weighted average grades of **2.12 g/t Au, 4 g/t Ag, 0.17% Zn, and 0.13% Pb.**

These results are highly significant because they prove that mineralization and host stratigraphy broadly equivalent to the Lulu can be tracked across the Coulter Creek Thrust Fault. This opens up a large area of completely untested geology that is highly

prospective for Eskay Creek style mineralization beyond the Lulu Zone. A continuing co-ordinated, systematic program of diamond drilling, geological mapping, lithogeochemical sampling and geophysical data modelling is thus recommended.

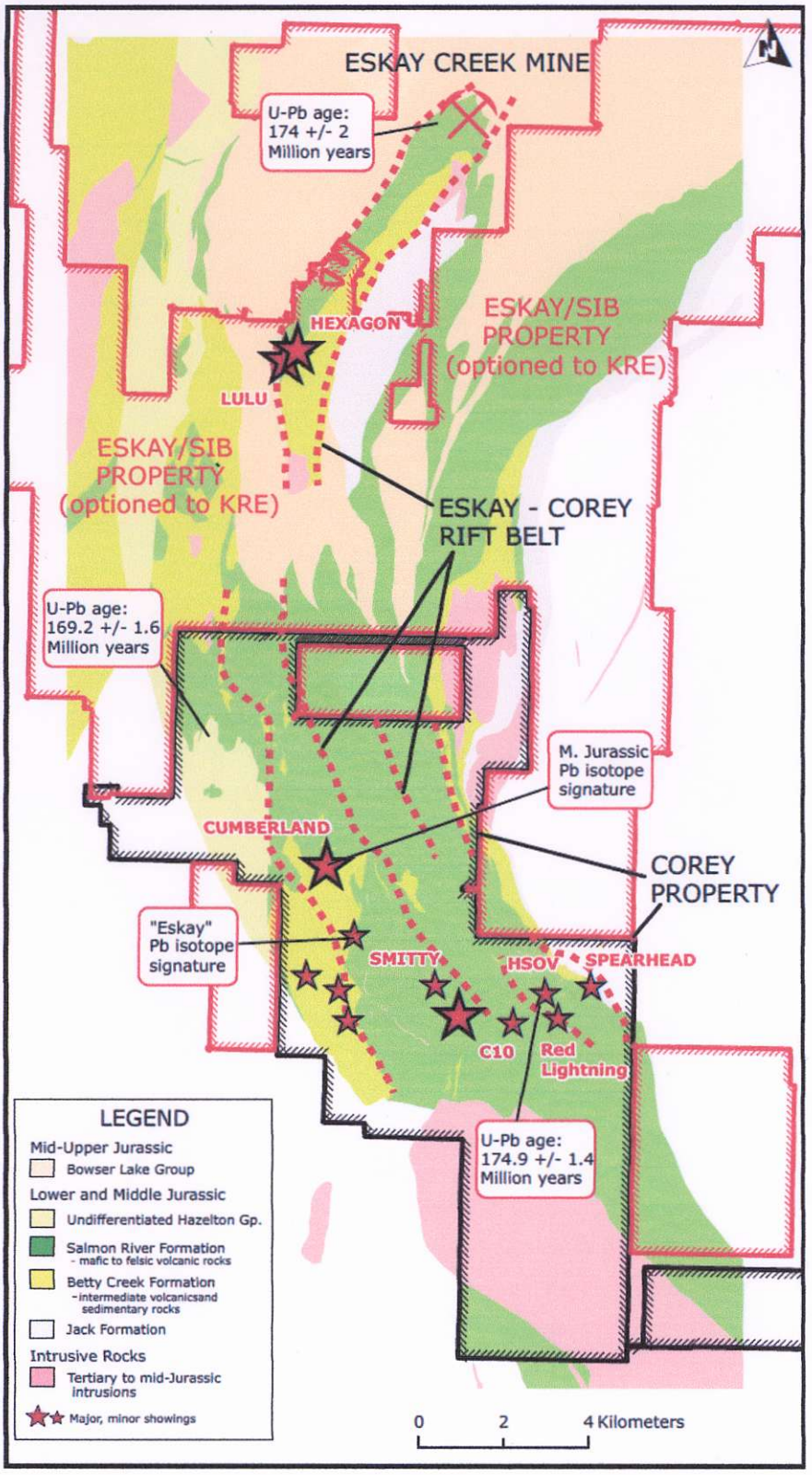


Figure 2. Simplified local geology of the Eskay-Corey rift belt and mineral showings (limits of rift are shown with red dashes).

and the Prout Plateau syncline. Fold scale and geometry varies with stratigraphic level, reflecting the different scale of stratification within the Mesozoic sequence.

The well-stratified rocks of the Bowser Lake Group contain abundant open to tight upright folds that are parasitic to major folds while the thicker Hazelton Group rock packages, perhaps with the exception of the interlayered sedimentary members, mainly lack these second order folds.

The widespread development and intensity of the Cretaceous contractional deformation event overprints and obscures earlier-formed structures, and likely reactivated any favorably-oriented pre-existing faults. Both the orientations and relative positions of faults that were active synchronously with Hazelton Group volcanism were strongly modified.

At the SIB claim block on the Eskay property, this shortening is expressed as folds in the Hazelton and Bowser Lake Group rocks and the Coulter Creek Thrust Fault (CCTF), an important structure along the western boundary of the Eskay property's SIB claim block. It is a gently east-dipping, west-verging fault, thrusting Hazelton Group over Bowser Lake Group strata. The fault has not been observed in outcrop and was first identified by interpreting outcrop mapping and drill core relationships. The magnitude of displacement on the fault has not been accurately determined, but is reported by Lewis (1992) to increase from negligible displacement at the north end of the SIB claim block to several hundred metres of displacement to its south. P.J. McGuigan (pers comm, 2008), based upon more recent work with Lewis, believes that there is 400 metres of dip-slip displacement on the thrust at the Lulu Zone, plus a minor element of oblique slip movement with an unknown direction, with dip-slip displacement increasing in magnitude to the south (i.e. a "scissoring" along the thrust plane).

2008 EXPLORATION OF THE ESKAY PROPERTY

Subsequent to the preparatory work and report (McKinley et al., 2008), Cambria was retained in 2008 by Kenrich to supervise and conduct a field exploration program, commencing in mid June. Paul McGuigan P. Geo., Managing Director of Cambria, directed the program. Sean McKinley M.Sc., P. Geo., supervised field operations. Major contributors to the fieldwork and interpretation were Stephen Tennant Ph.D, Christopher Sebert, P.Eng., and Edward Nelles B.Sc., GIT. Driftwood Drilling of Smithers B.C. carried out the diamond drilling.

A comprehensive, systematic program of lithogeochemical sampling of outcrop and drillcore was initiated at the Corey property by Cambria in the 2004 exploration season and continued during the 2005, 2006 and 2007 seasons. This sampling has proven to be an invaluable aid in the differentiation of the major volcanic and intrusive rocks underlying the property using the immobile element techniques described by Barrett and Maclean, 1999. Christopher Sebert P.Eng. has summarized and interpreted the 2004-2006 lithogeochemical data in an internal report for Cambria (Sebert, 2007) and has also reported on some of the 2007 data (Sebert, 2008a). The 2008 data for the Eskay property are presented in full in Appendix B of this report (see attached digital media) and are fully interpreted by Sebert in his summary report of the 2008 field season (Sebert 2008b). They are also discussed in the drilling and mapping summaries below.

