

ASSESSMENT REPORT ON DRILLING

RED CLIFF EAST PROPERTY

**Located
24 kilometers northeast of
Stewart, British Columbia in
Skeena Mining Division
NTS 104A/4W**

**BC Geological Survey
Assessment Report
32019**

**56° 06'30'' N LATITUDE
129° 53'10'' W LONGITUDE**

Event Number: 4825324

**On Behalf of
Nanika Resources Ltd
Vancouver, BC**

**Report
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by

January 20, 2011

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INTRODUCTION

Property Location and Access

The property is situated in the lower part of the American Creek Valley extending 3 kilometres up the creek from its confluence with Bear River. The claim area is centered on 56° 06'30''N latitude and 129° 53'10'' W longitude on NTS sheet 104 A/4. A map with marked location of the claims printed from ARIS database is presented on figure 1.

Access to the property is via Highway 37A from Stewart to the American Creek access road constructed by other exploration companies which bisects the middle of the property providing excellent access to the lower portions of the claims. Helicopter must be utilized to access higher areas of the property. A helicopter can be chartered a year round from Prism Helicopter base in Stewart.

Physiography, Topography and Climate

In general terms the property is typified by the precipitous slopes of the eastern Coast Mountains. Relief ranges from 150 m in the American Creek Valley to over 500 m near the western edge of the claim with a good portion of the property accessible on foot. Water supply is plentiful as many glacial run-off streams drain into American Creek and Bear River.

Vegetation varies from mature stands of western hemlock blue spruce and Douglas fir at the lower elevations to alder higher on the slopes. On the steeper slopes where avalanches are a frequent occurrence only a combination of slide alder, mountain ash, huckleberry, stinging nettle and devil's club can exist.

The area receives heavy snowfall between the months of October and March with rainfall in the other months. Average precipitation is in the order of 250 centimeters of rainfall and 20 meters of snow. Due to the large snowfall, the surface exploration in the Stewart area is restricted to summer and early fall with the maximum rock exposure occurring in late August to October. However, the area of the confluence of American Creek and Bear River receives much less snow compare to surrounding areas.

Property Ownership

The Read Cliff East property consists of ten mineral claims totaling 315.17 hectares located 24 kilometres northeast of Stewart, BC. Relevant claim information is summarized below:

Tenure Number	Type	Claim Name	Good Until	Area (ha)
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409603	Mineral	JOE DOG 5	2016/dec/20	25
409604	Mineral	JOE DOG 6	2016/dec/20	25
409605	Mineral	JOE DOG 7	2016/dec/20	25
409606	Mineral	JOE DOG 8	2016/dec/20	25
409607	Mineral	JOE DOG 9	2016/dec/20	25
409608	Mineral	JOE DOG 10	2016/dec/20	25
409609	Mineral	JOE DOG 11	2016/dec/20	25
409610	Mineral	JOE DOG 12	2016/dec/20	25
409611	Mineral	JOE DOG 13	2016/dec/20	25
607959	Mineral		2016/dec/20	90.17
				Total 315.17


The claims are presently 100 % owned by Nanika Resources of Vancouver, BC.
A claim map is shown on figure 2, printed from ARIS database.

