

# Eskay Mining Corp

## ESK — TSX Venture

MARCH 2010

**ESKAY MINING  
CORP**

**Trading Symbols:**

Toronto: TSX.V: ESK

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

*The 2010 Eskay exploration program will focus 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 the Eskay (SIB) property demonstrates that the Eskay Rift sequence is highly prospective south of the Eskay Creek Mine.*

## EXECUTIVE SUMMARY

### ESKAY (SIB) PROPERTY, BC

#### INTRODUCTION

##### Location

The mineral properties of the Company are located in northwestern British Columbia, 70 km northwest of Stewart, BC (see right), and surround the Eskay Creek mine property owned by Barrick.

##### Mineral Tenures

The Company holds an interest in mineral tenures comprising 177 claims over 44,750 hectares in the region.

**Corey Property:** The Company holds an interest in 37 mineral tenures comprising 11,500 ha. All are in good standing. The Company holds a 100% interest, subject to a 2% Net Smelter Return royalty.

**Eskay (SIB) Property:** On May 8, 2008 the Company announced an option agreement with St Andrew Goldfields Ltd. (TSX-V: SAS) to acquire up to an 80% undivided interest in mineral tenures that include the historic SIB / Lulu areas.

The St Andrew properties allow The Company to expand its ongoing exploration in the region and apply its accumulated geological expertise onto this highly prospective new ground closer to the prolific Eskay Creek mine. The Agreement joined two very important properties in the Eskay Creek camp, into one contiguous block that surrounds and abuts the Eskay Creek mine property of Barrick. Barrick holds a strike length of 4 km of the Eskay Rift belt. The Company's property position now controls the remaining 28 km of the belt.

##### Eskay Creek Mine

The Eskay Creek mine of Barrick Gold Corporation. ("Barrick") 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 was the 2nd richest gold mine in Canada, and the 5th largest silver producer

in the world, until its closure in 2008 (Massey, 1999).

Additional major gold-rich VMS discoveries are most likely to be made within the confines of the Eskay rift basin area. Opportunities to explore a major belt containing volcanogenic massive sulphide ("VMS") deposits are rare; especially rare is an open opportunity to explore for gold-silver rich VMS deposits of the Eskay type.

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 current owner, Barrick, closed the mine in 2008.

**Eskay VMS Deposits:** The Eskay Creek Mine 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. The Eskay Creek deposits were formed in a shallow submarine hot-spring environment, and are termed high-sulphidation volcanogenic massive sulphide deposits. Like most VMS deposits, they consist of semi-massive to massive, concordant sulphide lenses underlain by discordant stockwork feeder zones. They have diverse geochemical signatures dominated by Au, Ag, Cu and Zn and often accompanied by elevated concentrations of As, Sb, Pb, Te and Hg.

**Production:** Cumulative production at Eskay Creek, until closure in early 2008, was 102.00 tonnes of gold and 4,995.24 tonnes of silver (3,279,415 oz gold, 160,597,110 oz silver) from **2,238,255 tonnes of production milled**. The grade of production was an exceptional **45.57 g/t gold and 2,231 g/t silver (1.33 oz/ton gold and 65.1 oz/ton silver)** over the life of the mine.

## ESKAY RIFT BELT: MINERALIZATION AND SETTING

*The targeted  
Eskay-type  
“prize”  
is well-worth  
a concerted  
multi-year  
exploration effort’*

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

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

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Lower to Middle Jurassic Salmon River formation is largely calc-alkaline magmatic affinity, however, a north-south trending belt contains a bimodal suite of volcanic rocks of distinctive tholeiitic affinity. This belt of volcanic and sedimentary rocks define an Eskay-rift belt that contains **all** the best Eskay-type deposits and significant VMS discoveries in the region.

The Company’s Corey Property spans the southern portion of this trend and contains mineralization directly analogous to the Eskay deposits. The SIB claims, acquired by the Company in 2008, contains the Lulu and Hexagon occurrences. Taken together, the Corey and SIB properties contain all but 4 km of the 32 km long Eskay rift (see the facing page).

### Corey Property

Both **Cumberland** and **Smitty** are stratiform VMS occurrences with a strong similarity to the Eskay deposit. They are enclosed by Salmon River formation tholeiitic volcanic rocks, and in the case of Cumberland, have a similar Pb Isotope signature. See the Company reports on the Corey Property for details of results.

**C10** contains enrichments of gold, copper and zinc are present throughout. 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.

**Red Lightning** represents a significant 2008 discovery. Drillhole CR08-86 intercepted a steeply northeast dipping zone of intrusive sill-hosted mineralization. This zone comprises network-veined to semi-massive pyrite-pyrrhotite-chalcopyrite enveloping a **5.3 metre** (estimated true thickness) interval of fine grained massive pyrite-pyrrhotite-chalcopyrite with grades of **1.03% Cu, 0.55% Ni, 0.10% Co, 0.16g/t Pt, 0.15g/t Pd and 1.1g/t Au**. These sulphides are interpreted to be magmatic in origin rather than hydrothermal. This zone of orthomagmatic copper-nickel-cobalt (-platinoid) mineralization remains open along strike to the north

and south. This discovery has revealed an exciting new regional exploration target with in the rift-related mafic volcanic rocks of the Hazelton Group.

