

WESTERN CANADIAN INVESTMENTS
RECEIVED

NOT RESE
MED I
SCRIPTION
\$50.00 + C

NO. 7 (1997)
JANUARY 10, 1997

JAN 15 1997

NO. 7
JANUARY 10

KENRICH MINING CORP.
[KRC-V] 21,185,823 SHS.

CORPORATE SUMMARY - Ken Trociuk, president, Kenrich Mining Corp., provides a review of activities.

Kenrich was given clear title to the Corey property in 1994, comprised of 839 contiguous units located about 10 km south of Homestake Canada's Eskay Creek Mine 60 km north of Stewart, northwest BC. Kenrich has conducted exploration programs on the property for two seasons.

With its second season of exploration, Kenrich has advanced the potential on the Corey property. Kenrich started in the spring of 1996 with one target having gold potential (TV Zone), a geological target with massive sulphide potential (Bench Zone) and a base metal showing (Cumberland). Kenrich finished the 1996 season with improved tonnage and grades on the TV Zone, outlined two massive sulphide targets near the Cumberland showing, has a massive sulphide target on the HSOV (black smoker), and has three quartz-sulphide vein hosted gold showings (Sheelagh Creek, CB and TM). All seven targets merit drill testing. Except for the TV Zone and the original Cumberland Showing, these targets were discovered during the 1996 field season. The targets were located by systematic regional exploration over the west half of the Corey property.

Drilling on the TV Zone located more of the stockwork style of mineralization originally drilled in the fall of 1995. The drilling improved knowledge of the stratigraphic and structural controls and determined the geometry of the mineralization believed to be similar to the stockwork mineralization which underlies and acts as the feeder zone to the Eskay Creek massive sulphide deposit. Drilling on the TV Zone in 1997 will focus on tracing the mineralization up-section, to where staff geologists believe another Eskay Creek deposit could be found.

The Cumberland Showing was originally discovered and tested by underground drifting in 1898. The showing is a massive sulphide with grades of 9.8% zinc, 2.7% lead, 0.45% copper, 0.272 oz. gold/ton and 2.67 oz. silver/ton. Several companies had taken a cursory look at the showing in previous years; however, no company had devoted enough time and effort to determine the continuity and potential of this massive sulphide deposit. In 1996, Kenrich covered the area with detailed geological mapping, soil geochemistry, airborne geophysics and limited drilling and developed two targets which require drill testing in 1997. Work on the main showing suggests mineralization is continuous for 500 metres to the south and this model will be tested.

The second Cumberland Showing, a new bedded barite zone which averaged 120 oz. silver/ton over 2.0 metres was traced for 500 metres along strike. The mineralization was found in narrow canyons cutting across the regional stratigraphy. The bedded barite is an exhalative deposit which appears to lie stratigraphically above the Cumberland massive sulphide mineralization. The bedded barite requires drill testing to further assess its potential.

The HSOV is a new showing found in September 1996. The showing consists of massive marcasite mineralization containing textures and gangue minerals that indicate it was deposited on the ocean floor as sulphide chimneys in a "black smoker." This is how most massive sulphide deposits including Eskay Creek are thought to be deposited. The showing lies at the contact between rhyolite breccias and black shales, again similar to Eskay Creek. The horizon has been traced by mapping for 1,000 metres along strike and 500 metres down dip. Although the main showing has not returned economic grades in surface samples, stream sediment and

104B 11
↑
moss mat geochemical sampling of the horizon indicate areas that are significantly anomalous in gold, silver, arsenic, zinc and copper. This target will be a mapped and sampled in 1997, and is expected to reveal mineralization.

Sheelagh Creek contains a quartz-pyrite vein 2 to 5 metres in width and has been traced for 100 metres along strike and 50 metres down dip. Trench samples gave values up to 1.79 oz. gold/ton and 3.19 oz. silver/ton. Kenrich was unable to drill the vein due to difficult drilling conditions in the hanging wall rock. Drill sites will be prepared closer to the showing and specialized drilling techniques will be used to drill the Sheelagh Creek vein in early 1997.

The CB Showing is a quartz-pyrite vein traced for over 100 metres along strike and 50 metres down dip. The vein ranges from two to five metres in width. Grab samples from this vein gave values up to 0.132 oz. gold/ton and 3.49 oz. silver/ton. This showing will be trenced and drilled in 1997.

The TM (Ted Morris) Showing is a large vertical shear zone which is thought to feed the many high-grade showings at the top of Mount Madge. This shear is several metres wide and has a vertical dimension of several hundred metres. Grab samples from this showing gave values up to 1.228 oz. gold/ton. This shear zone is a priority target for trenching and drilling in 1997.

The feature common to all of the mineralized quartz veins discovered in 1996 is that they appear to have good continuity in both length and down dip extension. Detailed trenching, followed by diamond drilling is expected to delineate significant gold values at depth and further along strike. These three veins are expected to contribute to the gold reserves on the property.

Kenrich has progressed from one primary target and a few geological targets in the spring of 1995 to seven excellent targets in the fall of 1996, each of which show potential. Planning the 1997 exploration is in progress. The main objectives will be to follow up the new discoveries with detailed work, as well as conduct a systematic regional exploration program over the remaining unexplored eastern half of the Corey property.

Kenrich has received approval from the V.S.E. to an extension of the 650,000 share financing at 90¢ each. The company is also looking at several international precious metal projects. Kenrich is funded with \$450,000 and no outstanding bills as of 31Dec96. (SEE GCNL NO.226, 22Nov96, P.3 FOR PREVIOUS COREY PROJECT INFORMATION)