Here, the schema erected by Sebert for the geologically contiguous Corey property has in part been used to identify rock type and magmatic affinity. Due regard has been given to Barrett and Sherlock's (1996) geochemical sub-division the host rocks at the 21B Zone at the Eskay Creek mine in categorizing the magmatic affinity of the rhyolites and Sebert's latest work on the Eskay property (Sebert, 2008b and Figure 3 of this report).

Background to the Lulu Zone

BC MINFILE Record Summary No 104B 376 provides a concise geological overview of the Eskay property and the following is adapted in part from this report (Owsiacki, 1991; edited in April 2008). The Lulu Zone occurs in the western zone of alteration within Salmon River Formation rocks (see Figure 4). The alteration comprises extensive and locally intense pervasive silicification and sodium metasomatism. Albitites have also been extensively developed. At the Lulu Zone, Drill holes targeted at mudstone interbedded in the felsic assemblage intersected gold and silver mineralization over wide intervals. Below an extensive interval of silicified and albitized felsic strata, drill hole 90-30 intersected 21 metres of black siliceous carbonaceous mudstone (Lulu mudstone). A 14 metre thick interval of the mudstone is mineralized with disseminated pyrite, framboidal pyrite, laminar pyrite and disseminated and fracture-controlled stibnite and sphalerite. Native gold, pyrargyrite and arsenopyrite occur in trace amounts. Gold and silver assayed 14.4 grams per tonne and 1059.5 grams per tonne respectively, across 14 metres. A short interval of the felsic hangingwall is sericitic. In the immediate footwall of the Lulu mudstone, felsic strata are highly pyritic and sericitic. The Lulu Zone mineralization is underlain 149 metres lower in the stratigraphic section (i.e. to the east) by the mineralized "Marguerite mudstone", the lowermost mudstone that is interbedded with Salmon River Formation felsic volcanics. A drill core assay across 4.5 metre assayed 3.5 grams per tonne gold and 36.3 grams per tonne silver.

Heritage Explorations Ltd. completed 3 drillholes in the Lulu Zone during 2002 and intersected 11.7 metres grading 19.5 grams per tonne gold and 1,602.9 grams per tonne silver in drillhole 2-113. However, despite these grades and the high gold grades from earlier drilling in 1990-91, Heritage concluded that the mineralization is not economic due to its restricted extent and continuity along strike and at depth.

Background to the Hexagon and "Mercury Anomaly" Zones

Work directed by P.J. McGuigan of Cambria Geosciences Inc. in 2002 defined a 4km long, gold-rich multi-element stream sediment anomaly coincident with two areas of strong to intense phyllic alteration cropping out at surface. This also had anomalous mercury, silver and arsenic levels in rock chip samples and is now known as the Hexagon Zone and the "Mercury Anomaly" Zone. These Zones are associated with two property-scale faults identified by Heritage Explorations: the "Hexagon Structure" and the "Mercury Structure" (see Photo plate 1 and Figure 5).

Heritage has indentified anomalous gold values associated with carbonate-pyrite veins in zones of weaker phyllic alteration, separate from the high mercury zones (up to +100ppm) that occur in the strongly altered volcanic rocks (Bidwell & Worth, 2004). These strongly altered rocks are generally devoid of gold anomalism. This association between veining and anomalous gold values is confirmed by the observations made during an examination of historic drill core by Cambria in 2008 (see Tennant et al., 2008).

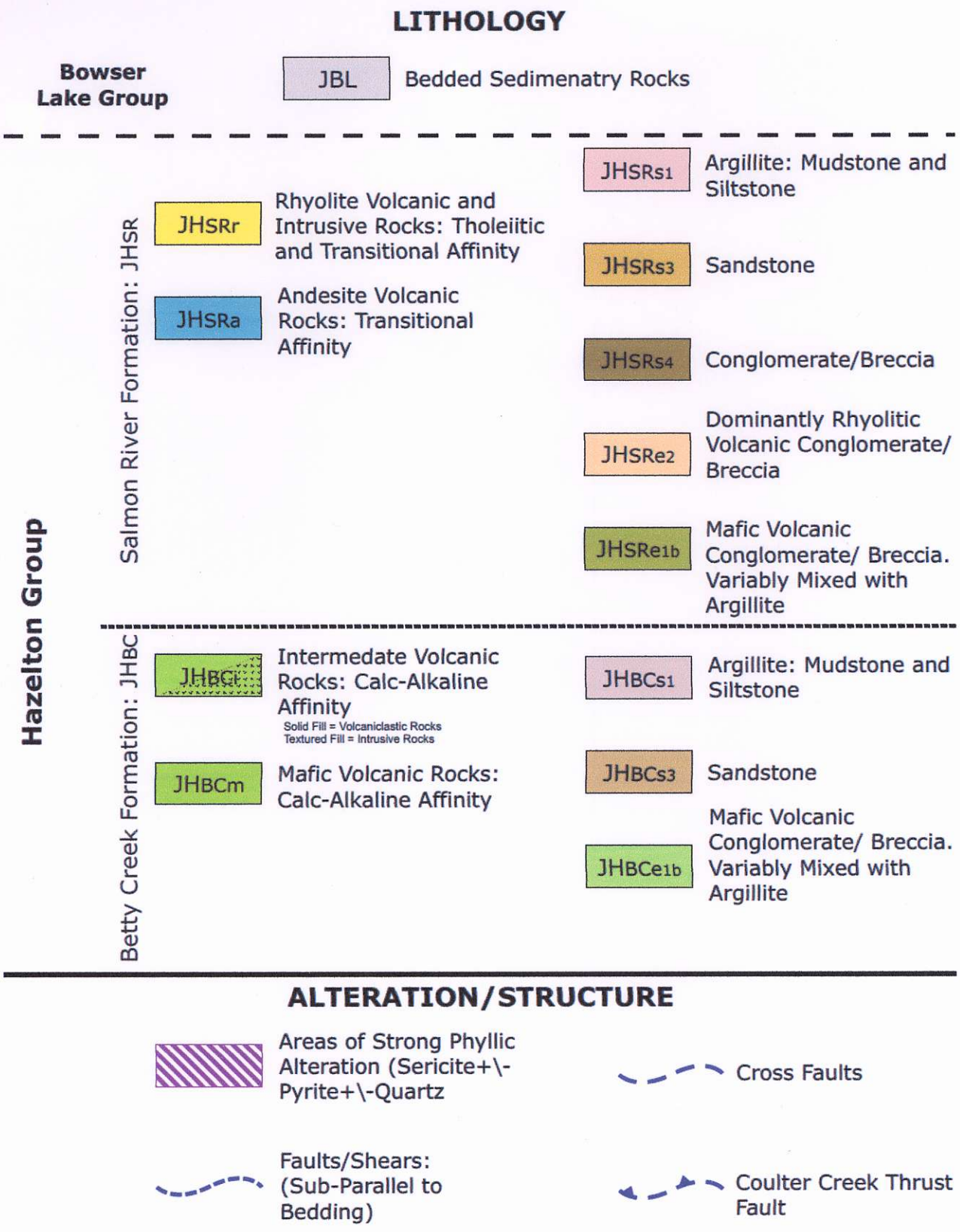


Figure 3: Geological Legend for Figures 4 and 5.