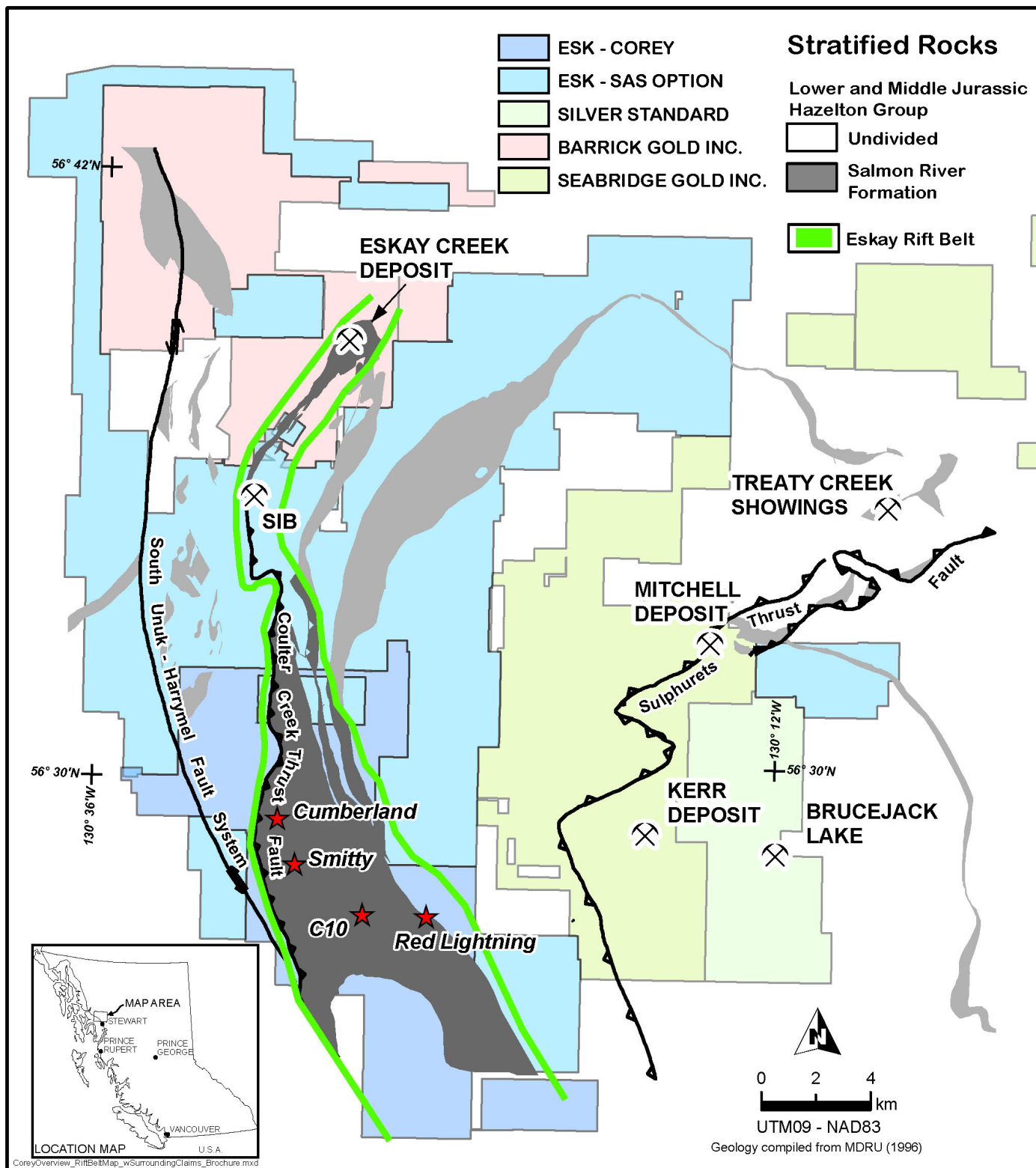
Mineralization similar to C10 was intersected in the footwall of the Red Lightning, opening the possibility that the Red Lightning magmatic style mineralization is a somewhat younger overprinting of Eskay style mineralization.

### SIB Property

The SIB property is part of the land tenures under option from St. Andrew Goldfields (“SAS”). Explored since the 1930s, the property was owned by Consolidated Silver Butte. In the same year of discovery of the Eskay Creek deposit, drilling intersected significant gold-silver mineralization at the **Lulu zone**, located on the SIB mineral claims. Lulu is hosted by up to 170 m of the mineralized “Marguerite mudstone”, the lowermost mudstone that is interbedded with Salmon River Formation felsic volcanics. The alteration comprises extensive sericite and locally intense pervasive silicification and sodium metasomatism. Below an extensive interval of silicified and albitized felsic strata, drill hole 90-30 intersected 21 metres of black siliceous carbonaceous 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, pyrrargyrite and arsenopyrite occur in trace amounts. **Historical drilling of the Lulu mudstone assayed 14.4 grams per tonne gold and 1059.5 grams per tonne silver across 14 metres.**

Heritage Explorations Ltd. (now SAS) 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 was restricted along strike and at depth.

**Hexagon and Mercury Anomaly Zones** were discovered in 2002, during exploration directed by Cambria Geosciences for Heritage Exploration. They are defined by a 4km long, gold-rich multi-element stream sediment anomaly coincident with two areas of strong to intense phyllic alteration cropping out at surface. An interpretation, preferred by McGuigan



Land Tenures near the Eskay Rift Belt (Limits of Eskay Rift are shown in green).

## ESKAY RIFT BELT: MINERALIZATION AND SETTING

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

*The Eskay Rift  
belt contains ALL  
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region*

(2002) is 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.

### Setting of the Eskay Rift

**Barrett and Sherlock (1996)** argue on the basis of litho geochemistry 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. 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*. 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.

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. 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. They are classified as high-sulphidation volcanogenic massive sulphide deposits.

