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GEOLOGICAL SURVEY BRANCH ASSESSMENT REPORTS
DATE RECEIVED OCT 17 1995

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SUMMARY REPORT AND VALUE APPRAISAL

ON

THE WINDANCER, TAJ and JR CLAIMS

Lower Jervis Inlet Area
Southwestern British Columbia
Vancouver Mining Division

Lat: 49 deg. 45.2' - Long: 123 deg. 58.3'

RECEIVED

NTS 92G12/W & 92G13/W

OCT 2 - 1995

Gold Commissioner's Office
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For: Menika Mining Ltd.
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July 17, 1995

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GEOLOGICAL BRANCH
ASSESSMENT REPORT

SUMMARY

The following, compiled at the request of Menika Mining Ltd., was written in order to provide a reasonable measure of current estimated value of the Windancer, Taj and JR claims, sixteen units in all, for purposes of acquisition by Menika of a 100% unreserved interest in exchange for 215,000 shares of their common stock plus a 1.5% NSR.

The report was based upon a review of written reports and other material as indicated in the reference section plus as a two day examination of the subject claims as well as certain adjoining ground held by Menika - the North Lake and Ruby 1 and 2 claims.

Located at the northern end of the Sechelt Peninsula between Earl's Cove and Egmont, B.C. the property is easily accessible from the Langdale Ferry Terminal via paved highway 101, a distance of roughly eighty kilometres. The mild climate favors exploration activity twelve months of the year.

Previous work activity within the area currently covered by the claims includes a bulk shipment of material sent to the Asarco Tacoma smelter during the 1960's and extensive exploration during the 1980's by Chalice Mining Inc. and later by Blue Chip Resources Inc. Though expenditures during this latter period apparently ranged between \$250,000 and \$750,000 relatively little definitive work such as drilling was undertaken. Property potential was enhanced rather than downgraded as a result of the various geophysical and geochemical surveys; in fact, a number of recommended target areas remain largely untested.

The prevalent country rock is a Coast Range biotite/hornblende granodiorite which has been extensively intruded by dykes of various compositions. In certain areas roof pendants of Karmudsen volcanics add to the lithological tableau. At least thirty gold showings occur with the significant grades ranging from 0.10 to 8.8 ounces per ton (3.43 to 301 gpt) gold (accompanied by accessory silver/minor copper values. The best drill intersection ran 0.90 opt Au/ 9 ft. (31.3 gpt/2.7 m). According to Grove (1985) gold occurs in a number of settings including: a) massive sulphide veins; b) sulphide bearing quartz veins; c) quartz vein stockwork zones; d) mineralized breccia zones, and, e) disseminated porphyry-like breccia zones.

He also feels that the showings would relate to widespread, high level, epithermal (low temperature) volcanically related type of mineralization. Intercept areas between northwesterly-trending dykes and linears and northeasterly-trending gold-bearing veins frequently result in significant widening of the latter.

Three different approaches to present net worth evaluation of the subject claims suggest values ranging from \$122,500 to \$500,000, all of which exceed by a considerable margin the deemed purchase

price of \$32,250 or 215,000 Menika shares - approximately 3% of the company's outstanding common stock.

Recommendations are made to acquire and compile all of the available data on the properties, to improve access within the claims, re-establish the locations of the gold showings as well as the recommended target areas and to conduct a modest trenching/drilling programme. Estimated programme costs are \$73,400.

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II. INTRODUCTION:

a) Purpose of the Report:

The following was prepared at the request and on the authorization of Charles Boitard, President of Menika Mining Ltd. to provide a measure of evaluation and present estimated net worth of three groups of contiguous mineral claims - the Windancer 1-6, the Taj 1-4 and the JR 1-6. These claims are the subject properties of pending purchase agreements between Menika Mining Ltd. (the Buyer) and John Larue, Tammy Larue and Larry Lutgen (the Sellers and Registered Owners).

b) Nature of the Purchase Agreement:

Terms are as follows:

Windancer 1-6 and Taj 1-4 (John and Tammy Larue):

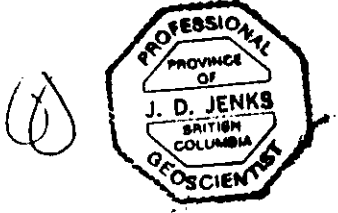
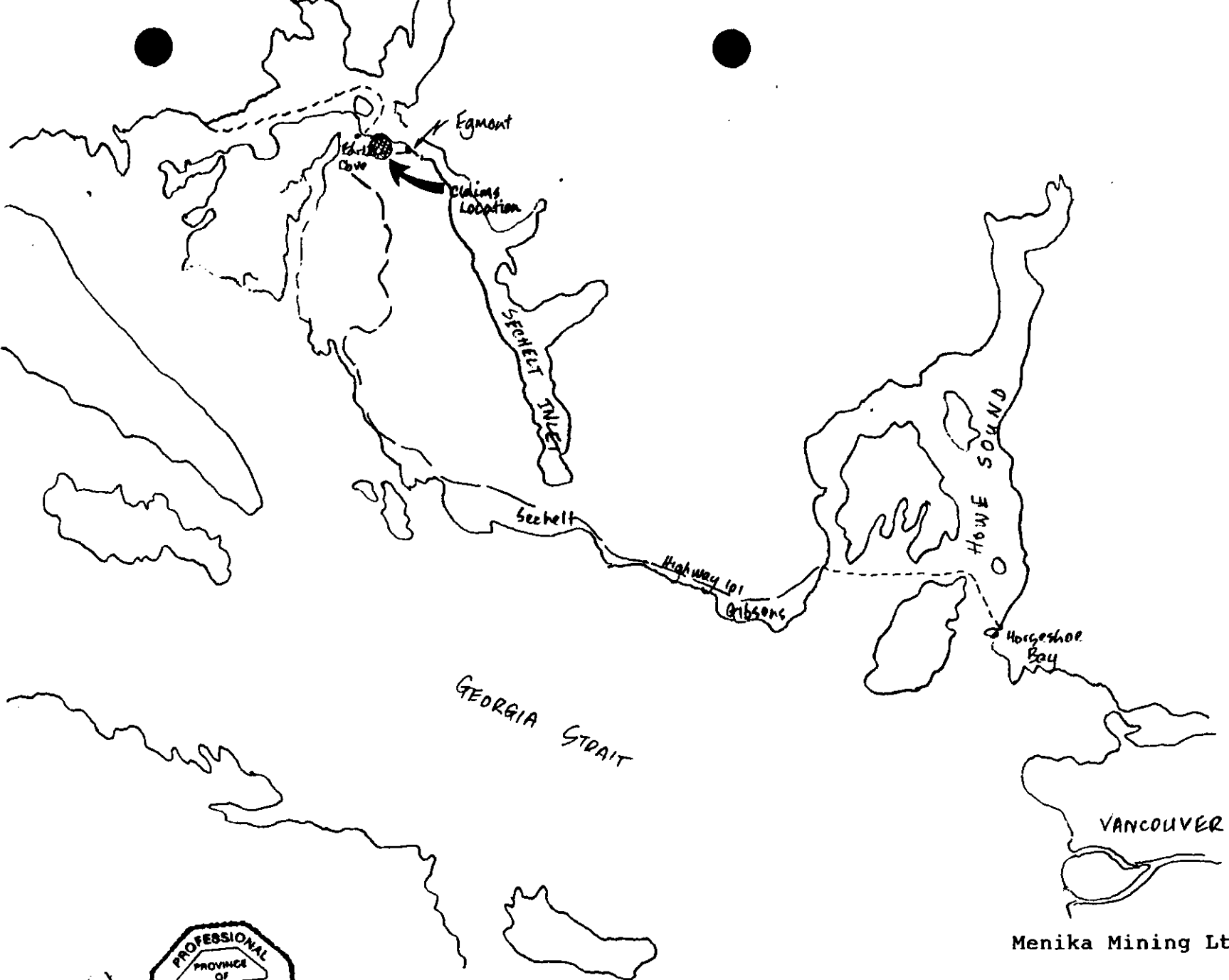
- Payment of 135,000 common free-trading shares of Menika Mining Ltd. (deemed at \$0.15/share) for a 100% interest in the claims plus reimbursement of \$2,250 in staking and recording expenses by the issuance of 15,000 shares for a total of 150,000 shares, and
- a 1.5% Net Smelter Return.
- Mr. Larue has staked three additional claims in the area, the North Lake* (20 units - record #327141), Ruby #1 (15 units - record #327142) and Ruby #2 (6 units - record #327143) on behalf of the Company. For this consideration he is to be reimbursed his staking and recording expenses of \$1,800 by the issuance of 12,000 treasury shares at a deemed price of \$0.15/share.