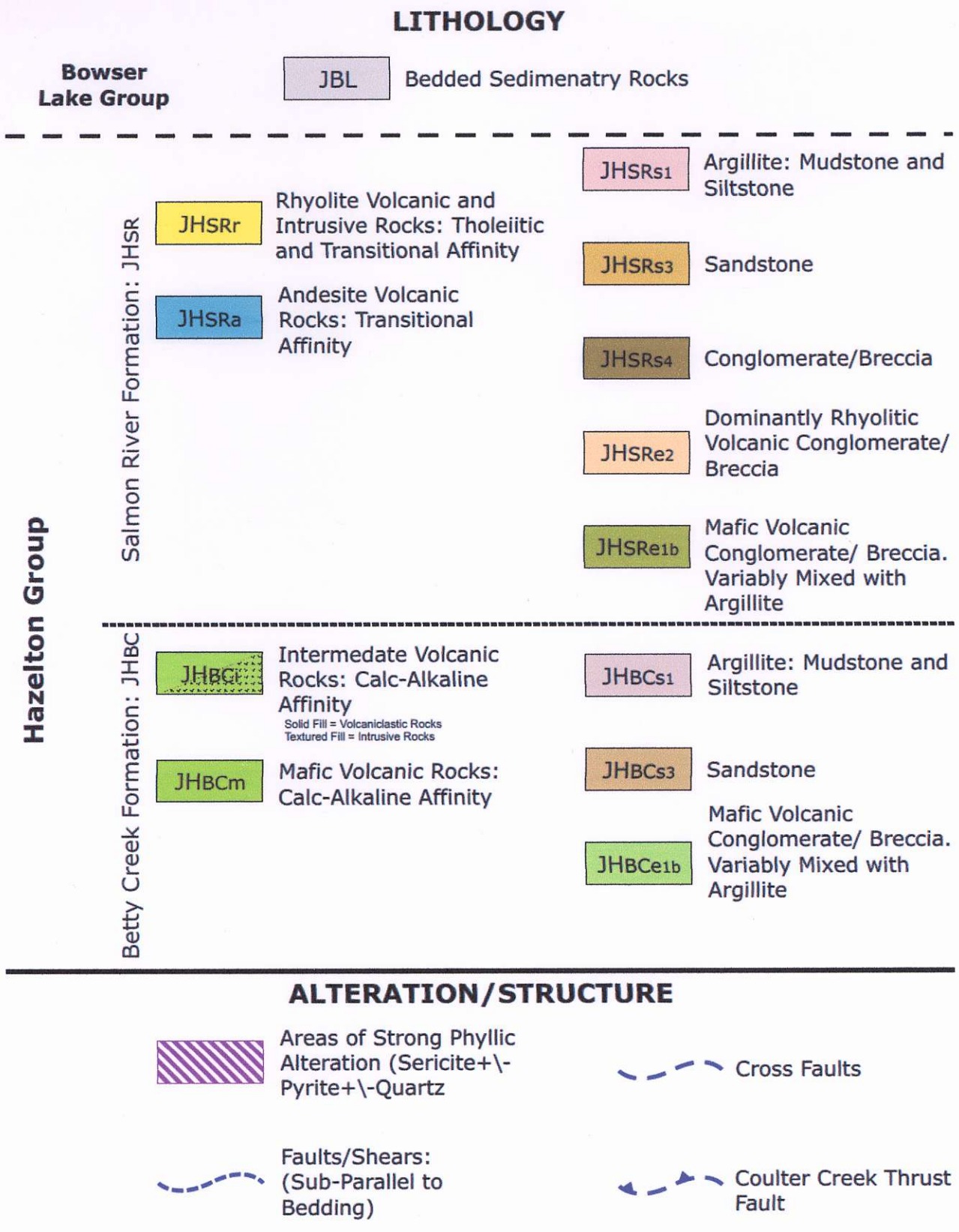
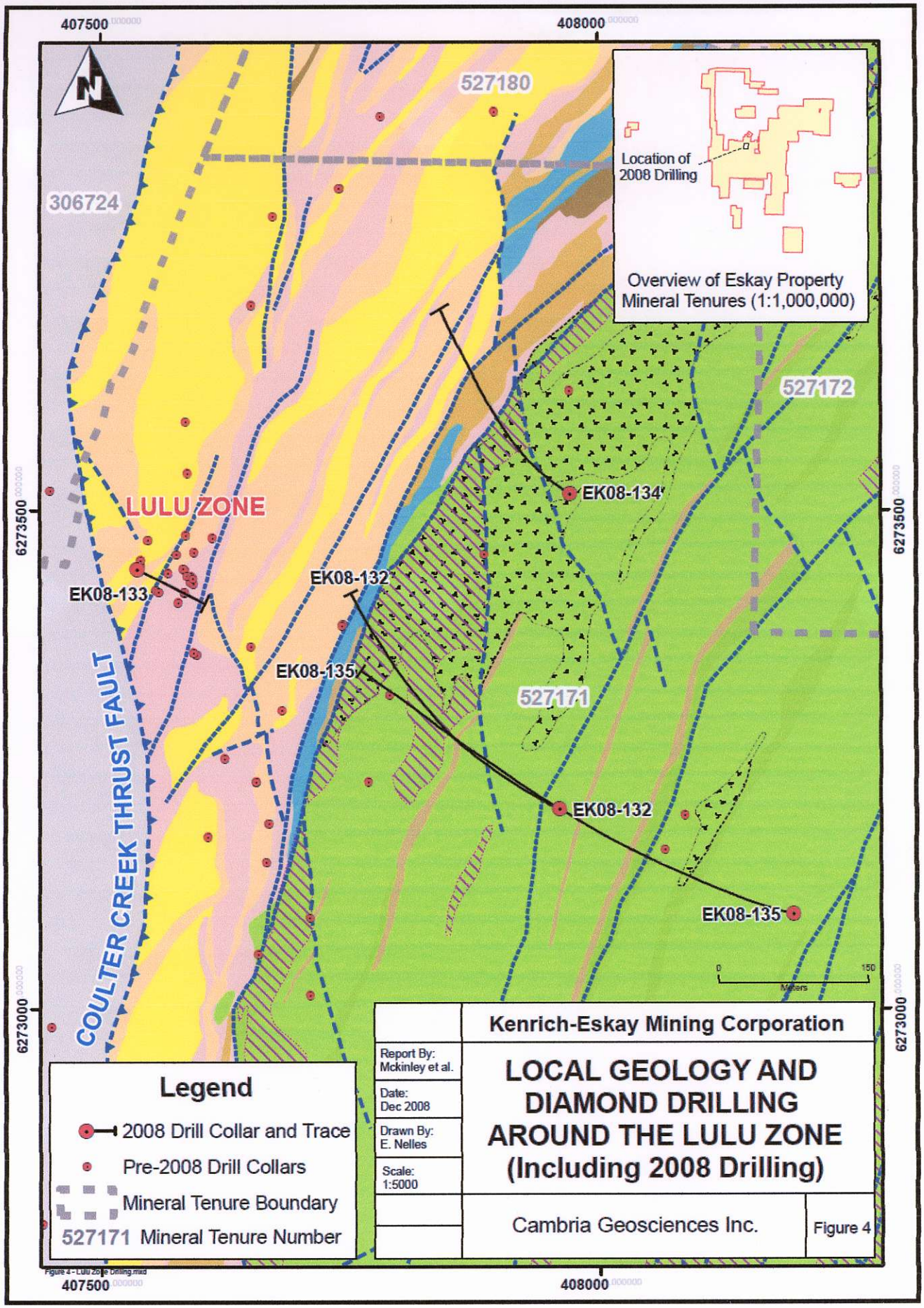


Figure 3: Geological Legend for Figures 4 and 5.