**Eskay-Corey belt:** The Technical Report by **McGuigan et al (2004)** for The Company 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 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.**

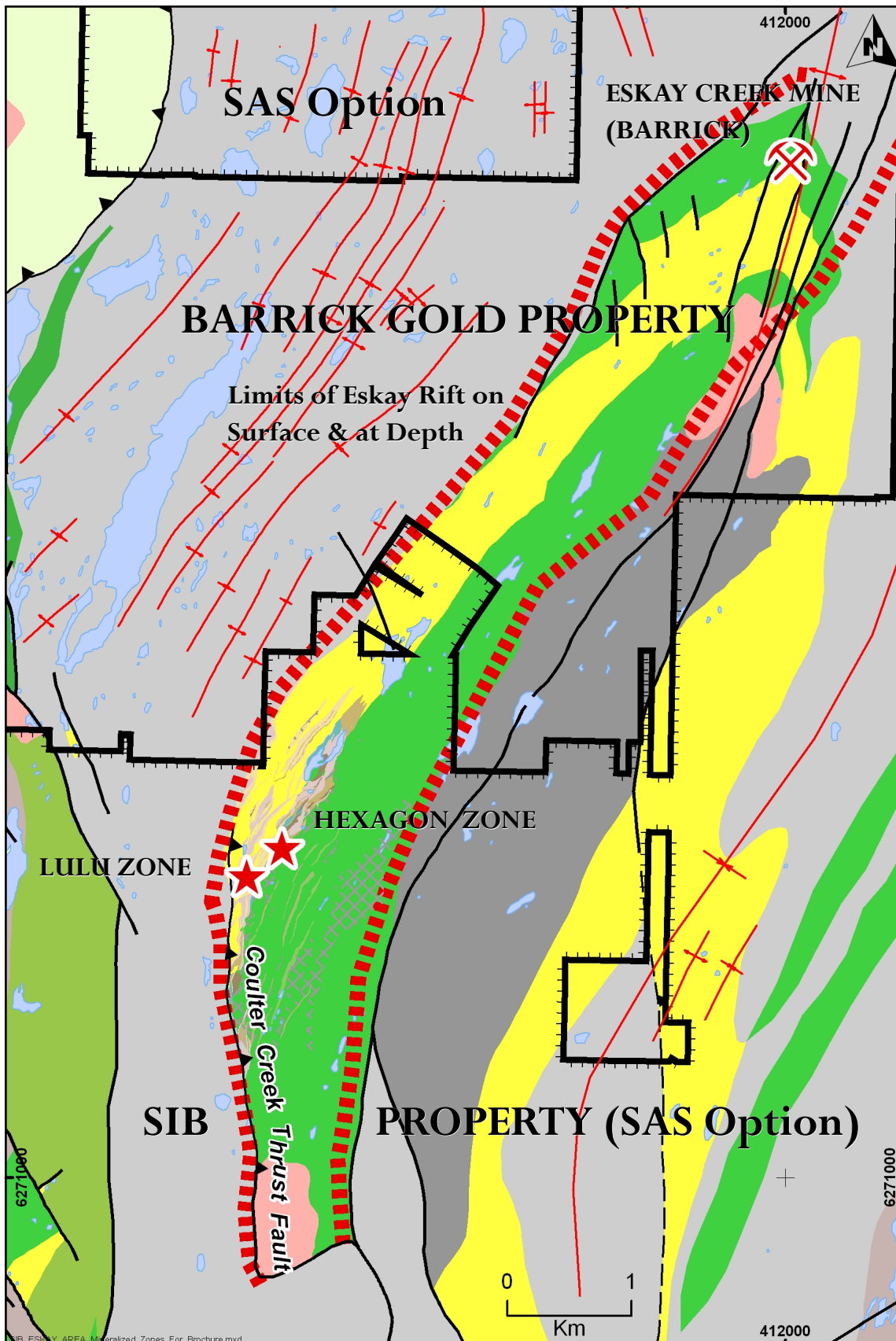
**Calc-alkaline intermediate** rocks flank this belt and despite containing time-equivalent members to the Eskay-Corey belt, contain only minor base and precious metal occurrences. This further confirms that the trend of the Eskay rift is the most prospective.

**Structural repetition by folding and thrust faulting** occurred after the formation and mineralization of the Eskay Rift belt. Cretaceous age compressional deformation shortened the strata, forming upright, open to tight folds with axial planes trending NNW. Several important thrust faults of that event include the Coulter Creek thrust fault that is now well-defined in the SIB property.

Additionally, the Cretaceous deformation likely explains that the Eskay Rift sequence outcrops in two north-trending belts on the Corey property. 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.

C10, sits in a region transverse to the trend, and has affinities to both belts. Red Lightning appears to be part of that transverse trend.





## SIB PROPERTY: EXPLORATION PROGRAMS

### Historical Exploration

Consolidated Silver Butte and its predecessor companies were active on the SIB from the 1930s until the early 1990s. Later, Heritage Exploration (now St. Andrew Goldfield) applied a systematic and multidisciplinary approach to its exploration at the core SIB property (including the Lulu and Hexagon zones) in the period 2001 to 2003. Those programs involved aggressive drilling of targets developed by geological mapping, geochemical sampling (stream sediments), lithogeochemical sampling (rocks), and airborne geophysics (AeroTEM II).

In aggregate, the historical exploration programs completed a total of 132 diamond drill holes, comprising 19,417 meters of diamond drilling.

Most of the historical drilling was targeting the mudstone horizon at the Lulu zone. Historical interpretation of the results concluded that the Coulter Creek thrust fault limited the exploration of the Lulu to the south, and at depth.