JR 1-6 (Larry Lutgen):

- Payment of 65,000 common free-trading shares of Menika for a 100% interest in the claims and,
- a 1.5% Net Smelter Return.

The 12,000 share compensation for the three additional claims (North Lake, Ruby #1, Ruby #2) staked on the company's behalf by Mr. LaRue at the deemed share price of \$0.15, ie. \$1,800 total, is felt to be reasonable and well within current contractor staking charges for 41 claim units in difficult terrain. As these units are not part of the properties under consideration they will not be discussed further other than to say that they constitute an inventory of adjacent unexplored ground with gross geological characteristics similar to those of the subject properties in addition to two known gold showings - the Stein and the PB.

- * the North Lake claim though ostensibly 20 units in size, essentially overlies the JR and the Windancer claims. It



Menika Mining Ltd.
PROPERTY LOCATION MAP
Sechelt Peninsula, Vancouver MD

FIG. 1

was staked primarily to coverup any existing fractions and is therefore effectively smaller than 20 full units. Deemed gross value (ie: purchase price) of the three subject claim groups, totalling 16 units and containing several gold/sulphide showings, totals \$32,250 (215,000 shs. @ \$.15/sh.) plus a presently indeterminable value for the 1.5% net smelter return. In the event the claims should be ultimately productive an NSR of 1.5% would not be considered onerous by the mining industry. At the time of writing (July 6/95) Menika's last recorded trade on the VSE was made at \$0.10/sh. suggesting a defacto purchase price more in the order of \$21,500 plus NSR for the claims.

In percentage terms, with a present outstanding capital of 6,631,122 shares the purchase price of 215,000 shares represents 3% of the Menika's issued common stock or less on a fully diluted basis.

c) Scope and Nature of the Examination:

As a substantial and significant quantity of exploration has been directed in the claim area much of the information obtained and conclusions drawn by the author were derived from the study of numerous private company and assessment reports resulting from various exploration activities over the last three-quarters of a century.

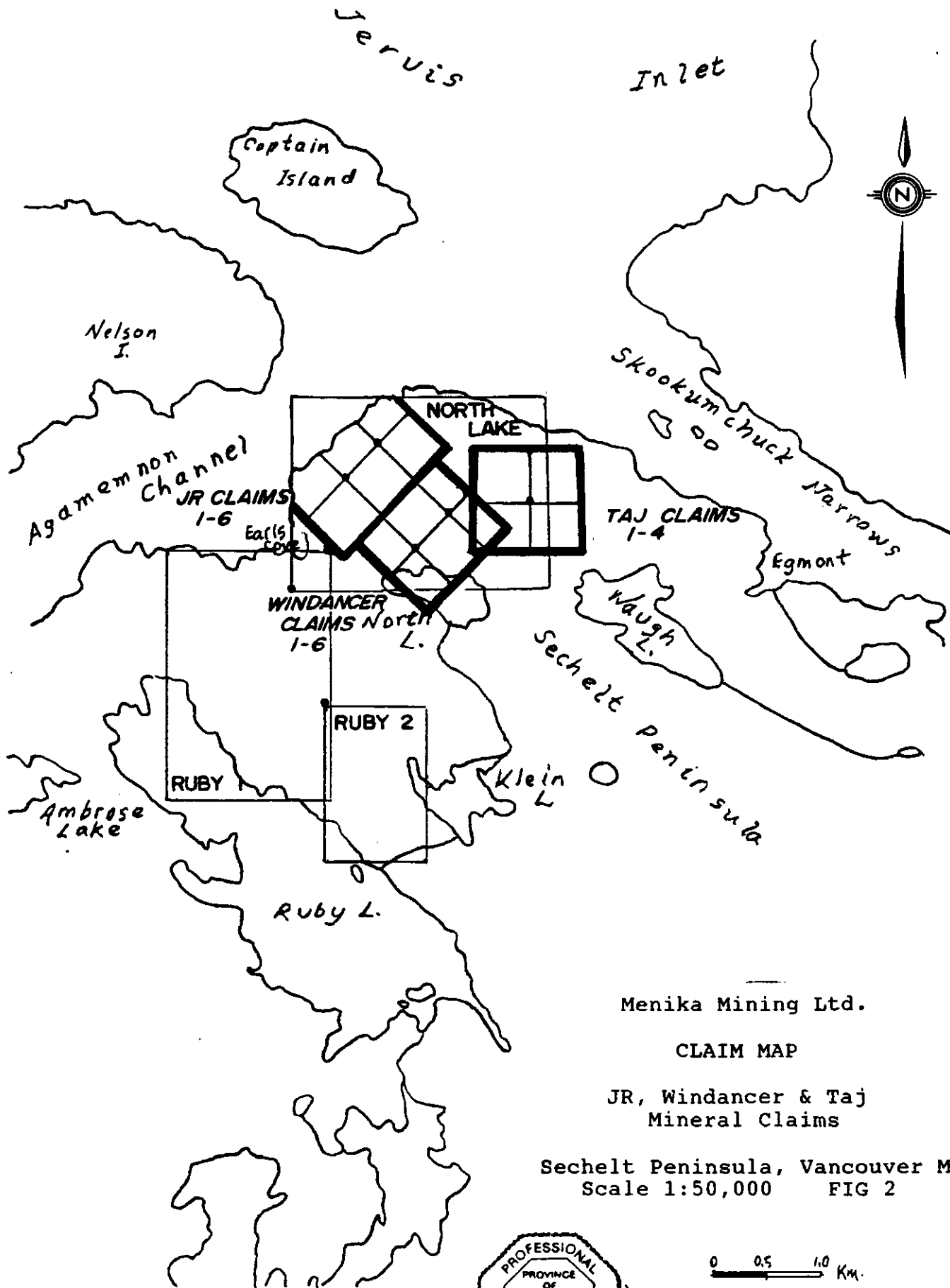
These studies were supplemented by a two-day visit to the claim area, June 26 and 27, 1995, where showings were examined and portions of the area traversed in an attempt to verify the presence of gold, the general nature of the geology and to establish that the physical work had actually been carried out in the areas indicated. In order to make meaningful recommendations it was necessary to also get a first-hand feel for the claim area. In addition to the Windancer, Taj and JR claims a cursory look was given to the North Lake as well as the Ruby #1 and #2 claims.

While lack of rock exposure in the overgrown, filled-in test pits and trenches precluded any meaningful sampling at the time of the visit, two rock samples (5WJR-1 and 2) were taken of the North Lake vein exposed along the main highway.

III. PROPERTY DEFINITION:

a) Location and Access:

The claims are situated east of the Earls Cove Sechelt/Powell River B.C. Ferry terminal at the northern end of the Sechelt Peninsula some eighty kilometres north of the Langdale/Gibsons ferry terminal. Paved highway 101 to the hamlet of Egmont cuts across

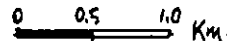


Menika Mining Ltd.