407500
408000
6273500
6273000
527180
306724
527172
527171
LULU ZONE
COULTER CREEK THRUST FAULT
EK08-133
EK08-132
EK08-135
EK08-134
EK08-132
EK08-135
Location of 2008 Drilling
Overview of Eskay Property Mineral Tenures (1:1,000,000)
0
150
Meters
Legend
2008 Drill Collar and Trace
Pre-2008 Drill Collars
Mineral Tenure Boundary
527171 Mineral Tenure Number
Kenrich-Eskay Mining Corporation
Report By: Mckinley et al.
Date: Dec 2008
Drawn By: E. Nelles
Scale: 1:5000
LOCAL GEOLOGY AND DIAMOND DRILLING AROUND THE LULU ZONE (Including 2008 Drilling)
Cambria Geosciences Inc.
Figure 4

Jack Formation: Lower Hazelton Group sedimentary strata

Basal Hazelton Group strata typically consist of locally fossiliferous conglomerate, sandstone, and siltstone of the Jack Formation. These rocks are well exposed in the upper Unuk River/Sulphurets area along both limbs of the McTagg anticlinorium and have been traced at least as far south as the Frank Mackie icefield. The most complete and best-exposed sections are located in alpine areas north and south of John Peaks and along the west side of the Jack Glacier, where the unit overlies Stuhini Group strata along an angular unconformity.

Betty Creek Formation: Intermediate composition volcanic and volcaniclastic strata

Lower Jurassic volcanic and volcaniclastic strata have been problematic for workers in the Iskut River area, and stratigraphic nomenclature has been unevenly applied. We assign the entire volcanic and volcaniclastic package from the Jack Formation to a distinct shift to bimodal volcanism in the lower Middle Jurassic, to the Betty Creek Formation intermediate composition volcanic/volcaniclastic sequence. This unit encompasses most of the rocks previously assigned to the Betty Creek and Unuk River Formations, as well as some rocks previously assigned to the Mount Dilworth Formation.

Salmon River Formation: Bimodal volcanic unit

The upper part of the Hazelton Group in the Eskay Creek area comprises dacitic to rhyolitic flows and tuffs, localized interlayered basaltic flows, and intercalated volcaniclastic intervals. This part of the Hazelton Group has attracted the attention of explorationists due to its association with mineralization at Eskay Creek, but at the same time its distribution, internal stratigraphy, and age has often been misunderstood. Previous workers have mapped felsic volcanic components as the Mount Dilworth Formation, and mafic volcanic components as a distinct facies of the Salmon River Formation. However, recent work demonstrates that more than one felsic interval exists in the unit, and that mafic volcanic rocks occur both above and below these felsic intervals (see Lewis, 2001). As such, the term Mount Dilworth Formation is not used herein. Most recently, the Salmon River Formation has been divided into three members: the felsic volcanic-dominated Bruce Glacier Member, the sedimentary Troy Ridge Member and the mafic volcanics of the John Peaks Member (again, see Lewis, 2001). An additional felsic member, the Eskay Rhyolite (see below), has also been identified, but it is generally directly spatially associated with the Eskay Deposit itself and is likely a sub-member of the Bruce Glacier Member.

Bruce Glacier Member: Felsic volcanic rocks are ubiquitous in the Salmon River Formation in the Eskay Creek area. Two felsic members are recognized. Most widespread in its distribution is the Bruce Glacier member, which ranges from a few tens of meters to a few hundred meters in thickness. Lithofacies within the Bruce Glacier member are highly variable both regionally and vertically in a given section. Rocks proximal to extrusive centres include banded flows, massive domes with carapace breccias, eutoclastic megabreccias, and block tuffs. Variably welded lapilli to ash tuffs characterize more distal equivalents. Reworked tuffs locally form thick epiclastic accumulations and may infill paleobasins adjacent to extrusive centres.

Eskay Rhyolite: Within and adjacent to the Eskay Creek deposit, a rhyolite with anomalously low titanium content has been separated as a distinct member of the Salmon River Formation, termed the Eskay Rhyolite. Early work concluded the member was distinct from the Bruce Glacier member however the whole rock lithogeochemistry is similar to those parts of the Bruce Glacier member that are proximal to the deposit.

Troy Ridge Member: Lithotypes present in this member include thinly-bedded carbonaceous mudstone, and interbedded turbiditic siltstone/argillite and tuff forming distinctive black and white striped strata ("pajama beds"). These units appear to be relatively abundant on the western flanks of Mount Madge on the Corey property. They commonly form meter to decimeter-scale interbedded with mafic volcanics and, to a lesser extent, felsic volcanics. This is a key unit in the sequence as it likely marks a hiatus, at least locally, in volcanic activity, thus providing an excellent potential environment for Eskay-style massive sulphide formation.

John Peaks member: Mafic components of the Salmon River Formation are assigned to the John Peaks member. They generally occur above the felcic volcanic rocks, but at Treaty Creek thick sections of mafic flows and breccias lie below felsic welded tuffs. These tuffs are correlated with the Bruce Glacier member. Textures present include massive flows, pillowed flows, broken pillow breccias, and volcanic breccias. The John Peaks Member is generally considered to lie immediately stratigraphically above 'Eskay time'.

MIDDLE JURASSIC BOWSER LAKE GROUP

The cessation of Hazelton Group volcanism in the early Middle Jurassic marks an abrupt shift to siliciclastic sedimentation of the Bowser Lake Group. Bowser Lake Group rocks are widely exposed over a broad region of the northern Cordillera, and concordantly overlap Hazelton Group strata along the northeastern edge of the Eskay Creek project area. They consist primarily of monotonous interstratified thin- to thick-bedded shale, siltstone, wacke, and conglomerate, with the notable absence of a volcanic component. Lowest parts of the sequence contain fossils indicating a Bajocian age, implying little or no gap in deposition from the uppermost Hazelton Group.

Bowser Group rocks are widespread on the Eskay property's SIB claim block (see Figure 2).

INTRUSIONS

Mesozoic intrusive activity in the Stewart-Iskut region occurred in two major intervals: a Late Triassic pulse and an extended period of Early to Middle Jurassic plutonism. MacDonald et al. (1996) propose three major temporal suites of plutonism:

1) Late Triassic (228-221 Ma) Stikine Plutonic Suite related to the building of a Late Triassic volcanic arc.

2) Early Jurassic (195-190 Ma) Texas Creek Plutonic Suite related to an Early Jurassic volcanic arc that was coeval to the Betty Creek Formation volcanic rocks.

3) Early to Middle Jurassic (180-170 Ma) intrusions that are related to the upper division of the Hazelton Group, the Salmon River Formation. These possibly correlate with intrusions of the Three Sisters plutonic suite that occur further west and north.

In the area of the Eskay mine, and on the Eskay property's SIB claim block, mafic dikes and felsic intrusions that are controlled by syn-mineralization faulting are classified with the latest pulse of magmatism. Other intrusions, such as alkali feldspar-plagioclase-hornblende porphyry that are hosted by Betty Creek Formation rocks, are likely related to either the latest pulses of Betty Creek volcanism or to Salmon River volcanism, on the basis of intrusive relationships and composition.

The Eskay Porphyry, which is proximal to the footwall of the 21 Zone at the Eskay mine, is a grey-green plagioclase±K-feldspar±hornblendebiotite porphyry. It is a hypabyssal stock of dacitic to granitic composition and is correlative with Early Jurassic magmatism (186.2 Ma, U-Pb [zircon] age, MacDonald, 1992).

STRUCTURAL GEOLOGY

The present distribution of rocks in the Eskay Creek area has been influenced by at least two Mesozoic to Cenozoic deformation events.