The Company optioned the Property in May 2008. The 2008 exploration program of the Company comprised geological mapping and lithogeochemical sampling, along with 4 drillholes for 2,333.6 metres of drilling.

**Geological mapping** was conducted on the surface over the SIB claims, in order to tie the SIB lithologies into the mapping scheme of the more advanced geological work from the 2003-08 Corey programs. That early summer 2008 work confirmed the validity of the drill targets lying in the footwall of the Coulter Thrust — *an untested region of the SIB claims*. Three of the four diamond drill holes of the 2008 program targeted the footwall to the Coulter Thrust, each intersecting Salmon River formation rocks of the Eskay-type lithological signature.

### 2008 Diamond Drilling

The prospective Salmon River formation rocks are cut off by the **Coulter Creek Thrust Fault** ("**Coulter Thrust**"). along strike to the south and also down dip, thereby limiting the prospective area for VMS exploration. All the historical drilling to shallow depths was conducted in a panel of volcanic and sedimentary rocks lying on the *hanging wall* of the Coulter Thrust. However, fault-displaced targets identified in 2002 for Heritage by McGuigan and Lewis are located in the *footwall* of the Coulter

Thrust and remained undrilled until the Eskay Mining Corp. program of 2008.

The 2008 diamond drilling on the Eskay Property has largely concentrated on the extension of the Lulu Zone host rocks on the footwall side of the Coulter Thrust Fault.

### Lulu Zone Confirmation Drilling

Drillhole EK08-133 was a Lulu Zone confirmation hole and also tested the immediate along strike extension of the zone, approximately 25 metres to the south-southeast of the section cut by EK08-132. The hole is collared in an E-type tholeiitic rhyolite flow breccia that passes into a 15.5 metre interval of highly faulted carbonaceous and finely pyritic mudstone. A **10-metre core interval** from 55.7 to 65.7 metres depth returned grades of **9.0 g/t Au, 405 g/t Ag, 0.2% Zn, 0.3% As and 2.9% Sb**. This includes 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)/sulphosalts and mudstone. This higher grade interval returned **15.9 g/t Au, 1299 g/t Ag, 0.5% Zn, 0.4% As and 7.8% Sb**. The notable enrichment in Sb indicates that Stibnite likely forms a significant part of the zone.

### Coulter Thrust Footwall Targets

The 2008 diamond drilling program was targeted at "Lulu horizon" mineralization within stratigraphically equivalent mudstone in the footwall of the Coulter Thrust, beneath the overthrust Betty Creek formation rocks. Historical diamond drilling on the SIB property was relatively shallow in depth, and did not test the footwall of the Coulter Creek Thrust Fault to any significant depth. Displacement on the Coulter Thrust at the Lulu Zone was estimated at less than 500 metres in earlier work by McGuigan and Lewis, placing targets readily within feasible drilling depths with a light-weight drill rig.

Drillholes EK08-132, 134 and 135 were planned to locate the fault displaced segments of the Lulu Zone stratigraphy in the footwall of the Coulter Thrust. All three diamond drill holes penetrated the Coulter Thrust, at depths ranging from 450 to 560m down-hole. **All drillholes intersected Salmon River**

*Thrust Faulting at the SIB property has been constrained by the 2008 diamond drilling program*

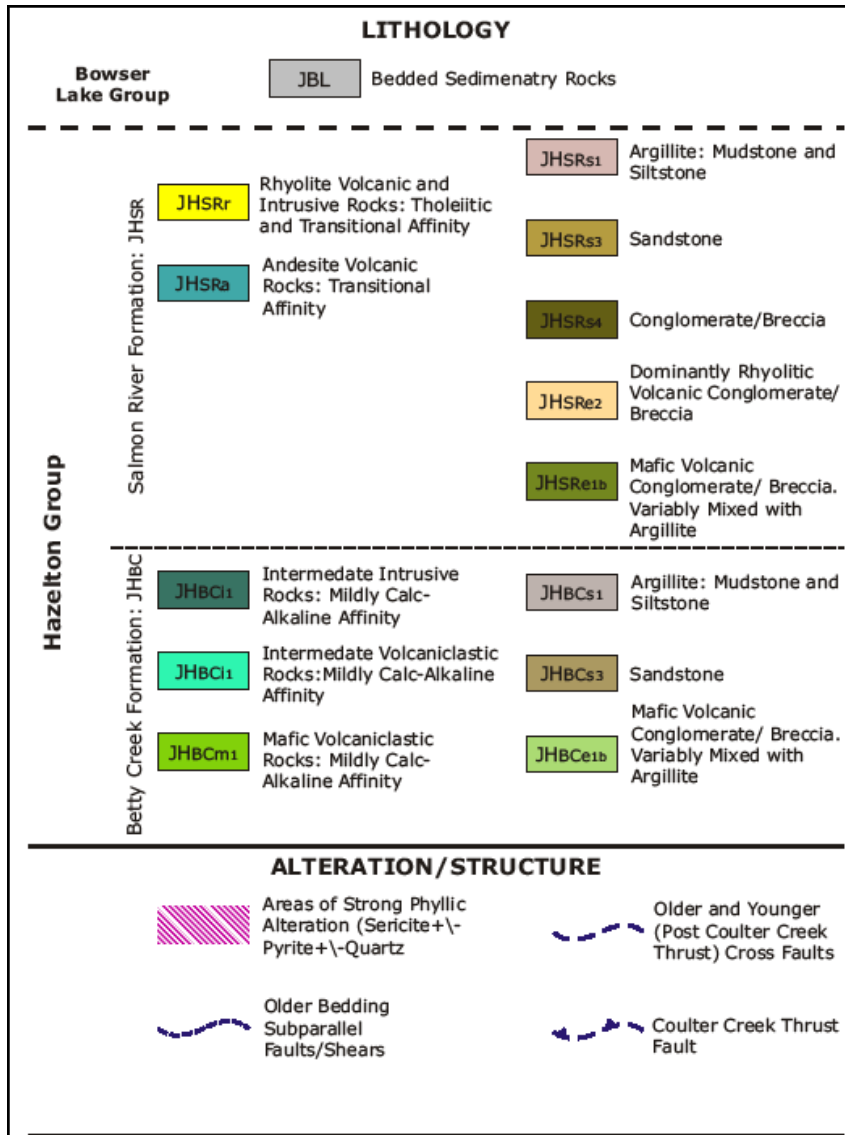
formation mudstones, rhyolites and basalts, below the Coulter Thrust. In combination with surface geological mapping by Sebert, the 2008 diamond drilling defined a much refined and very prospective geology.