CLAIM MAP

JR, Windancer & Taj
Mineral Claims

Sechelt Peninsula, Vancouver MD
Scale 1:50,000 FIG 2



the southern portion of both the Windancer and the Taj claims. A rough logging road and several badly overgrown trails provide access to the interior of the claims.

b) Claims and Ownership:

The subject properties consist of three claims groups listed as follows:

- Windancer 1-6 (six 2-post claims); owned by John Larue of Lillooet, B.C.

<u>Claim Number</u>	<u>Tenure #</u>	<u>Expiry Date</u>
Windancer 1	315522	February 6, 1997
2	315523	-do-
3	315524	-do-
4	315525	-do-
5	315526	-do-
6	315527	-do-

- Taj 1-4 (four 2-post claims); owned by Tammy LaRue of Lillooet, B.C.

<u>Claim Number</u>	<u>Tenure #</u>	<u>Expiry Date</u>
Taj 1	316566	March 12, 1997
2	316567	March 11, 1997
3	316568	March 12, 1997
4	316569	March 11, 1997

- JR 1-6 (six 2-post claims); owned by Larry Lutgen of Chase, B.C.

<u>Claim Number</u>	<u>Tenure #</u>	<u>Expiry Date</u>
JR 1	316119	February 16, 1996
2	316120	-do-
3	316121	-do-
4	316122	-do-
5	316123	-do-
6	316124	-do-

c) Topography and Vegetation:

Topography consists of hummocky, undulating, generally rounded terrain rising moderately from tidewater to maximum elevations of approximately 180 metres within the claim areas. Much of the ground is covered by mature second-growth stands of hemlock, cedar and fir with a modest to thick undergrowth of salal and various

other shrubbery. An extensive moss cover within the wooded areas tends to obscure outcrops. Portions of the claims have been logged within the last five years.

The rapid, persistent regrowth of lush vegetation along disused trails and access roads renders them impassible within a relatively short time period.

While some of the claim area is till-covered, a large proportion is underlain by a thin cover of residual soil allowing the effective use of soil geochemistry as an exploration tool.

The mild coastal climate permits exploration activity over a full twelve month period.

IV. PREVIOUS ACTIVITY AND EXPLORATION HISTORY:

Portions of the area covered by the subject claims as well as certain areas on the perimeter have undergone small-scale mining activity in addition to a myriad of exploration programmes. Interestingly, relatively little definitional follow-up such as drilling has been subsequently carried out to test recommendations and target zones indicated by geochemical, geophysical and mapping programmes. The following is a summary of salient activities pertaining to the claim and the adjoining areas:

- 1913: The Stein adit driven by R. Durnsford Jr. along sulphide veins near Earls Cove one half mile west of the Windancer claims boundary. Presently part of the Ruby #1 claim.
- 1952: Discovery of NE trending sulphide lenses along the shoreline of Agamemnon Channel by E. Silvey. Currently situated within the boundaries of the JR claim group, the showings were covered at the time by the Skookum and R.C. claims.
- 1965: Abacon Mineral Explorations Ltd. barged 106 tons of gold-bearing material from several small pits near and above high tide level from the Agememnon showing to the Asarco Tacoma smelter from which were recovered 34 oz.Au; 45 oz.Ag; 170 lbs. of Cu.
- 1966 to 1969: Further test pitting and blasting of these same open cuts by Bart Mines Limited indicates extension of the mineralization another 750 feet northeasterly along the shoreline.

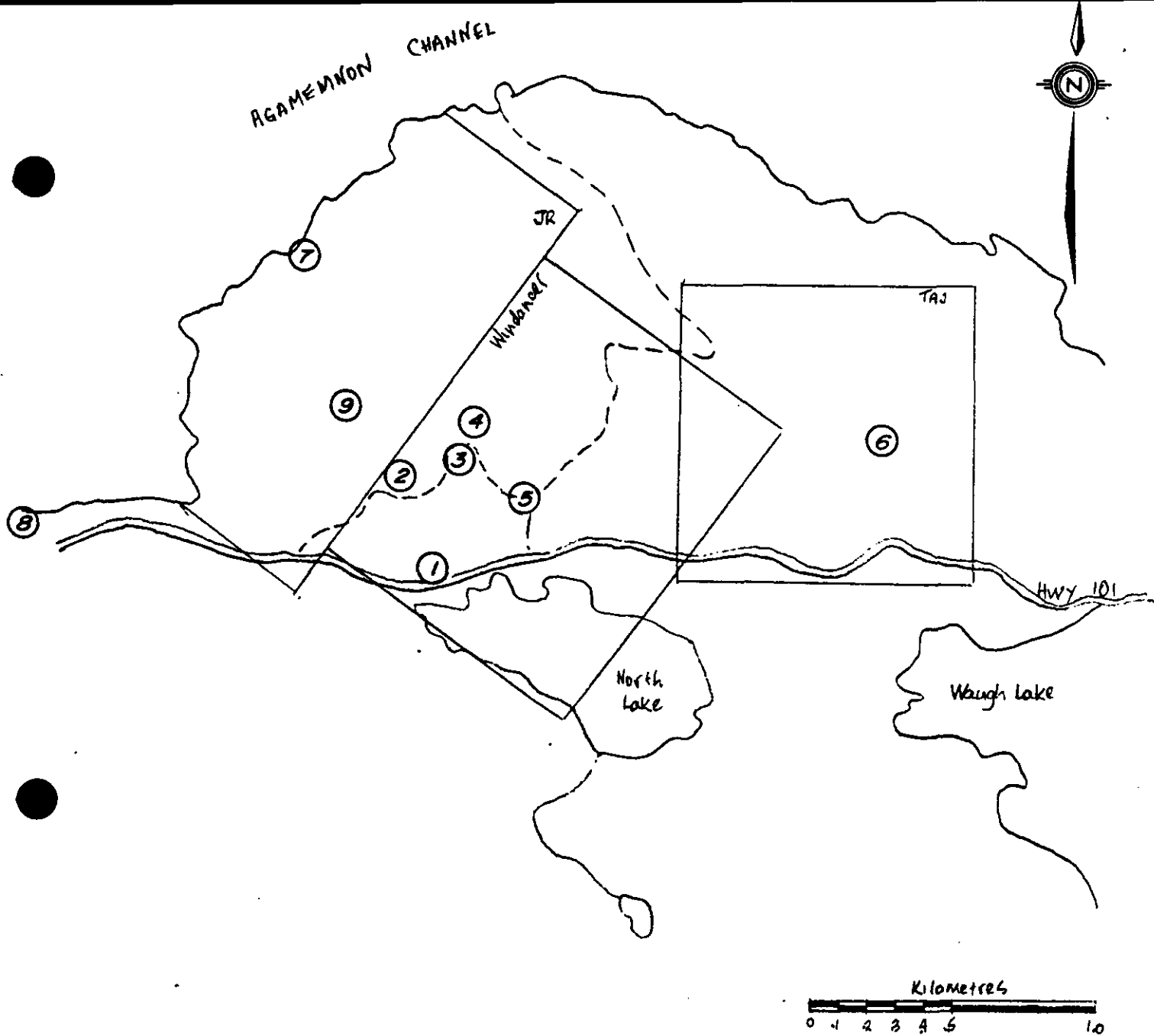
- 1981: Much of the current claim area staked by Mr. and Mrs. John LaRue. It was restaked during 1982 as the Chalice I claim under the ownership of Chalice Mining Inc. who funded and carried out various exploration programmes on the property over the next six years.
- 1982 through 1987: A variety of programmes conducted on various portions of the property included soil and silt geochemistry, VLF-EM, ground magnetics, induced polarization, mapping, trenching and diamond drilling (572 metres in 21 holes). Technical reports prepared by Dr. E.W. Grove and W.A. Howell, in particular, provide detailed compilations of the work activities carried out during this period and describe the property geology in a comprehensive and professional manner. This report draws heavily upon their observations.
- 1987 through 1992: Blue Chip Resources, under an agreement with Chalice Mining, continued exploration on the Chalice I and surrounding claims, conducting additional gridding, soil geochemistry, geological mapping and IP surveys.
- 1994: Having lapsed, the Chalice I claim was restaked by Mr. and Mrs. LaRue under their current names, the Windancer and Taj claims. The LaRues recorded three years assessment work included prospecting and a reconnaissance SP (self-potential) survey. The northern portion was staked by Larry Lutgens as the JR claims; two years of assessment work was recorded.