Early to Middle Jurassic Deformation

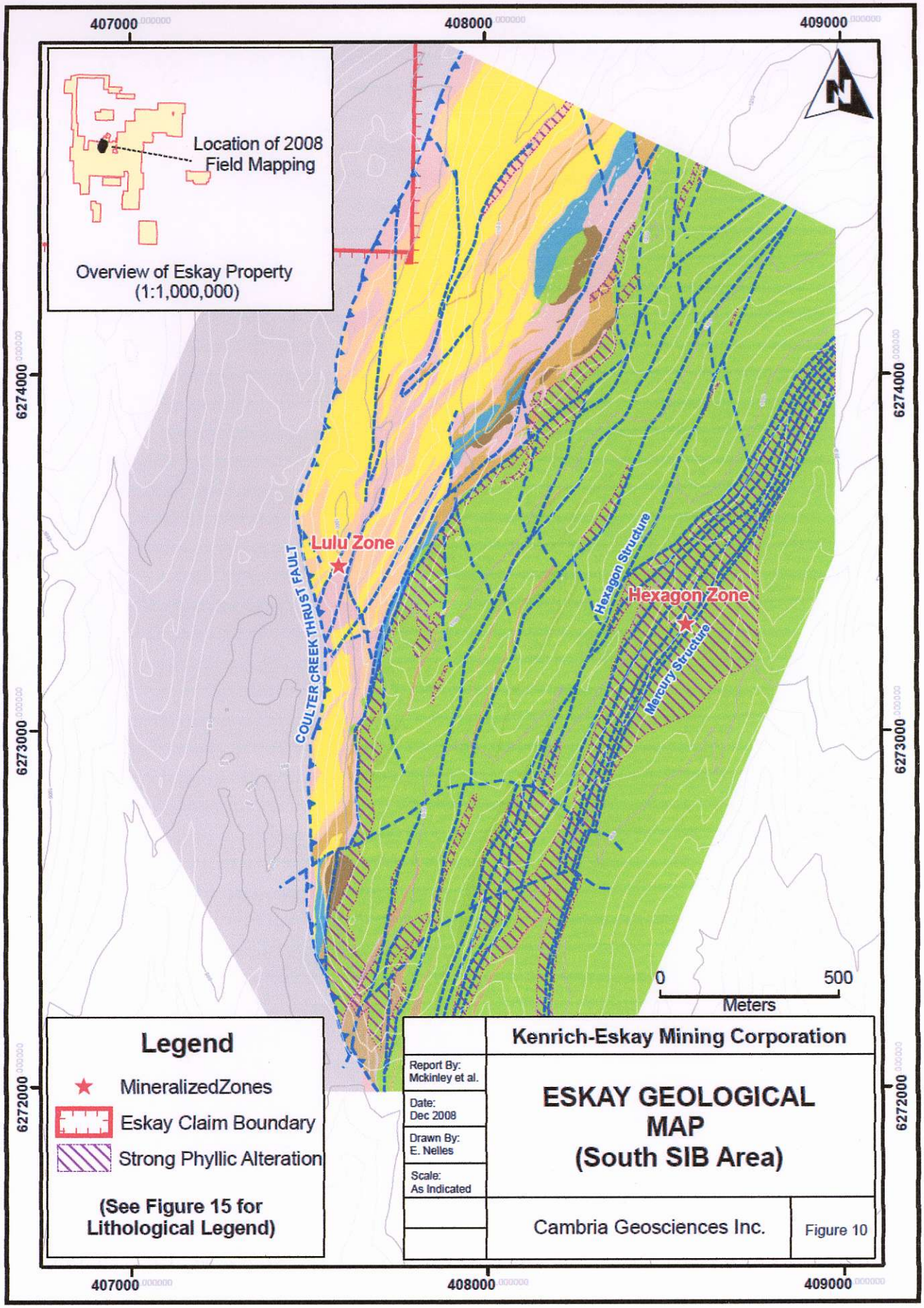
There are several lines of evidence that suggest there was a deformation event that was synchronous with deposition of the Hazelton Group. Certain faults that have been mapped in the region appear to separate blocks of differing volcanic successions. Furthermore, some of these faults have clearly juxtaposed successions of Hazelton Group rocks of differing thicknesses, but do not appear to significantly offset the overlying Bowser Lake Group sedimentary succession. These types of structures are interpreted to be synvolcanic (growth) faults and likely were not active past the last deposition of Hazelton rocks.

The Harrymel Fault is a major brittle structure exposed along the western edge of the project area and is interpreted to pass southward into a broad ductile shear zone referred to as the South Unuk Shear Zone. Kinematic indicators are well exposed in both the brittle and ductile portions of this structure, and consistently show dominantly strike-slip movement with a sinistral sense. U-Pb dating of syntectonic intrusions in the ductile portion of the shear zone indicates that the structure was active in the Middle Jurassic (Lewis, 2001), roughly coincident with or just following cessation of Hazelton Group volcanism.

Cretaceous Contractional Deformation

The Eskay Creek area lies between two regional contractional orogens that were active during Cretaceous time: an extensive westerly-directed system of thrust faulting as along the western side of the Coast Belt, and the east-northeasterly directed Skeena Fold and Thrust Belt (SFTB) of the Bowser Basin. The dominant structures in the project area that relate to these events are major folds and thrust faults.

Contractional structures show a transition from broad open folds in the northern part of the Eskay property to tight folds and thrust faults in the south and on the Corey property. In the north, in the vicinity of the Eskay deposit, thrust faults are rare to non-existent. The distribution of stratigraphic units outlines four major folds; from east to west these are the McTagg anticlinorium, the Unuk River syncline, the Eskay anticline,


407000
408000
409000
6274000
6273000
6272000
Location of 2008 Field Mapping
Overview of Eskay Property (1:1,000,000)
N
Lulu Zone
Hexagon Zone
COULTER CREEK THRUST FAULT
Hexagon Structure
Mercury Structure
0
500
Meters
Legend
MineralizedZones
Eskay Claim Boundary
Strong Phyllic Alteration
(See Figure 15 for Lithological Legend)
Kenrich-Eskay Mining Corporation
Report By: Mckinley et al.
Date: Dec 2008
Drawn By: E. Nelles
Scale: As Indicated
ESKAY GEOLOGICAL MAP (South SIB Area)
Cambria Geosciences Inc.
Figure 10

Lulu Zone on the Eskay Property itself. At surface, this package of prospective rocks is terminated at its exposed southern and western extremities by the east-dipping Coulter Creek Thrust Fault (CCTF).

- A previously undiscovered panel of Eskay Rift rocks comprising rhyolite, basalt and sedimentary rocks (Salmon River Formation) was discovered by drilling beneath and west of the Coulter Creek Thrust Fault. These rocks are open to the north and south as well as downdip and provide a much more extensive exploration target than do the equivalent rocks exposed at surface above and to the east of the CCTF.

- Although the upper and lower contacts of the Salmon River Formation have not yet been intersected by drilling below the CCTF, the thickness of the units encountered in the 2008 drilling and the presence tholeiitic basalt beneath the CCTF suggest that a complete section of Eskay Rift rocks exists beneath the CCTF.

- Precious and base metal-enriched stringer sulphide mineralization intersected in Hole EK08-134 clearly highlights that an extension of the Lulu Zone mineralization, and/or entirely new zones of Eskay-style mineralization, may exist in this newly discovered panel of rocks below the CCTF.

RECOMMENDATIONS

A continuing co-ordinated, systematic program of diamond drilling, geological mapping, lithogeochemical sampling and geophysical data modelling are recommended.