The most significant mineralization was returned from hole EK08-134. That hole passed through the Coulter Thrust at 458 m depth. The interval between 488.2 and 513.6 m is a pale grey-green LREE enriched E-type tholeiitic rhyolite intrusive into mudstone, and in part flow banded. **Notably, thin, anastomosing quartz-polymetallic sulphide veins cut this unit. These locally carry up to 15% sphalerite-galena-chalcopryite-pyrite.** Additionally, there are

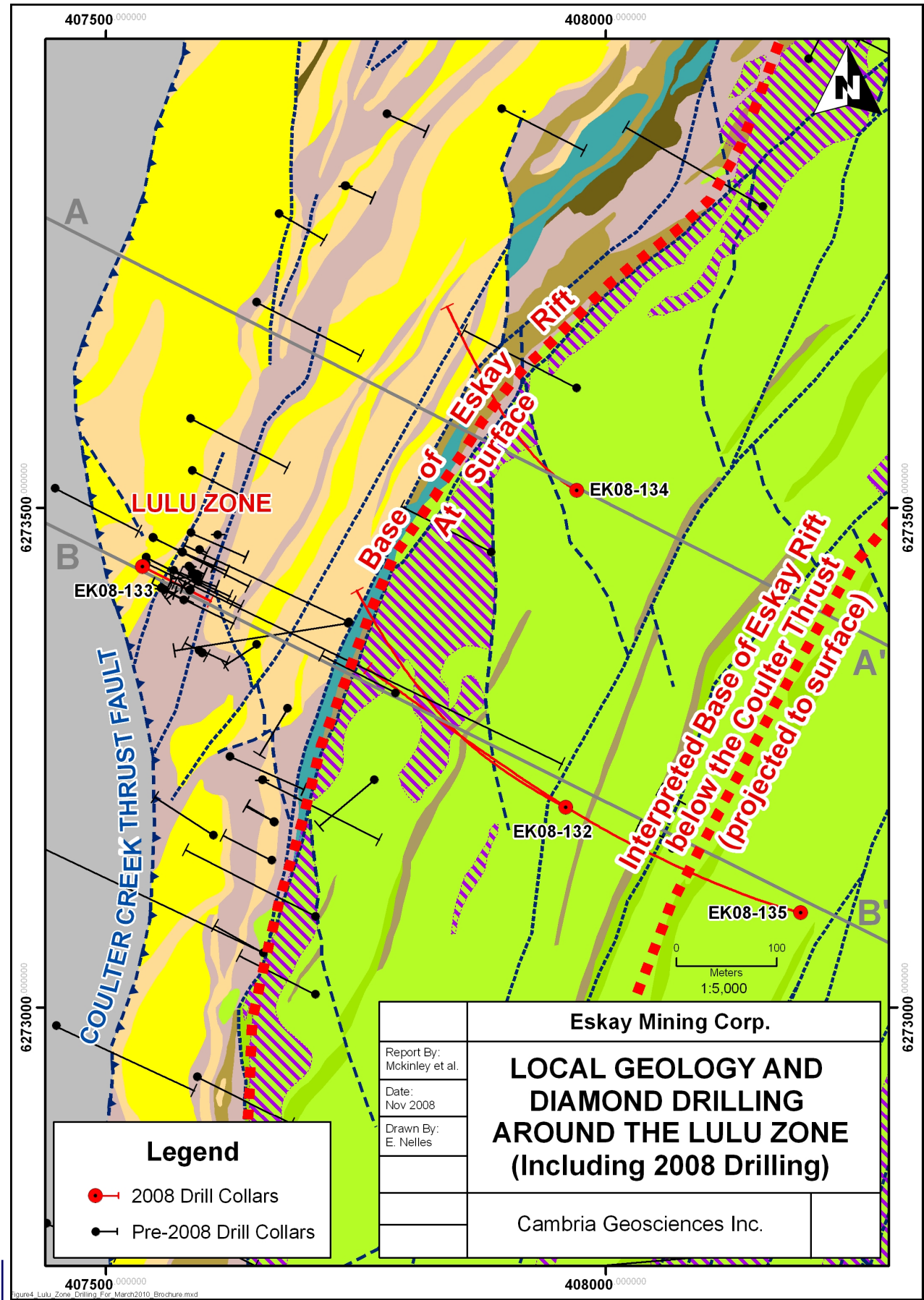
thicker, laminated “stockwork” style quartz-polymetallic sulphide veins with up to 5% sphalerite-galena-chalcopryite.