V. GEOLOGY:

The claim areas lie within the regional map coverage of Bacon's "Geology of the Lower Jervis Inlet", Bull.#39 - B.C.D.M. (1957).

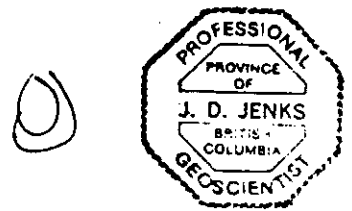
Essentially overlain and dominated by hornblendic and biotitic granodiorite near the western boundary of the Coast Intrusive Complex (Cretaceous and Tertiary), Grove's (1985) description of the local geology, based upon detailed mapping, indicates a picture far more complex than originally discerned:

"Numerous inclusions or pendants of Upper Triassic (and Jurassic) volcanics and sediments have been found as northwesterly trending remnants of a once more extensive rock cover. One major pendant zone described as mainly basalt or greenstone forms the height of land along the east side of the peninsula. An extension of this pendant lies along the east side of Ruby Lake and terminates on Nelson Island. Both the country rock pendants and the enclosing intrusive rocks have been cut by Tertiary and younger



1. North Lake Vein System
2. JR Vein
3. Trench #2 Porphyry
4. 3V Pit Area
5. TY Zone
6. Wally III
7. Beach Zone Showings
8. Stein Adit
9. DF Vein

Menika Mining Ltd.
 LOCATION OF MAIN SHOWINGS
 Sechelt Peninsula, Vancouver MD
 (Modified after La Rue, 1994)
 Scale 1:20,000 FIG. 3



dike swarms and faults. Dike swarms are prominent in the general area along the shoreline west of Earls Cove and at the east end of Nelson Island. Physiographic features in the general area appear to have been controlled by erosion along both fault zones and dike swarms with ridges or heights of land dominated by indurated volcanic remnants." (Grove, 1985)

The following geological synopsis of the claims area draws heavily from reports by Grove (1982, 1983, 1985), Allen and Brownlee (1986) and Howell (1988).

Underlain primarily by hornblende/biotite quartz diorite the property has also been intruded by a series of dikes along three fracture systems dominated by a northwesterly trending set. Making up an estimated 15% of the rock volume the dykes come in various compositions including feldspar porphyry rhyodacite, diorite, andesite, basalt as well as more felsic varieties such as granite pegmatite.

Alteration may be both pervasive and/or confined to envelopes enclosing quartz/sulphide veins, dykes and/or fault zones. K-feldspar, epidote, chlorite and sericite alteration is described as pervasive within mineralized areas while sericite/pyrite envelopes are particularly prevalent in contact with vein mineralization.

The principal vein systems trend northeasterly. A number of additional mineralized trends observed may be conjugate to the primary set. As seen on aerial photographs the main linear trends are generally northwesterly and westerly. To some extent they are felt to represent rock contacts, dykes and breccia zones.

VI. MINERALIZATION:

Grove's 1985 report indicates at least thirty gold-bearing prospects have been discovered on the property - probably within six or more zones which have been only partially delineated to date. Grades tend to be rich with values up to 301 gpt Au (8.8 ounces per ton) and 363 gpt Ag (10.5 opt) from sulphide rich material. The best drill intercept was on the JR zone: 0.90 opt Au/9' (31.3 gpt Au/2.7 metres).

Gold occurs in a number of settings: a) in massive sulphide veins (near the beach); b) sulphide bearing quartz veins; c) quartz vein stockwork zones; d) mineralized breccia zones, and; e) disseminated porphyry-like breccia zones.

Intersection of fault linears or dykes with sulphide bearing quartz veins results in severalfold widening of the veins. These intersectional areas are felt to be particularly prospective.

Microprobe studies by Grove revealed the presence of at least five different telluride minerals containing gold, silver, lead and bismuth in addition to native gold and electrum. Pyrite and particularly marcasite are the dominant sulphide minerals. Gold likely occurs in solid solution within the marcasite. The mineralogy together with the drusy nature of the quartz and the fracture-filling nature of the sulphides suggest "that the gold mineralization represents a widespread, high level, epithermal (low temperature) volcanically related type of mineralization". (Grove 1985).

VII. PERSONAL OBSERVATIONS:

A brief personal visit to the property indicated the following:

- Virtually all of the trenches and test pits have been filled in and/or overgrown with vegetation to the point where very little geological information is discernable. There is no doubt, however, that trenching/test pitting activities described in the various work reports were carried out at the locations indicated.

- Trails and secondary access routes are similarly overgrown making vehicular travel impossible and passage by foot difficult.

- Grid lines cannot be followed. They appear to have been emplaced originally with a minimum of flagging and no blazing of trees. The occasional station which can be found may be sufficient to reestablish the location of anomalous zones.

- Other than on a few hummocky hills rock outcrop is not obvious, however, a surprisingly large amount is hidden under a thin cover of moss which is prevalent throughout the forested areas. In any event, surface geological mapping would not be an easy task particularly when trying to trace relatively narrow structures such as dykes and veins.

- In the upland areas the soil cover is relatively thin and residual in nature. Soil geochemistry should work to good advantage in selected areas.

- The prevalence of biotite/hornblende granodiorite as the main host rock is readily established by traversing the claims. Occasional dyke and vein float may also be seen.

- Certain inhabited portions of the claim areas, particularly adjacent to the coast, may require sensitivity in the area of public relations should activities such as trenching and drilling be carried out in the future.

VIII. ESTIMATED PROPERTY VALUE:

For purposes of placing some sort of minimal value on the three claim groups as per Vancouver Stock Exchange requirements three approaches will be examined: a) the estimated value of indicated reserves, if any; b) the estimated cost of information/work programmes completed to date on the properties; c) the nature of purchase/option arrangements on similar properties.

a) Indicated reserves:

While at least thirty significant gold showings in six or more different zones have been indicated over the claims area insufficient testing has been completed to date to place any reserves into a "proven" category. Overall grade of the significant gold mineralization ranges from 0.10 to 8.8 ounces per ton (3.43 to 301 gpt) with accessory silver and minor copper values. The sulphide vein systems have been traced over a strike length of 1,450 feet while several of the veins and vein stockwork systems have been followed in trenches for 100 feet with greater lengths indicated by geophysical surveys. The limited drilling, while encouraging, has been relatively shallow and has not explored any of the zones to any significant depth. The best drill hole intercept encountered was on the JR zone where a gold value of 0.90 ounces per ton prevailed over 9 feet (31.3 gpt/2.7 metres).