Drilling should focus on testing the Eskay Rift rocks beneath the Coulter Creek Thrust Fault, first in the vicinity of the Lulu Zone and expanding later to the north and, where possible, downdip. Attempts should be made to design drillholes that test the entire section of Eskay Rift rocks as much as possible.

The stratigraphic mapping focus that was closely followed over the past three exploration seasons at the Corey property should be continued on the SIB claims as an adjunct to the lithogeochemical sampling program. It should include more work on examining various lineaments, which include fault structures of possible syngenetic origin. Such features may have influenced the emplacement of the volcanic rocks, especially the rhyolitic rocks, and potentially served to focus hydrothermal fluids and sulphide deposition.

On the Corey property, the aero magnetic survey completed in the spring of 2006 has provided valuable additional geophysical information as to facies changes or abrupt discontinuities of rock type due to older fault scarps. Magnetic geophysical data exists for the SIB claims and these should be modeled in order to glean similar insight, particularly into the behavior of the CCTF at depth and the faults associated with the Hexagon Zone. This is important, as the Hexagon zone is most likely a large, sheared, VMS style hydrothermal system that may have acted as a feeder to the Lulu Zone mineralization or other, as yet undiscovered, sulphide deposits.

The area lying to the south-southwest and south of the SIB ridge should be mapped with the view of better defining the location of the Coulter Creek thrust fault and to

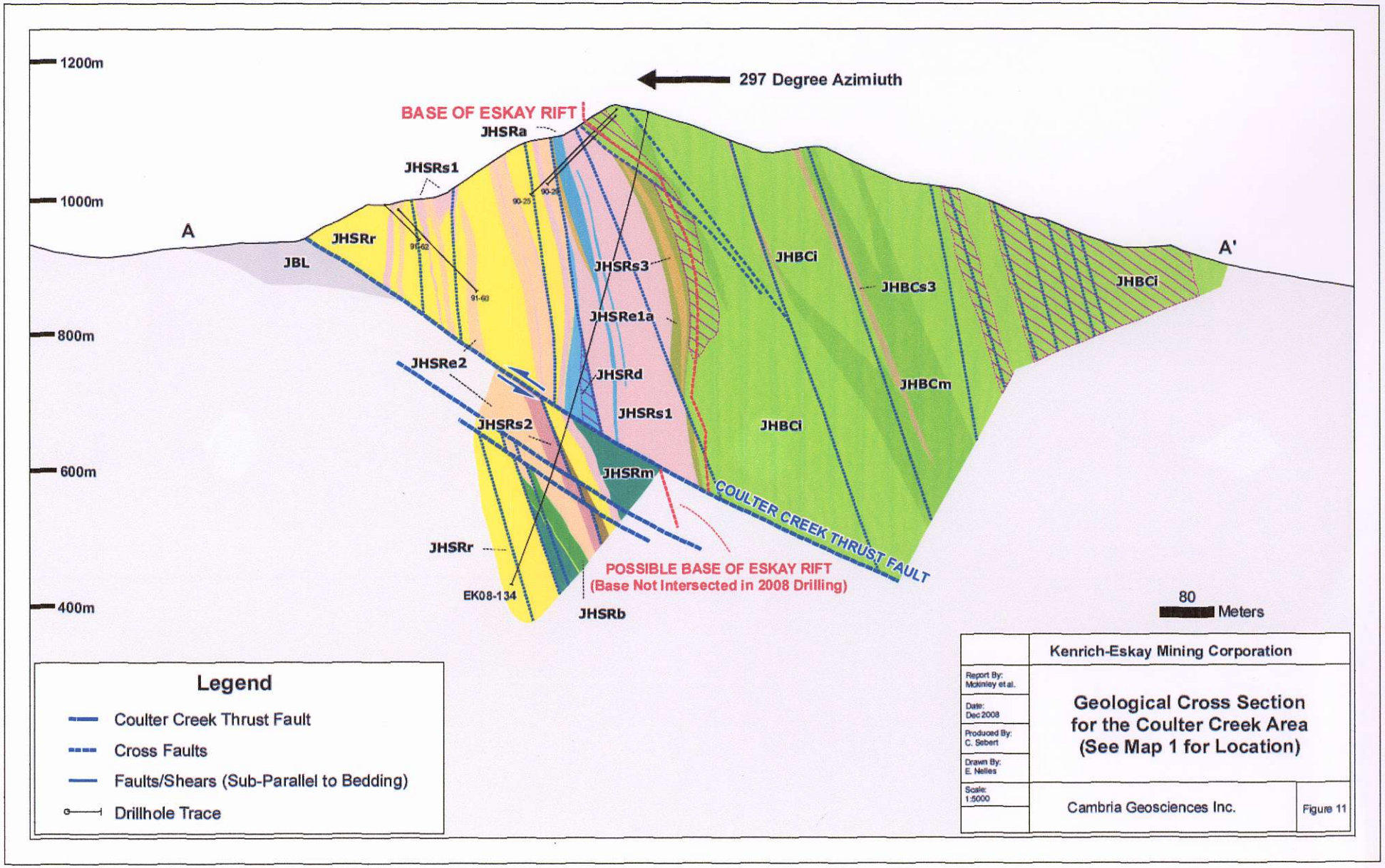
potentially locate and better define outcrops of the Salmon River Formation stratigraphy on its western side. This might result in additional exploration opportunities and help to assess the amount of movement on the thrust fault. A rigorous estimate of movement magnitude would aid the targeting of deep drill holes in the Lulu area.