Figure 1 Location

ARIS MapBuilder

 RED CLIFF EAST Location

Topographic Layers

 Lakes 1:6M

 Rivers 1:6M

BC Border Layers

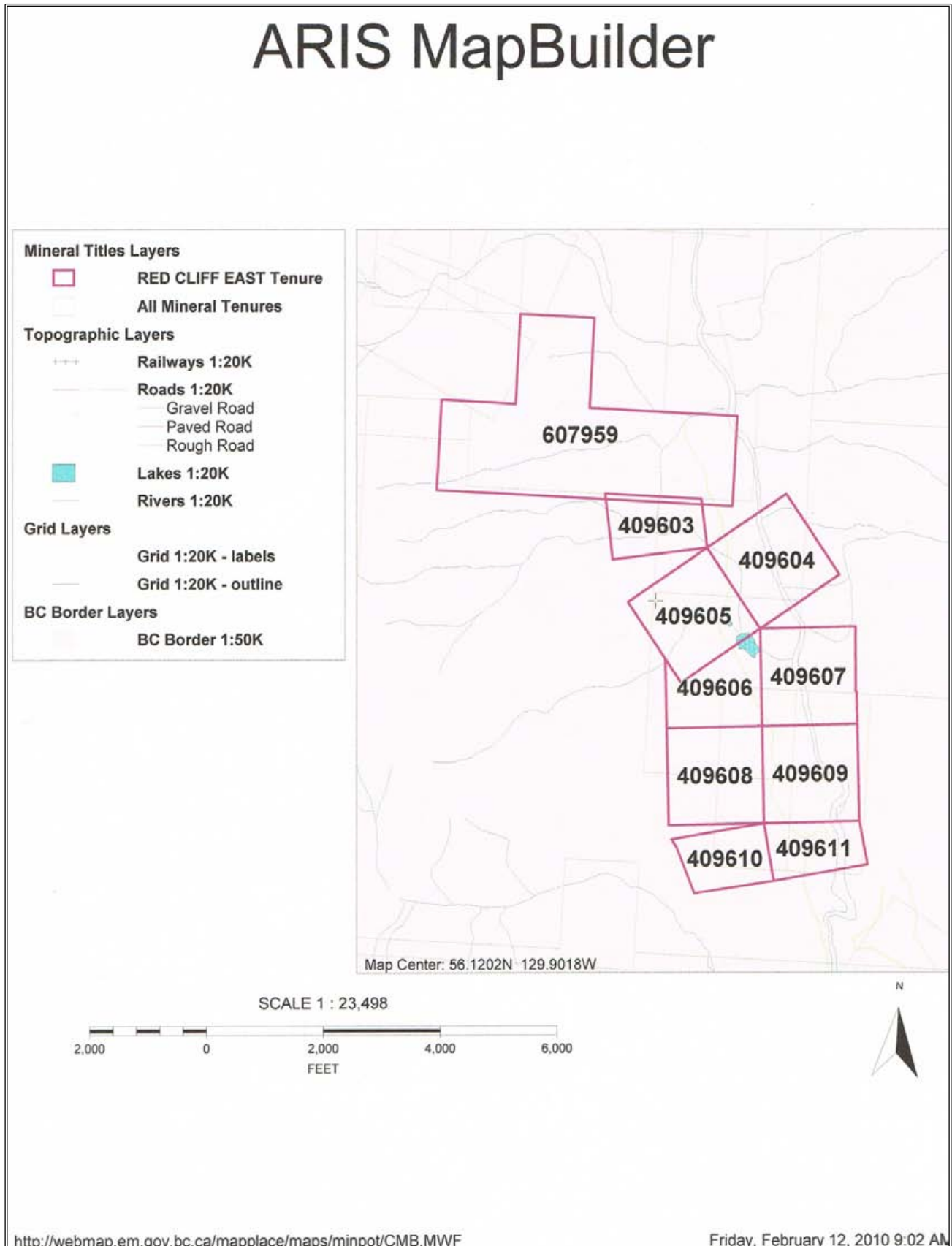
 BC Border 1:6M



SCALE 1 : 12,055,253



Figure 2 Claim Map



Work History

There was not much work done on these claims before 2009. The only reported work on the Joe Dog mineral claims 5 to 13 was initiated in 2005 by the former claim owner Jim Marx. The work included a seismic refraction survey conducted by Geophysicist Mike Powers along the 455 metres of cut line. The survey was to determine the depth of the bedrock and to estimate the potential volume of the gravel deposited along American Creek.

In 2009, Nanika Resources conducted a geochemical program during which a total of 22 rock, 4 silt and 155 soil samples were collected. Of the 22 rock samples collected during this program, 10 samples returned significant metal values with up to 170 ppb for gold, 126.3 g/t for silver, 1.18 % for copper, 0.73 % for zinc and 0.27 % for lead. Four silt samples returned 314, 135, 344 and 98 ppb gold with silver values ranging from 0.2 to 2.0 ppm. Soil samples from a 250 meter long section of the soil contour line showed silver values ranging from 3.2 to 11.9 ppm along with significant values in copper, lead and zinc.