Given the above it would not be difficult to envision the possibility of one or more bodies having a total strike length of 1,000 feet, a depth extension of 400 feet, a 4 foot thickness with an average grade of 0.40 ounces per ton gold. At a specific gravity of 2.7 such a deposit would total 135,000 tons () with 54,000 ounces of contained gold. Assuming a gold selling price of \$513/oz (\$380 US/oz.) less mining, milling and miscellaneous production costs totalling \$413/oz., such a deposit should conservatively net \$5,400,000 before taxes. Therefore, based upon reserve potential a present net worth in excess of \$500,000 would not seem unreasonable.

b) Estimated Cost of Work Programmes Completed to Date:

The current owner of the Windancer claims, Mr. John LaRue (pers. comm.), feels that total expenditures made to date on the three claim groups are in the order of \$750,000. The number of claim units held by Chalice Mining Inc./Blue Chip Resources Inc. during the 1980's totalled 120. In order to maintain this inventory of ground in good standing for the ten year period between 1982 - 1992 the owners would have required assessment work application of at least \$226,800 (\$100/unit 1st two yrs.; \$200/unit thereafter; 5% recording fee). The agreement dated July 3, 1987 between Challis and Blue Chip Mining Inc. called for the expenditure of \$500,000 prior to October 31, 1990. It is safe to say that property

expenditures for mapping, trenching, drilling, soil geochemistry, EM, VLF-EM, magnetic, IP surveys and analyses ranged somewhere between \$250,000 and \$750,000, probably closer to the upper figure as indicated by Mr. LaRue.

That such a large sum was expended during that period indicates that a number of persons, some of whom were professionals, held the mineral potential of the claims in high regard. Of the moneys spent relatively little was earmarked for definitive work such as diamond drilling. Most of the surveys were completed with recommended targets subsequently untested. Though considerable sums were spent on exploration they did not succeed in proving the properties negative in the sense that no further work could be recommended - rather they brought to light a number of target areas warranting follow-up.

While the expenditures made on the claims in the past are not recoverable, in a sense they provide some yardstick of the properties' value. To duplicate past work would require expenditures in the order of \$500,000 to \$750,000. Any purchaser of the subject claims would be obtaining substantial information along with the mineral titles. As a rough estimate of the property's value from this perspective it would not be remiss to suggest a figure of \$200,000.

c) The Nature of Purchase/Option Agreements on Similar Properties:

Unfortunately, there are no "Blue Book" listings for mining properties as there are for used vehicles nor extensive real estate price catalogues as for new and used homes. Details of most mining property transactions are not readily nor easily available.

Perhaps the most meaningful comparison in this case would relate to the 1987 option/purchase agreement on essentially the same property between Chalice Mining Inc. and Blue Chip Resources Inc. Under terms of that agreement Blue Chip could have earned a 49% interest in the property upon completion of cash payments totalling \$60,000 and the expenditure of \$500,000 in property exploration within three years. Utilizing this formula a cash payment of \$122,500 plus a work commitment of \$1,020,000 would be an applicable present value for a 100% interest.

During the 1960's and '70's when large remote area grassroots projects were carried out by the major mining and petroleum companies, it was not unusual for each drill target to average from \$1,000,000 to \$3,000,000 in predrilling discovery costs. Though times have changed it would appear that the acquisition cost to the purchaser, Menika Mining Ltd., of a 100% interest in the subject mining claims for the price of 215,000 company shares plus a 1.5% net smelter royalty represents a most favorable transaction from Menika's vantage point no matter which appraisal method is utilized.

IX. CONCLUSIONS:

1) The persistent presence of gold values in excess of 0.10 oz per ton on the Windancer, Taj and JR claims is undeniable and unmistakable. Values, in fact, range to 8.8 ounces per ton (301 gpt). The focus of any exploration effort will be to establish sufficient tonnage to sustain a mining operation.

2) Thirty different gold showings of significance have been uncovered by previous exploration activity in at least six different zones. The sulphide vein zone persists over a 1,400 foot strike length while some of the quartz-sulphide veins have been followed by trenching for 100 feet with greater lengths indicated by geophysics. Vein/lode thickness is enhanced in areas of intersection of predominantly NE-trending veins and northwesterly-trending fault zones and/or dykes.

3) Coast Range Intrusive biotite/hornblende granodiorite is the general prevalent country rock. This is complicated by the presence of a number of roof pendants of volcanic rock in the general area and abundant dyke intrusions of various compositions.

4) While the mineralization type has been classified by Grove (1985) as epithermal, gold occurs in a number of settings including massive sulphide veins, quartz/sulphide veins, quartz vein stockworks, mineralized breccia zones and disseminated porphyry-like breccia zones. In addition to the possibility of low-tonnage high-grade gold deposits the opportunity exists for larger tonnage types of deposit, as well.

5) Though considerable exploration (\$250,000 - \$750,000 est.) has been previously undertaken on the ground covered by the current claims the programmes do not appear to have been coordinated. Some of the geophysical surveys were obviously experimental by design due to the nature of the mineralization. Their net effect was more to enhance the property potential rather than condemn it. Recommended target zones from geophysical and geochemical surveys were rarely followed up, possibly because of adequate funding; they still warrant pursuit.

6) Depending upon the mode of evaluation the Windancer, Taj and JR claims would appear to have a present current value range between \$122,500 to \$500,000, well in excess of the 215,000 share (\$32,250 deemed value)/1.5% NSR purchase price offered by Menika Mining Ltd. for a 100% interest in these claims.

X. RECOMMENDATIONS:

1) First and foremost the acquisition of all possible previous work data/reports, maps, etc. from the various past programmes; their compilation upon a suitably scaled base map. Of prime importance would be the overlay of mapped geology, trench, drill and sample locations, assay data and zones recommended for follow-up from the geophysical and geochemical programmes.

2) Ground relocation of all of the above. This will likely involve the reestablishment of some of the former grid lines in strategic locations.

3) Future grid emplacement should utilize east-west baselines with north-south crosslines to best optimize the prevalent easterly and northeasterly-trending directions of mineralization.

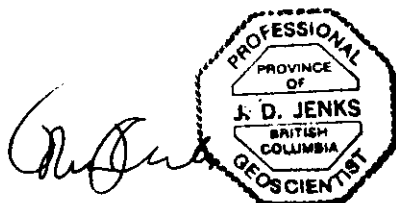
4) Access improvement by brushing out the various tertiary roads and trails with a small bulldozer. Clean out the old trenches using a backhoe and a water hose.

5) Undertake a small programme of trenching and diamond drilling to reestablish the known showings and to test the target areas recommended by the geophysical and geochemical surveys. Any shallow drilling and/or drilling in lower grade breccia and porphyry type mineralization should be preferably undertaken with HQ sized core.

6) At this juncture a decision would be made to proceed further with a sizeable or detailed programme, to reevaluate priorities or to pursue on a more modest scale, possibly evaluating some of the adjoining ground.

XI. ESTIMATED COSTS:

Data acquisition and compilation	\$ 2,000 to \$10,000
Road upgrade, trench clean-out (20 hrs. @ \$60/hr.)	1,200
Reestablishment of certain grid lines, ground relocation of data (20 man-days @ \$200/)	4,000
Supervision, resampling, evaluation	6,000
Trenching (20 hrs. @ \$60/hr.)	1,200
Drilling (1,500 ft. @ \$20/ft.)	30,000
Corelogging, sample splitting (1,500' @ \$1/ft.)	1,500
Supervision, drafting, reports	10,000
Analyses (200 samples @ \$14/)	2,800
	<u>\$ 58,700 to 66,700</u>
Contingency @ 10%	<u>5,870 to 6,700</u>
Total	\$ 64,570 to 73,400



John Jenks, July 17, 1995

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- MacQuarrie, D.R. (1992) Geophysical Assessment Report on a Gradient Array Induced Polarization Survey and Test Genie SE-88 Survey on the JR Showing - Chalice I Claim. Vancouver M.D. BCDMMPR Ass.report# 22,286.
- Menika Mining Ltd. (1994) Resolutions of the Directors of Menika Mining Ltd. dated the 14th day of July 1994.