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** plus anomalous As and Sb. The presence of Eskay mine equivalent stratigraphy in hole EK08-134 (tholeiitic basalt and low TiO<sub>2</sub> rhyolite in proximity to mudstone), plus associated hydrothermal alteration and VMS style stockwork mineralization indicate excellent potential for massive sulphide mineralization at this contact both along strike and up and down dip.

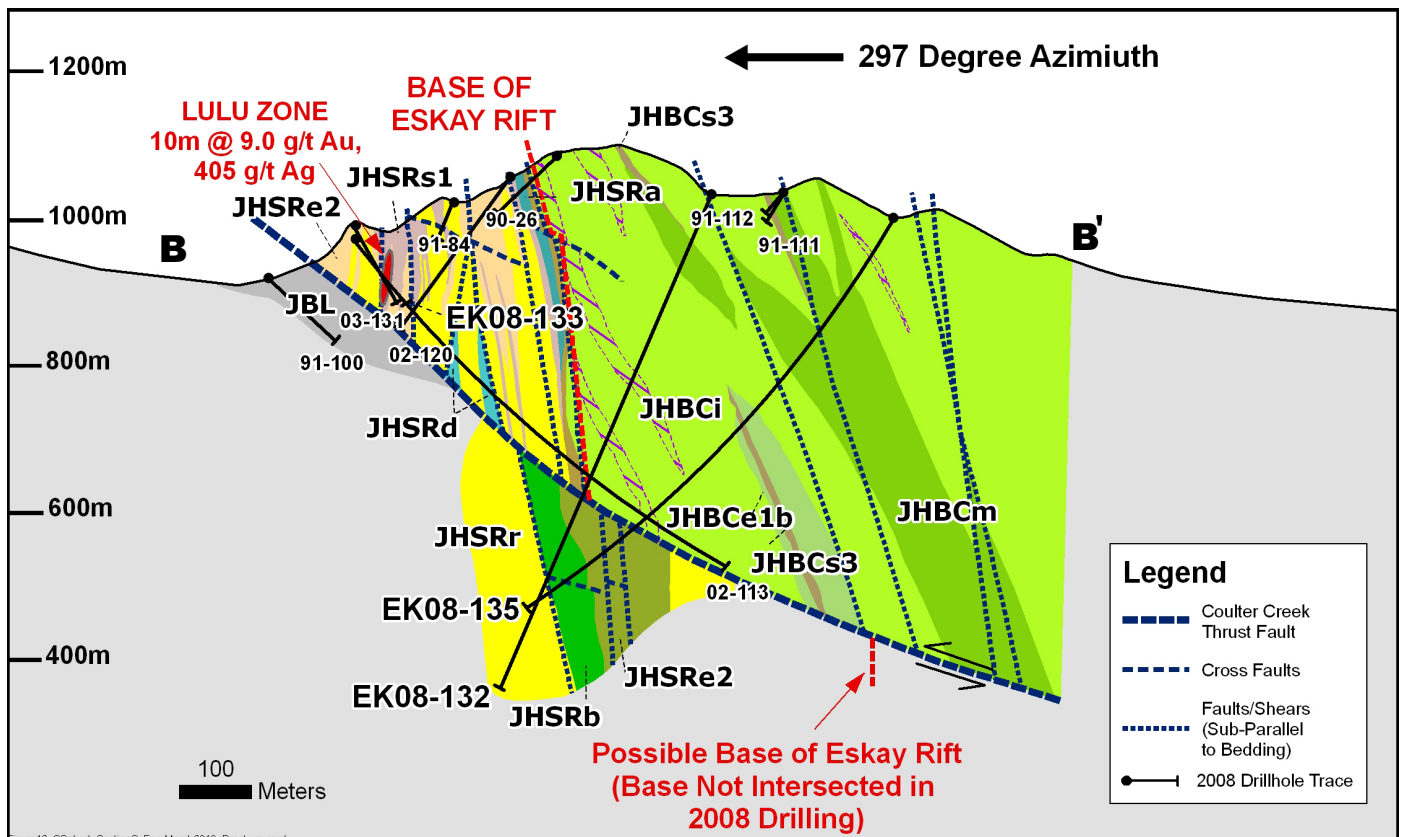
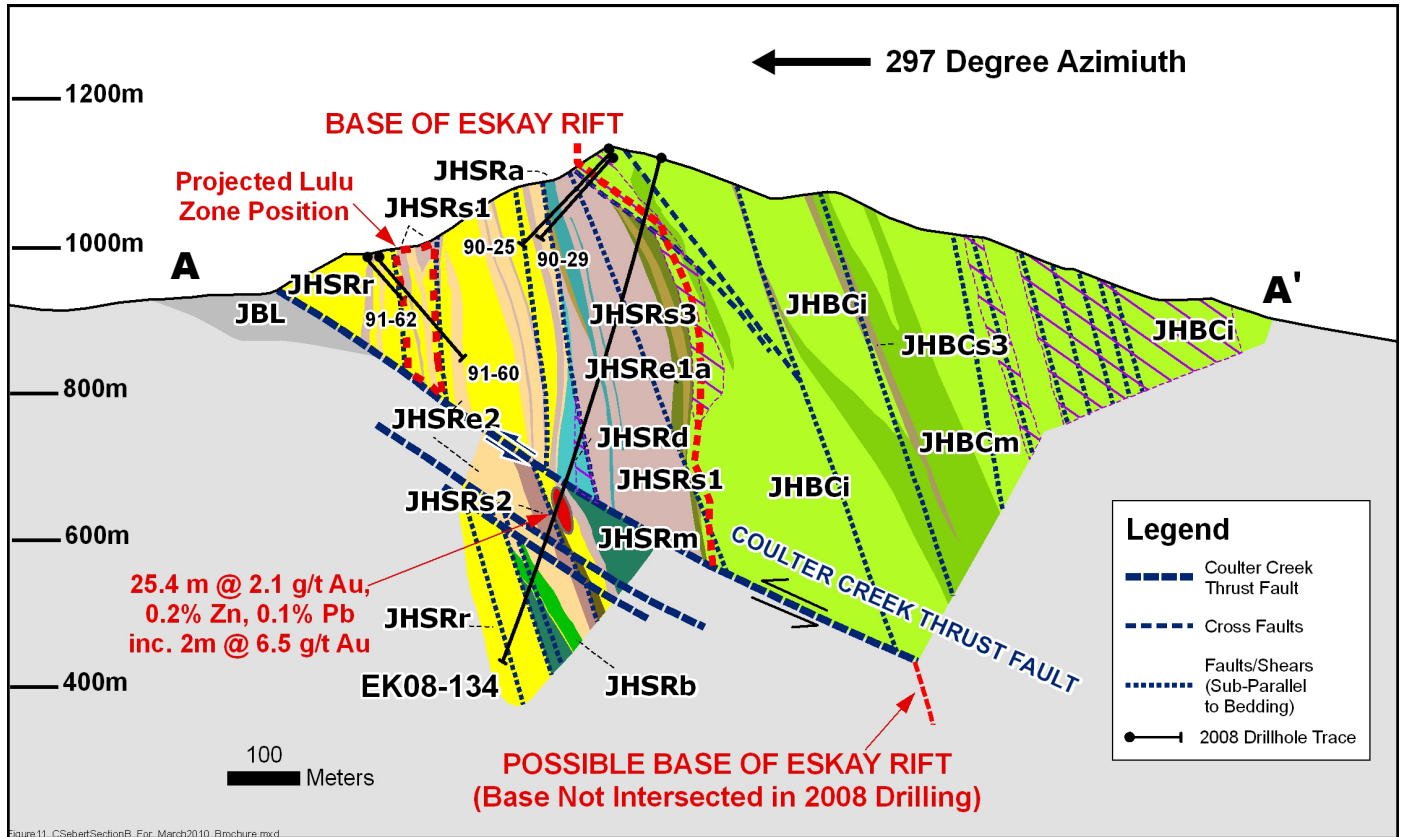
*A “first”: EK08-134 intersected a broad zone of stringer style mineralization within Eskay Rhyolite beneath the Coulter Thrust*