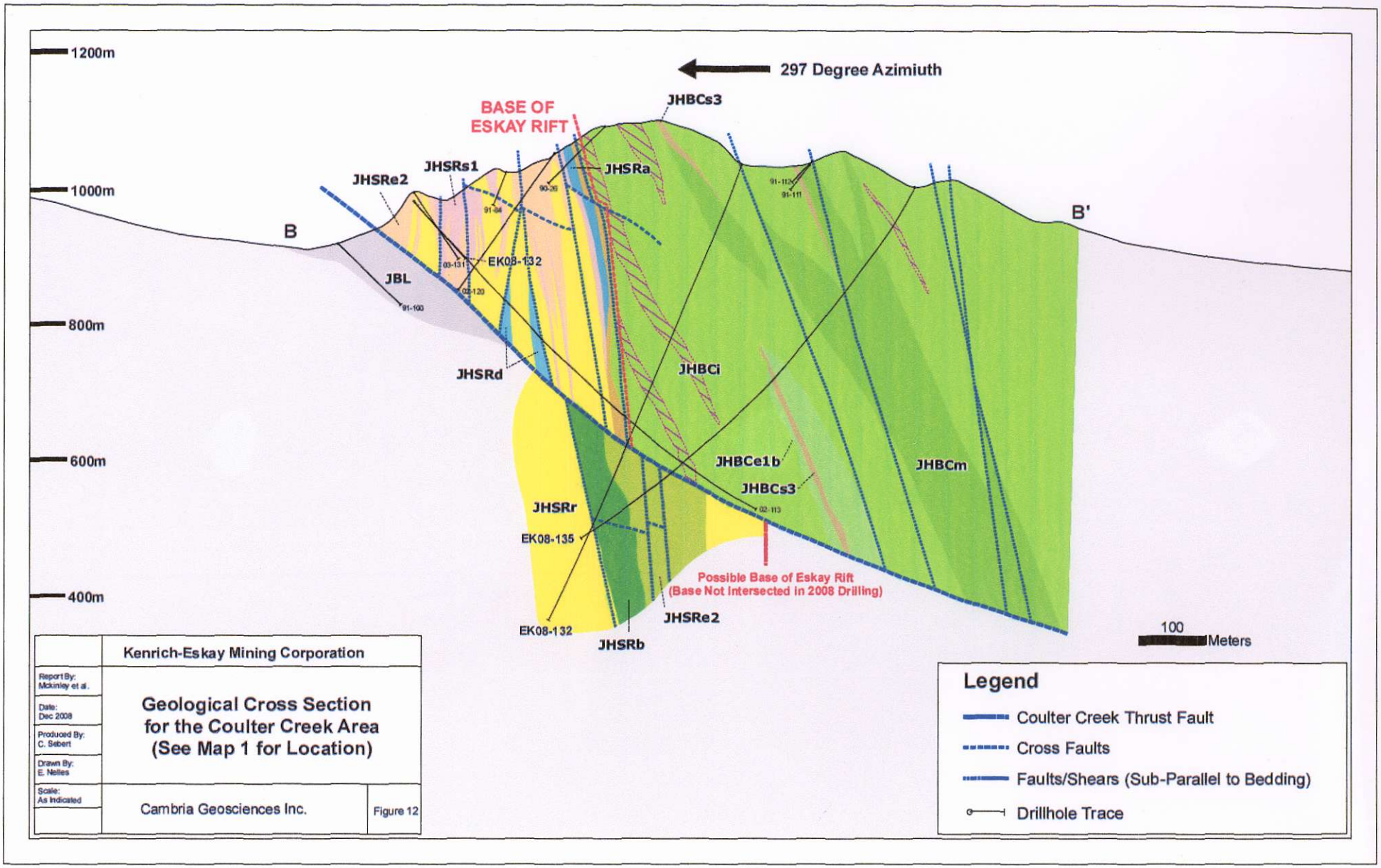
More detailed mapping work is necessary to determine the geometric relationship between alteration, bedding, and faulting in the Hexagon and Mercury anomaly Zones. Future mapping should also concentrate on tracing these large, altered northeast-trending fault structures to the southwest.

Respectfully submitted,

Sean D. McKinley, M.Sc., P.Geo.

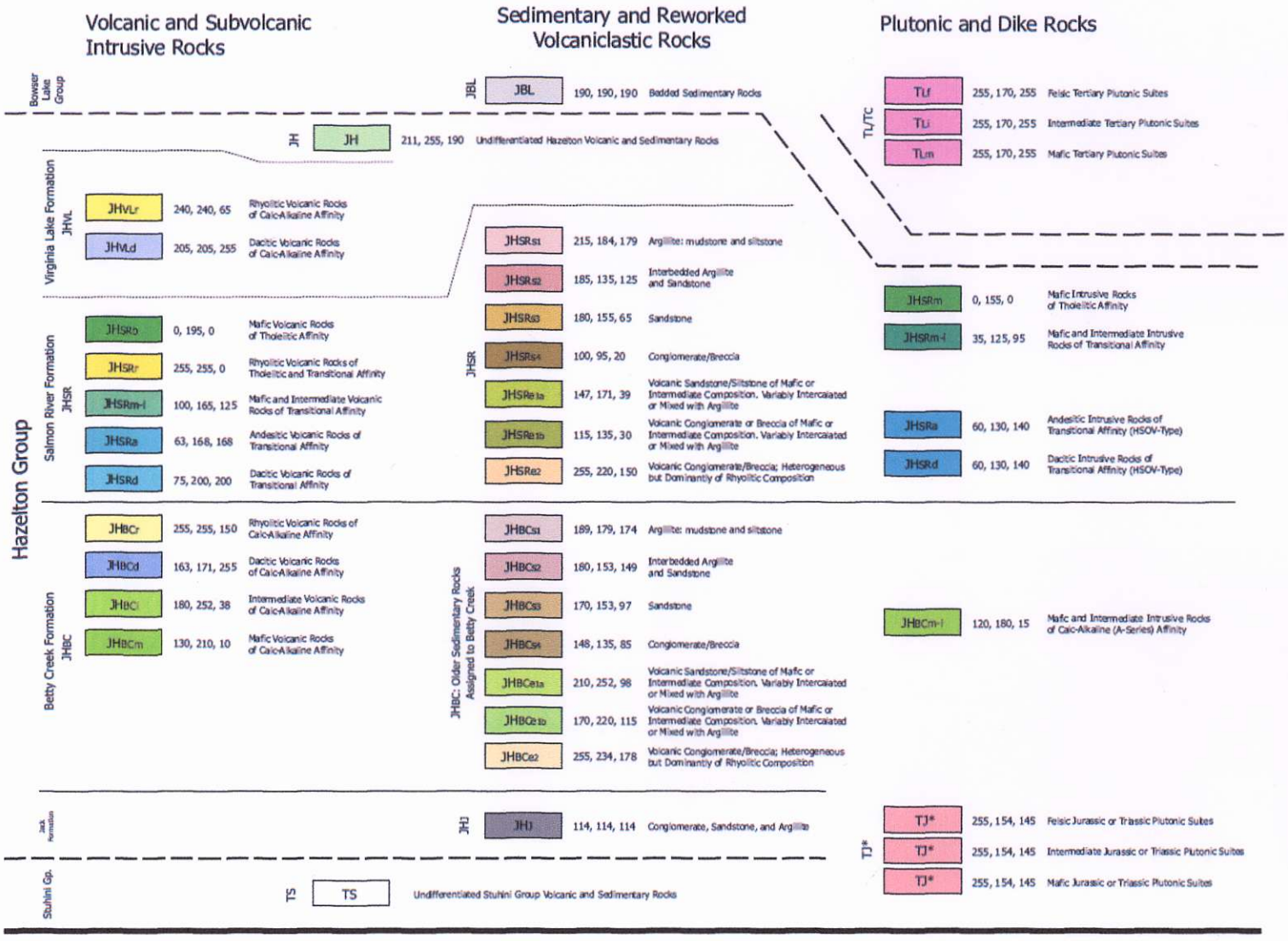
February 16, 2009


1200m
1000m
800m
600m
400m
297 Degree Azimiuth
BASE OF ESKAY RIFT
JHSRa
JHSRs1
A
A'
JHSRr
JBL
JHSRs3
JHBCi
JHBCs3
JHBCi
JHSRe1a
JHSRe2
JHSRd
JHBCm
JHSRs1
JHSRs2
JHBCi
JHSRm
COULTER CREEK THRUST FAULT
JHSRr
POSSIBLE BASE OF ESKAY RIFT
(Base Not Intersected in 2008 Drilling)
EK08-134
JHSRb
80
Meters
Legend
Coulter Creek Thrust Fault
Cross Faults
Faults/Shears (Sub-Parallel to Bedding)
Drillhole Trace
Kenrich-Eskay Mining Corporation
Report By: McKinley et al.
Date: Dec 2008
Produced By: C. Sebert
Drawn By: E. Nelles
Scale: 1:5000
Geological Cross Section for the Coulter Creek Area (See Map 1 for Location)
Cambria Geosciences Inc.
Figure 11