STATEMENT OF QUALIFICATIONS

I, John Jenks, Consulting Geologist of the City of Salmon Arm, British Columbia, do hereby certify that:

1. I am a graduate of McGill University, Montreal, Canada with a Bachelor of Science (Geology major) degree, 1968.
2. I am a Registered Professional Geologist in good standing since 1970 with the Association of Professional Engineers, Geologists and Geophysicists of Alberta and a Professional Geoscientist in good standing since 1994 with the Association of Professional Engineers of British Columbia.
3. I have practiced my profession continuously since 1968 in British Columbia and various other parts of Canada, Southern Africa, Indonesia, Western USA, Alaska and Venezuela.
4. I have no interest directly or indirectly in Meneka Mining Ltd. or in any of its affiliated companies nor do I expect to receive any.
5. This report is based upon previous exposure to the Southern Jarvis Inlet area, a review of the materials cited in the references and a two day personal examination of the claim areas on June 26 and 27, 1995.
5. I hereby give my consent for use of this report by Menika Mining Ltd. in any Filing Statement, Statement of Material Facts or Prospectus, assessment work, or any support document relating to the purchase of the claims indicated within this report.



John Jenks, B.Sc., P. Geo. (B.C.)

J. D. JENKS 17, 1995



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Appendix
ROCK SAMPLES TAKEN

<u>Sample #</u>	<u>Location/Type</u>	<u>Description</u>
5WJR-1	Grab from North Lake FW vein from shallow trench near main HWY 101 where vein splits and HW & FW portions (4"/10 cm.each) are separated by 2' (61 cm.) of barren granodiorite.	<p><u>Vein Quartz:</u> White, drusy w. rusty fracture surfaces. Drusy cavities infilled with coarse, subhedral, pale marcasite making up 5% of rock volume. Minor pink K-spar alteration.</p> <p>Assay: 0.041 opt Au 0.46 opt Ag</p>
5WJR-2	Grab of HW vein from same location as 5WJR-2	<p><u>Vein Quartz:</u> Massive, vf grained, white qtz. vein with disseminated fine-grained sulphides making up 1%-3% of the rock volume. The sulphide is pale, silvery, probably marcasite. Traces of clay mineral alteration.</p> <p>Assay: 0.082 and 0.068 opt Au 0.13 and 0.13 opt Ag</p>

ASSAY CERTIFICATE

John D. Jenks File # 95-2164
2780 - 25th Ave N.E., Salmon Arm BC V1E 3C7

SAMPLE#	Ag**	Au**
	oz/t	oz/t
5WJR-1	.46	.041
5WJR-2	.13	.082
RE 5WJR-2	.13	.068

AG** AND AU** BY FIRE ASSAY FROM 1 A.T. SAMPLE.

- SAMPLE TYPE: ROCK

Samples beginning 'RE' are Retuns and 'RRE' are Reject Retuns.

DATE RECEIVED: JUL 7 1995

DATE REPORT MAILED: July 18/95

SIGNED BY: *C. Leong*

D. TOYE, C. LEONG, J. WANG; CERTIFIED B.C. ASSAYERS

15-2164 07/18/95

Post-it FAX TRANSMITTAL MEMO 7671 1 NO. OF PAGES

TO: JOHN JENKS	FROM: CLARENCE
CO.:	CO.:
DEPT.:	PHONE #:
FAX #: 1-604-855-6346	FAX #:

STATEMENT OF COSTS

Geological Report on the Ruby Group

Ruby #1
Ruby #2
Windancer 1 to 6
Taj 1 to 4
J.R. 1 to 6

\$2,500.00

ADDENDUM

June 19, 1996

PROPERTY EVALULATION

Windancer, Taj, JR, Ruby #1 and Ruby #2 Mineral Claims:

Visit to the property.

Transportation, board and room.

Report.

Carried out and submitted by John Jenks, P. Eng. \$2,500.00

Windancer Claim:

Establishing lines

S.P. Survey (Map in pocket)

Transportation, board and room.

Carried out and submitted by John Larue \$1,945.00
\$4,445.00

JOHN JENKS
2780 - 25th Ave. NE
Salmon Arm, B.C.
V1E-3C7

Fax & Telephone: (604) 832-6346

May 31, 1996

Mr. Charles Boitard
President
Menika Mining Ltd.
2245 W. 13th Ave.
Vancouver, B.C.
V6K-2S4

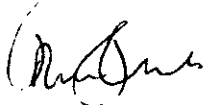
Dear Mr. Boitard:

Enclosed please find the following:

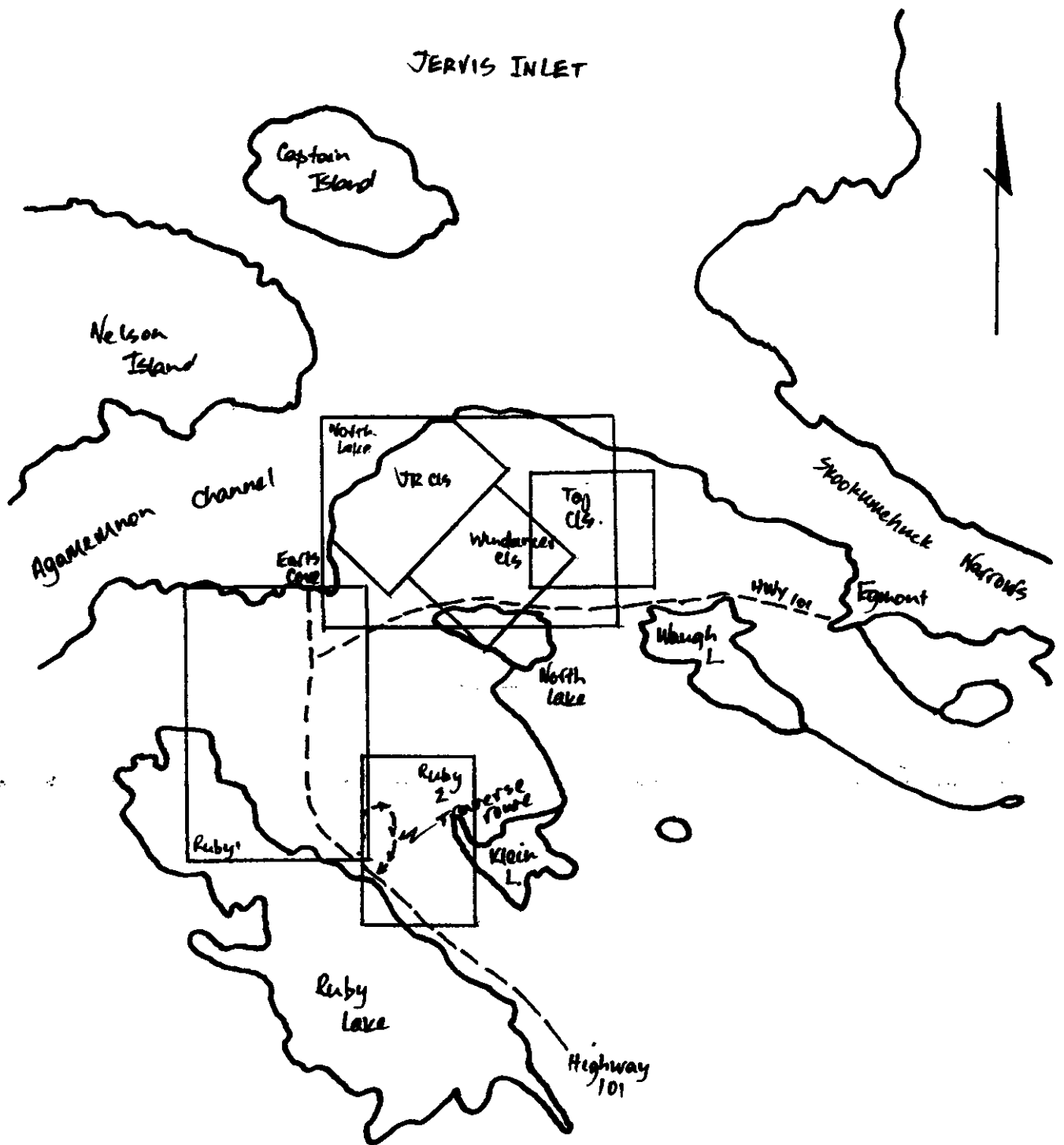
- ... Two sketch maps showing approximate traverse routes as well as the three photo locations while on your Sechelt claims June 26,27 last year.
- ... Copies of three numbered photos I took at the time. They were taken primarily to illustrate the character of the bush, the state of the grid lines and the nature of the topography. I would have taken more photos, however, I was near the end of a roll.