*Legend for preceding and following pages.*







## CONCLUSIONS

### Eskay Rift is Now Defined

Detailed geological mapping complemented by a comprehensive lithogeochemical survey and an airborne geophysical survey has resulted in a very well defined geological template for the Corey and Eskay (SIB) Properties. This work has clearly demonstrated that the Eskay rift rocks (the Salmon River Formation) trend southward from the Eskay Creek Mine onto the SIB property and thence onto the Corey property.

### ESKAY (SIB) Property

Overall, the stratigraphy encountered on surface in the southwest SIB area is generally equivalent to that found at the Eskay Creek mine, based on lithogeochemistry and the type of stratigraphic units present. The major exception is the absence of overlying tholeiitic pillow basalts. However, tholeiitic basaltic intrusive rocks, pillow lavas, volcanoclastic rocks were encountered below the Coulter Thrust fault by the deep drill holes EK08-132, 134, and 135. **This suggests that a more complete section of the Salmon River Formation exists in the panel underlying the Coulter Thrust;** at surface, the upper part of the Salmon River Formation, including the tholeiitic pillow basalts, has been “removed” by fault displacement along the Coulter Thrust and subsequent erosion.

Rhyolitic flows and autoclastic breccias assigned to the Salmon River Formation contain intercalated, lens-like bodies of argillaceous siltstone and fine-grained sandstone. Mixtures of brecciated to re-deposited sediment and rhyolitic volcanoclastic debris, and mixtures of rhyolite breccias and argillaceous sediment are common in this section of the stratigraphy.

The brecciated, mixed, and re-deposited debris suggest eruption of rhyolitic magmas onto and into partially unconsolidated argillaceous sediments.

The lithogeochemical character of the Salmon River rocks is transitional to tholeiitic in affinity; the felsic volcanic rocks appear to have a transitional affinity at the base of Formation and change rapidly upwards to a tholeiitic affinity.

The rhyolite-rich stratigraphy displays a similar architecture as that found in the sedimentary sequence

underlying it. There is a variation in the bedding dip angles from steeply eastward to westward moving from east to west as Coulter Creek is approached.

**This suggests a thickening wedge of rhyolite and sediment down dip.**

No examples of massive porphyritic rhyolite were encountered in the surface area mapped in 2008. Instead the area containing the Lulu Zone represents a more peripheral facies to the rhyolite domes such as was reported by Bartsch (2001b) in the Mackay Adit area and in the 21 Zone area at the Eskay Creek mine. **However, massive porphyritic rhyolite was intersected below the Coulter Thrust in drill holes EK08-132 and 134 indicating that more vent-proximal facies exist at depth. Combined with the significant alteration and mineralization in the footwall of the Coulter thrust, this footwall appears to be significantly more prospective than the rocks in the hanging wall of the thrust.**

These vent proximal and mineralized 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 Coulter Thrust.

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

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 Coulter Thrust.

### Corey Property: 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

*A more complete section of the Salmon River Formation exists in the panel underlying the Coulter Thrust*

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. 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.

Cumberland and Smitty have proven to be promising 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. 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.