GEOLOGY

Regional Geology

The Red Cliff East property lies along the eastern edge of the Coast Crystalline Complex within the western boundary of the Bowser Basin. Rocks in the area belong to the Mesozoic Stuhini Group, Hazelton Group and Bowser Lake Group that have been intruded by plugs of both Cenozoic and Mesozoic age. Portions of the Stewart area are underlain by Triassic age Stuhini Group (Greig, C.F, 1994). The Stuhini Group rocks are either underlying or in fault contact with the Hazelton Group. These Triassic age rocks consist of dark gray, laminated to thickly bedded silty mudstone, and fine to medium grained and locally coarse-grained sandstone. Local heterolithic pebble to cobble conglomerate, massive tuffaceous mudstone and thick-bedded sedimentary breccia and conglomerate also form part of the Stuhini Group.

At the base of the Hazelton Group is the lower Lower Jurassic Marine (submergent) and non-marine (emergent) volcanoclastic Unuk River Formation. This is overlain at steep discordant angles by a second, lithologically similar, middle Lower Jurassic volcanic cycle (Betty Creek Formation), in turn overlain by an upper Lower Jurassic tuff horizon (Mt. Dilworth Formation). Middle Jurassic non-marine sediments with minor volcanics of the Salmon River Formation unconformably overlie the above sequence.

The lower Lower Jurassic Unuk River Formation forms a north-northwesterly trending belt extending from Alice Arm to the Iskut River. It consists of green, red and purple volcanic breccia, volcanic conglomerate, sandstone and siltstone with minor crystal and lithic tuff, limestone, chert and minor coal. Also included in the sequence are pillow lavas and volcanic flows.

In the property area, the Unuk River Formation is unconformably overlain by middle Lower Jurassic rocks from the Betty Creek Formation. The Betty Creek Formation is another cycle of trough filling sub-marine pillow lavas, broken pillow breccias, andesitic and basaltic flows, green, red, purple and black volcanic breccia, with self erosional conglomerate, sandstone and siltstone and minor crystal and lithic tuffs, chert, limestone and lava.

The upper Lower Jurassic Mt. Dilworth Formation consists of a thin sequence varying from black carbonaceous tuffs to siliceous massive tuffs and felsic ash flows. Minor sediments and limestone are present in the sequence. Locally pyritic varieties form strong gossans.

The Middle Jurassic Salmon River Formation is a late to post volcanic episode of banded, predominantly dark colored siltstone, greywacke, sandstone, intercalated calcarenite rocks, minor limestone, argillite, conglomerate, littoral deposits, volcanic sediments and minor flows. Overlying the above sequences are the Upper Jurassic Bowser Lake Group rocks. These rocks mark the western edge of the Bowser Basin and are also located as remnants on mountaintops in the Stewart area. These rocks consist of dark gray to black clastic rocks including silty mudstone and thick beds of massive, dark green to dark gray, fine to medium grained arkosic litharenite.

According to E.W. Grove, the majority of the rocks from the Hazelton Group were derived from the erosion of andesitic volcanoes subsequently deposited as overlapping lenticular beds varying laterally in grain size from breccia to siltstone. Alldrick's work to the north of Stewart has shown several volcanic centers in the surveyed area. Lower Jurassic volcanic centers in the Unuk River Formation are located in the Big Missouri Premier area and in the Brucejack Lake area. Volcanic centers within the Lower Jurassic Betty Creek Formation are located in the Mitchell Glacier and Knipple Glacier areas.

The granodiorites of the Coast Plutonic Complex largely engulf the Mesozoic volcanic terrain to the west. East of these (in the property area), smaller intrusive plugs range from quartz monzonite to granite. Some are likely related to the late phase offshoots of the Coast plutonism, other is synvolcanic and Tertiary. Double plunging, northwesterly - trending synclinal folds of the Salmon River and underlying Betty Creek Formations dominate the structural setting of the area. These folds are locally disrupted by small east-over thrusts on strikes parallel to the major fold axis, cross-axis steep angled faults which locally turn beds, selective tectonization of tuff units and major northwest faults which turn beds.

Property Geology

The property area is underlain by volcanic and volcanoclastic rocks belonging to the Unuk River Formation of Lower Jurassic age. On the east side of American Creek, black argillites and/or tuffs are highly sheared and locally silicified. Rocks are exposed along an old logging road. Strike of the rocks appears to be north south with a steep dip to the west. On the west side of American Creek, the rocks are weakly sericite altered, green andesite tuffs with up to 5 % fine grained pyrite. Rocks are exposed along an exploration road extending up American Creek.