I hope all of the above provides some assistance in substantiating your assessment claims. If I can provide further help please let me know.

Sincerely yours,



John Jenks - P.Geol.(B.C.)

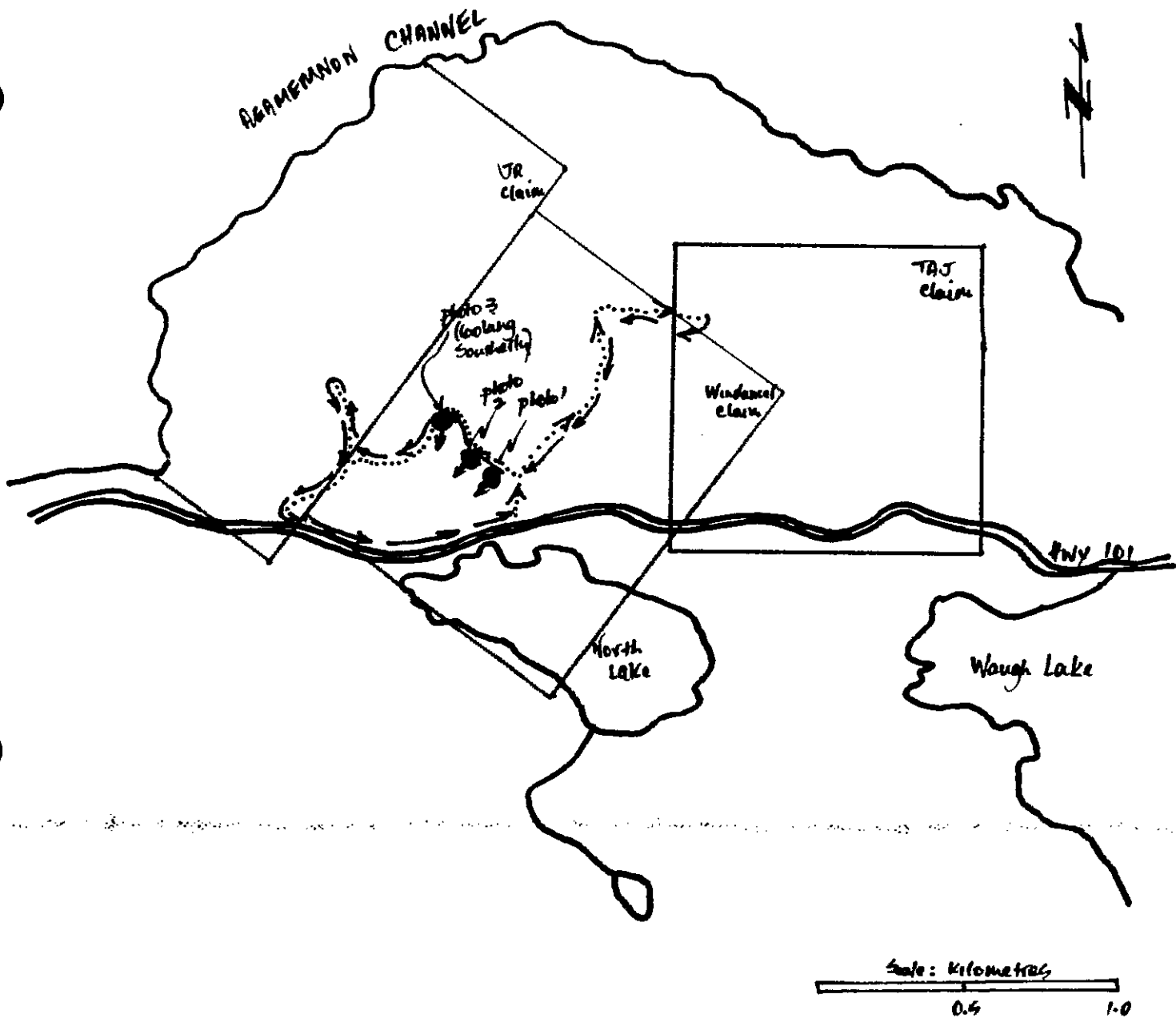


Sketch Map Showing Approximate
Traverse Route

Ruby 1 + 2 Classis
Sechelet Peninsula

June 1995 - John Jenks

John Jenks



Sketch Map Showing Approximate Traverse Route
and

Photo Locations

JR, WINBANCER, TAJ Claims

Secheidt Peninsula

June 1995

John Jenks

[Signature]



1.



2.



#3.

SURVEY GRID PREPARATION
and
SELF-POTENTIAL SURVEY
on the
WINDANCER MINERAL CLAIM GROUP

**Information compiled
and report written by
JOHN P. LA RUE**

A handwritten signature in black ink, appearing to read "John P. La Rue". The signature is written in a cursive style with a large, stylized initial "J".

June 18th, 1995

SURVEY GRID AND SP SURVEY

At the request of Mr. C. Boltard, a survey grid was established on the Windancer Claim Group near Egmont, BC and a subsequent follow-up Self-Potential survey was completed over portions of the grid. All work was performed by John La Rue and Justin La Rue from June 4th 1995 through June 9th, 1995.

-13.2 km of Survey Grid was established at 50 meter station intervals for a total of 264 stations. All lines and stations were established with hip chain and compass and are blazed and marked with numbered flagging ribbon at the stations. While the baseline was continued from 300 W eastward to 1300E, only Lines 0 through Line 900E were gridded. All survey lines were carried to 1000N. On the southern portion of the grid: Lines 0 through 400E were carried to 200S; Lines 500E and 600E were carried to 400S; and, Lines 700E through 900 E were carried to 500S. The Baseline to 300E and Line 300E from the Baseline north to 600N were established at 25 meter station intervals to accommodate the intended SP Survey to follow

-0.9 km of Self-Potential Survey were completed over portions of the Baseline and Line 300E for a total of 38 readings.

Self-Potential Survey

The author has conducted previous Self-Potential (SP) Surveys on the Windancer Claim Group. The new work was tied into the old surveys for compilation and was reconnaissance in nature. In previous surveys, a 'geophysical signature' was established by taking readings in proximity to the known gold showings on the claim and extrapolating that information in searching for other potential gold occurrences. To the author's knowledge, within the general geographical 'band' running between the North Lake exposures and the Beach showings, all sulphide mineralization has been associated with gold; in finding an SP anomaly with a geophysical signature similar to the known exposures with gold, one might expect the SP anomaly to be reflective of underlying pyrite/marcasite sulphide mineralization.

The long wire survey method was conducted June 8th and June 9th 1995. An 850 metre length of wire was used in the survey, to provide continuity between base stations. This method is a valid prospecting tool on this property, and perhaps invaluable in delineation of the gold deposits on this property as the SP method responds only to sulphides and/or graphite, within the range of readings encountered in earlier surveys, the readings at threshold or above should be reflecting underlying sulphide mineralization. Using the long wire method, the geo-

physical signatures obtained between showings of similar lithology (JR & 3V showings) displayed similar responses in terms of millivolt range. Using the lowest value obtained in the survey that was in proximity with a known gold showing as a threshold value, it is theorized that similar or greater readings should reflect underlying gold mineralization, particularly when the SP anomaly is coincident with other geophysical or geochemical anomalies.