1200m
1000m
800m
600m
400m
297 Degree Azimuth
BASE OF
ESKAY RIFT
JHBCs3
JHSRs1
JHSRe2
JHSRa
B
B'
EK08-132
JBL
JHSRd
JHBCi
JHBCe1b
JHBCm
JHBCs3
JHSRr
EK08-135
Possible Base of Eskay Rift
(Base Not Intersected in 2008 Drilling)
JHSRe2
EK08-132
JHSRb
100
Meters
Legend
Coulter Creek Thrust Fault
Cross Faults
Faults/Shears (Sub-Parallel to Bedding)
Drillhole Trace
Kenrich-Eskay Mining Corporation
Report By: Mckinley et al.
Date: Dec 2008
Produced By: C. Sebert
Drawn By: E. Nelles
Scale: As Indicated
Geological Cross Section
for the Coulter Creek Area
(See Map 1 for Location)
Cambria Geosciences Inc.
Figure 12

Lithological Legend

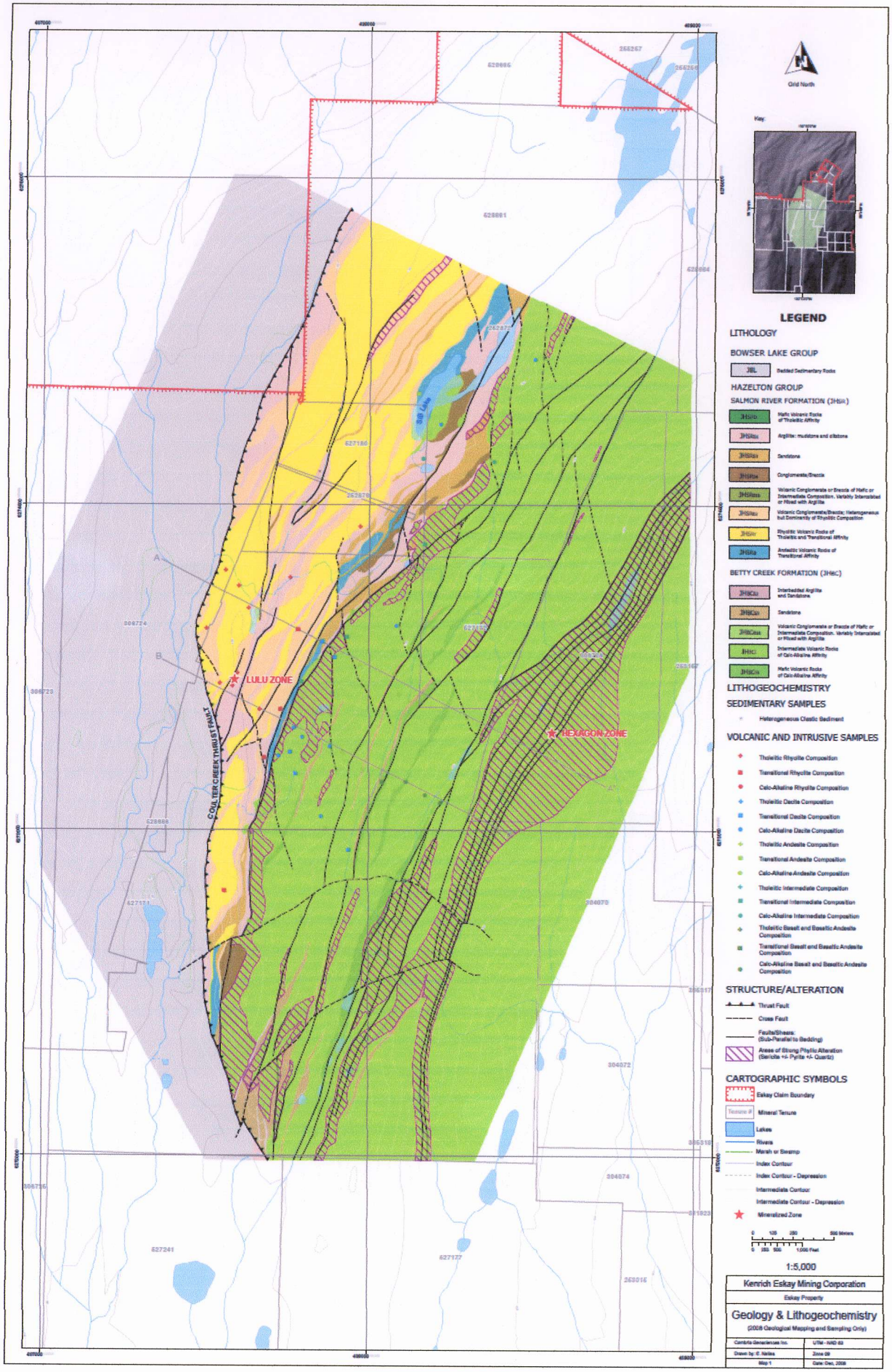
Eskay Property, Northwest, British Columbia



Kenrich - Eskay Project
Cambria Geosciences Inc.

Figure 15. Lithological Legend
for < 1:5,000 scale geology maps

C. Sebert
December 2008


LULU ZONE
HEXAGON ZONE
COULTER CREEK THRUST FAULT
A
B
Grid North
Key:
LEGEND
LITHOLOGY
BOWSER LAKE GROUP
JBL
Bedded Sedimentary Rocks
HAZELTON GROUP
SALMON RIVER FORMATION (JHSR)
Mafic Volcanic Rocks of Tholeiitic Affinity
Argillite; mudstone and siltstone
Sandstone
Conglomerate/Breccia
Volcanic Conglomerate or Breccia of Mafic or Intermediate Composition, Variably Intercalated or Mixed with Argillite
Volcanic Conglomerate/Breccia; Heterogeneous but Dominantly of Rhyolitic Composition
Rhyolitic Volcanic Rocks of Tholeiitic and Transitional Affinity
Andesitic Volcanic Rocks of Transitional Affinity
BETTY CREEK FORMATION (JHBC)
Interbedded Argillite and Sandstone
Sandstone
Volcanic Conglomerate or Breccia of Mafic or Intermediate Composition, Variably Intercalated or Mixed with Argillite
Intermediate Volcanic Rocks of Calc-Alkaline Affinity
Mafic Volcanic Rocks of Calc-Alkaline Affinity
LITHOGEOCHEMISTRY
SEDIMENTARY SAMPLES
Heterogeneous Clastic Sediment
VOLCANIC AND INTRUSIVE SAMPLES
Tholeiitic Rhyolite Composition
Transitional Rhyolite Composition
Calc-Alkaline Rhyolite Composition
Tholeiitic Dacite Composition
Transitional Dacite Composition
Calc-Alkaline Dacite Composition
Tholeiitic Andesite Composition
Transitional Andesite Composition
Calc-Alkaline Andesite Composition
Tholeiitic Intermediate Composition
Transitional Intermediate Composition
Calc-Alkaline Intermediate Composition
Tholeiitic Basalt and Basaltic Andesite Composition
Transitional Basalt and Basaltic Andesite Composition
Calc-Alkaline Basalt and Basaltic Andesite Composition
STRUCTURE/ALTERATION
Thrust Fault
Cross Fault
Faults/Shears (Sub-Parallel to Bedding)
Areas of Strong Phyllic Alteration (Sericite +/- Pyrite +/- Quartz)
CARTOGRAPHIC SYMBOLS
Eskay Claim Boundary
Mineral Tenure
Lakes
Rivers
Marsh or Swamp
Index Contour
Index Contour - Depression
Intermediate Contour
Intermediate Contour - Depression
Mineralized Zone
0 125 250 500 Meters
0 250 500 1,000 Feet
1:5,000
Kenrich Eskay Mining Corporation
Eskay Property
Geology & Lithogeochemistry
(2008 Geological Mapping and Sampling Only)
Cambria Geosciences Inc.
UTM - NAD 83
Drawn by: E. Nobles
Zone 09
Map 1
Date: Dec, 2008