## Corey Property: 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.

**The newly recognized magmatic massive sulphide association of the Red Lightning has very significantly enhanced the potential of the Mandy zone. The magmatic sulphides are clearly associated with the Eskay Rift basaltic magmatism .**

## RECOMMENDATIONS FOR 2010

SIB property exploration has been significantly advanced by the application of geological mapping, structural geology and lithogeochemistry. Following up on the Coulter Creek footwall target will require a program of deep geophysics, additional geological mapping and diamond drilling. The surface mapping of 2008 should be extended southward towards the Corey Property to join the known Salmon River stratigraphy there, with the similar rocks on the hanging wall and footwall of the Coulter Thrust.

Compilation of both the Eskay and Corey property AeroTEM II surveys should be undertaken, and a 3D magnetic model constructed. A ground geophysical

survey, such as the Quantec Titan 24 system should be employed over the Lulu zone and over the displaced footwall targets.

Structural mapping of the C10, Mandy Creek and Red Lightning areas should be done. Similarly, the Titan survey should be run over the same area.

This combination of SIB and Corey work should budget approximately \$5.0 million. Detailed budgets and targeting should be done, after the geophysical compilation.

***Recommended  
2010 Exploration  
Budget is  
\$5 Million***

## Officers & Directors

**Mr. Hugh (Mac) Balkam (CEO and President)** was with the Royal Canadian Mounted Police for 13 years, many of those involved in the investigation of stock market related fraud. In 1981, he left to become a financial consultant / investment manager with a major brokerage firm. Since 2004, Mr. Balkam has been involved in raising venture capital and consulting for junior mining companies. In that capacity, he served as a consultant for the Company, assisting in its past capital raising and market awareness programs. Mr. Balkam holds a BA from the University of Toronto.

**Mr. Bryon Sievert, (CFO and Director)** joined the Company effective December 2, 2009. Mr. Sievert is responsible for all accounting, financing, budgeting and reporting functions. With more than thirty years of accounting, tax and corporate finance experience, Mr. Sievert brings to the Eskay team special expertise in small cap equity transactions, initial public offerings, as well as strong relationships within the Toronto capital markets community. He was the initial auditor of Aur Resources, subsequently taken over by Teck Corporation. Mr. Sievert has been the auditor of a number of junior mining companies during his career.

**Mr. McDonald, (Director)** is Chief Executive Officer of McDonald Investment Management Inc. He was previously an officer and director of two Canadian Investment dealers. Mr. McDonald has 23 years of experience as a securities analyst, portfolio manager and trustee in the domestic and international capital markets and 7 years of experience with the International Monetary Fund. Prior thereto his career included 7 years of internal, external and comprehensive audit experience. Mr. McDonald received a Bachelor of Business Administration degree in 1972 and a Certificate of Achievement in 1994 from the University of New Brunswick. He is a past director and audit committee chair of Kid's Help Phone and served on the advisory Board of the Canadian Investment Review. Mr. McDonald has completed the Canadian Institute of Corporate Director's Corporate Governance program at University of Toronto's Rotman School of Management. He qualified as a Chartered Accountant in 1977.

**Mr. Robert Myhill (Director, Audit & Compensation Committee)** Mr. Myhill is the Chief Executive Officer and Chairman of ThinDesk Inc. an IT Managed Services company. He is a director of six privately held companies operating in transportation and venture capital in B.C., Alberta and Ontario. From 1991 until 2006, Mr. Myhill was the President of Canadian Investors Corporation, an investment company focused on financing corporate re-organizations. Mr. Myhill actively participated in directorship and management of the investee companies. From 1985 to 1991, he invested in and raised capital for small companies in Ontario. From 1976 to 1984 Mr. Myhill was President of national companies within Southam Inc. Group and Jim Patterson Industries. He earned an HBA and MBA from the Ivey School of Business Administration at the University of Western Ontario and qualified as a Chartered Accountant with Price Waterhouse.

## Advisory Committee

**Mr. Paul McGuigan, P. Geo. (Cambria Geosciences Inc.)** Mr. McGuigan is a Professional Geoscientist with 38 years of international experience in management of mineral exploration and mining operations, including work in the Eskay Creek region since 1979, firstly as a manager with Esso Minerals Canada. He has led the VMS exploration teams led to success at the Tulsequah Chief, Dolly Varden and Granduc Mines that are in the same Triassic-Jurassic terrane of BC, that hosts the Eskay Creek deposit. He has led the team at Cambria since 1986, and at various times, has been a Director of several junior mining companies. He holds a B.Sc. (Honours) from the University of BC. He is the Company's Qualified Person.

**Mr. Chet Idzisek, M.Sc.** has worked in the mining industry since 1971. In 1990, Chet received the "Mining Man of the Year" award in recognition of his role in the discovery and development of the Eskay Creek deposits in Northwestern British Columbia. Chet received the prestigious "Prospector of the Year Award for 1994", again, in recognition of the major role he played in the discovery and development of Eskay Creek, and for his leadership of Adrian Resources Ltd. during its exploration and development of the Petaquilla copper-gold deposits in Panama. Mr. Idzisek is a Member of Society of Economic Geologists, I.A.G.O.D., the Geological Association of Canada, and is a Fellow of the Geological Society, London.

**Mr. David Mallo, B.Sc.** Mr. Mallo holds a B. Sc. (Specialist) degree from Brandon University and has worked as a Geologist and Exploration Manager with numerous international exploration/mining companies since 1981. David was the Manager-Advanced Projects with Prime Explorations Ltd., the organization that was involved in the discovery, exploration and development of the original Eskay Creek deposits. He subsequently served as Executive Vice-President of Exploration for Adrian Resources Ltd.