The following quotes are taken from "A Guide to Prospecting by the Self-Potential Method" by SV Burr, Consulting Geologist-Geophysicist with the Ontario Geological Survey: "Most gold deposits are not good conductors, but do contain some sulphides which can be detected by the SP Method. Natural SP anomalies, of negative sign by convention, are caused by the iron sulphides pyrite and pyrrhotite, the copper sulphide chalcopyrite, and the native element graphite. The SP method responds to good conducting sulphides (both oxidized and un-oxidized bodies), graphite and nonconducting disseminated sulphides if these sulphides are oxidizing. The SP method does not determine secondary fields, so the survey results are much easier to interpret. It does not respond to subsurface valleys, wet clay, shears, or faults; and in the author's experience, the SP method does not provide results which could lead to a false anomaly. In over 500 anomalies which were stripped or drilled, the author always found the source of the SP anomaly to be sulphides and/or graphite in the underlying rock."

In the self-potential method, a millivoltmeter-potentiometer is connected to two porous clay pots by an insulated cable. The clay pots are filled with copper sulphate solution, and are 'screwed' into the surface of the soil. The clay pots act as electrodes and the millivoltmeter reads the 'potential' difference between the two pots, each at a designated station. This potential difference is caused by minute electrical charges that are spontaneously generated by groundwater or moisture reacting with a sulphide body; more positive values are encountered distal to the oxidizing sulphide body, with more negative values on top or over it. A millivolt range greater than -30 millivolts is considered anomalous, and under the proper conditions should reflect either underlying sulphide mineralization or graphite, or both, as the causative source. Sulphides produce a range of from -30 mv to -350 mv between the most positive and most negative readings, while graphite has a range generally greater than -350mv. Systematic measurements of voltages at the surface may show a significant change when massive sulphide mineralization is present, and the readings when plotted should reflect the sulphide mineralization in the negative contours greater than -30 mv but less than -350 mv.

P.3

For the purpose of this survey, negative readings of -27 mv (reading over the TY Zone mineralized breccia) or greater should be considered anomalous and possibly reflecting underlying sulphide mineralization. Due to the reconnaissance nature of the SP survey, a definitive explanation of the results is not possible at this time.

MALASPINA COLLEGE

Statement of Course Completion

JOHN P. LARUE

has

Successfully Completed 180 Hours of Instruction
in

MINERAL EXPLORATION FOR PROSPECTORS

PRESENTED BY B.C. MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES
B.C. MINISTRY OF EDUCATION

APRIL 16 to 30, 1983 - MESACHIE LAKE, B.C.

MAY 2, 1983

Dated at Nanaimo,
British Columbia, Canada


Director / Dean


Registrar

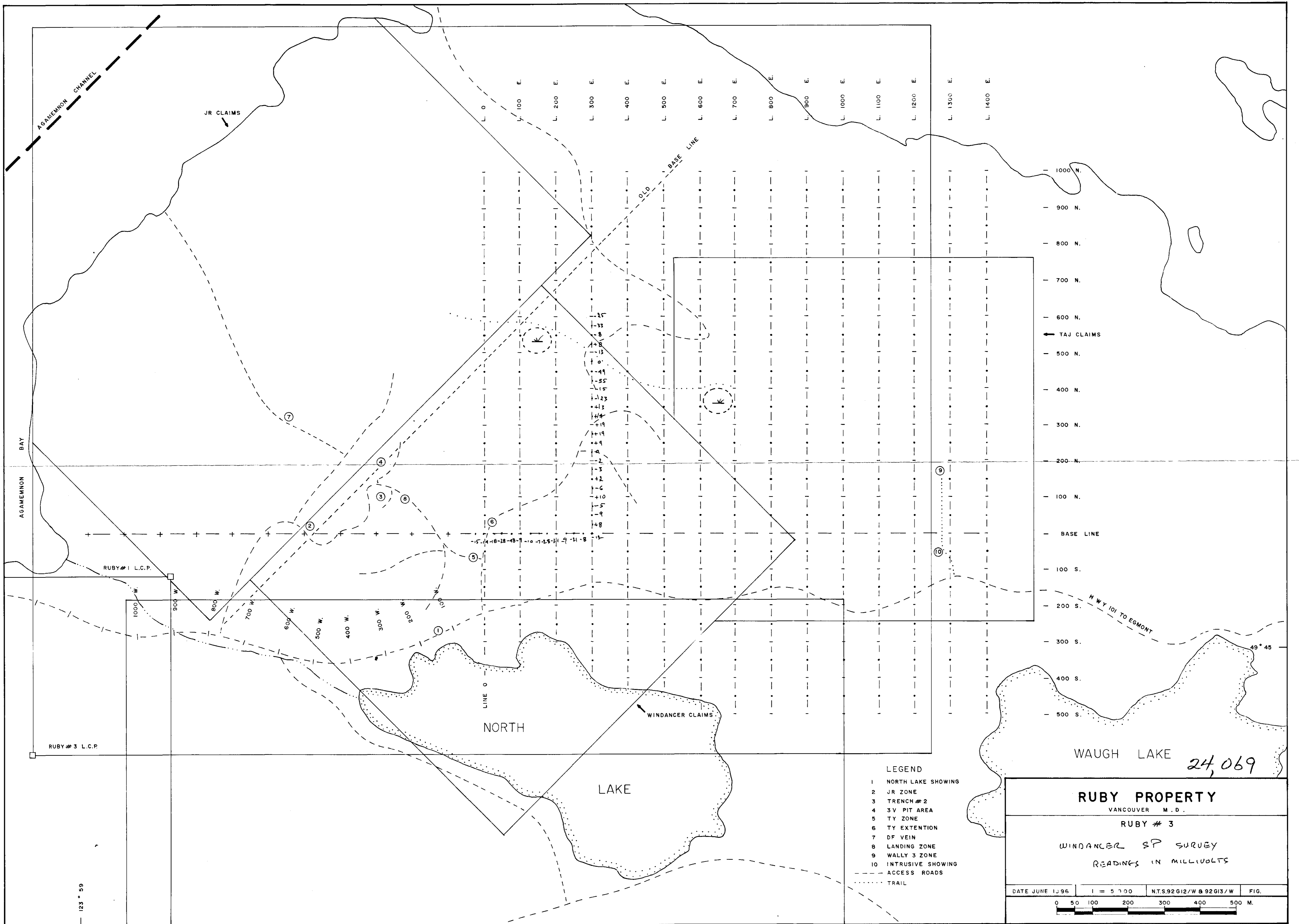

Instructor


Malaspina
College

ITEMIZED COST STATEMENT

Survey Grid Establishment and SP Survey 2 persons x \$150/day x 4.5 days	\$1350
Report Costs, typing, photocopy	135
Mob-de-mob (Lillooet, BC to Sunshine Coast) Ferry, gasoline, meals, small camp and survey supplies	460
Costs Incurred	\$1945

John P. Re



AGAMEMNON CHANNEL

JR CLAIMS

NORTH LAKE

LAKE

WINDANCER CLAIMS

WAUGH LAKE 24,069

- LEGEND
- 1 NORTH LAKE SHOWING
 - 2 JR ZONE
 - 3 TRENCH # 2
 - 4 3V PIT AREA
 - 5 TY ZONE
 - 6 TY EXTENSION
 - 7 DF VEIN
 - 8 LANDING ZONE
 - 9 WALLY 3 ZONE
 - 10 INTRUSIVE SHOWING
 - - - ACCESS ROADS
 - TRAIL

DATE JUNE 13 1996 1 = 5 700 N.T.S. 92G12/W & 92G13/W FIG.

0 50 100 200 300 400 500 M.

RUBY PROPERTY
VANCOUVER M.D.
RUBY # 3
WINDANCER SP SURVEY
READINGS IN MILLIVOLTS

123 * 59