Although up to four periods of folding and five episodes of faulting have been identified in the Stewart Area, the overall structure of the property appears relatively simple. Faulting has played the major role with a series of north– south trending normal faults in the American Creek Valley. Perpendicular to these is a series of east – west trending faults in the vicinity of the property. The major structural feature of the property area is a north south anticline along the American Creek Valley. In general the bedding strikes are northerly subparallel to the valley sides. American Creek is located along a major north south fault zone.

Alteration and Mineralization

The most promising alteration-mineralization was found in several float samples collected during the 2009 exploration program in the southeast corner of claim 409603. The samples feature green-black chloritic alteration with the accompanying pyrite and up to 2% chalcopyrite, similar to alteration-mineralization present in Decade’s Montrose zone. The samples assayed up to 170 ppb gold, 126.3 ppm silver and up to 1.2 % copper. Further north, a small semiangular float of strongly silicified rock with 20-30% pyrite and minor galena collected in the eastern part of 607959 claim assayed 80 ppb gold, 82.7 g/t silver, 0.27% lead and 0.73% zinc.

The northwest corner of the claim number 409609 features at least 200 metres long zone of silica-chlorite+/-sericite+/-carbonate+/-pyrite alteration. Nine samples collected from the zone did not record any anomalous values.

2010 ROCK SAMPLING

During the 2010 exploration program 6 grab and 7 float samples were collected from the property. They did not record anomalous precious or base metal values, except grab sample RCE-4 which shows anomalous silver (5.8 ppm) and copper (1010 ppm). Table 1 below shows samples coordinates and description. Location of the samples is marked on figure 3.

Table 1 Samples Coordinates and Description

Sample #	Easting	Northing	Sample type	Sample Description
RCE-1	443993	6220000	Float	Angular boulder 50x30 cm of andesitic rock in most part replaced by quartz, chlorite and minor malachite.
RCE-2	444000	6219984	Grab	Andesite cut by slightly limonitic vuggy quartz veins 0.5 to 1,5 cm wide.
RCE-3	443911	6219918	Float	Angular, fist size boulder of silicified andesite with 5-10% very fine grained pyrite.
RCE-4	443976	6219907	Grab	Completely chlorite altered rock with some malachite on surface, also minor quartz replacement.
RCE-5	443987	6219815	Float	Big angular boulder of massive, completely quartz-sericite-pyrite

				altered rock. Pyrite content 5-10%.
RCE-6	443934	6219875	Float	Composite sample of 4 small float pieces of slightly limonitic quartz.
RCE-7	443914	6219916	Float	Composite sample of several small pieces of milky quartz
RCE8	443914	6219916	Float	Composite sample of several small pieces chipped off from large boulder imbedded in creek bed composed of green-black chlorite and minor specularite or galena (?)
RCE-9	444272	6219592	Grab	2-3 cm wide quartz-chlorite-epidote vein with minor wad and rhodochrosite. Orientation 120/75E
RCE-10	444221	6219678	Grab	Irregular vuggy quartz-carbonate-chlorite veining.
RCE-11	443993	6220000	Float	Boulder with 3 cm wide quartz lesser chlorite vein with minor specularite.

2010 DRILLING

Introduction

The 2010 drilling program on Red Cliff East property consisted of 8 diamond drill holes totaling 1004 metres of NQ core. One hole could not reach bedrock and was terminated in overburden at 32.61metres. Information about each hole azimuth, dip and GPS coordinates is included in drill logs (see appendix I). All drilling was done from 5 pads which locations are shown on figure 3. Drilling was done by Titan Drilling of Smithers, BC using a modified Longyear-38 drill. No camp was constructed on the property. Drillers stayed in Stewart and were driving every day to the job site. The entire core from the drilling was logged on the property. The boxes with the marked intervals for sampling have been transported to Stewart for splitting. After splitting, the entire remaining core was securely stored on the property.

A total of 51 core samples were collected from the holes. Eight samples collected from the hole RCE10-1 were analyzed for gold, silver and 31 elements ICP, the remaining 43 core samples were assayed just for gold and silver. All core and rock samples were analyzed by Actlabs of Ancaster, Ontario.

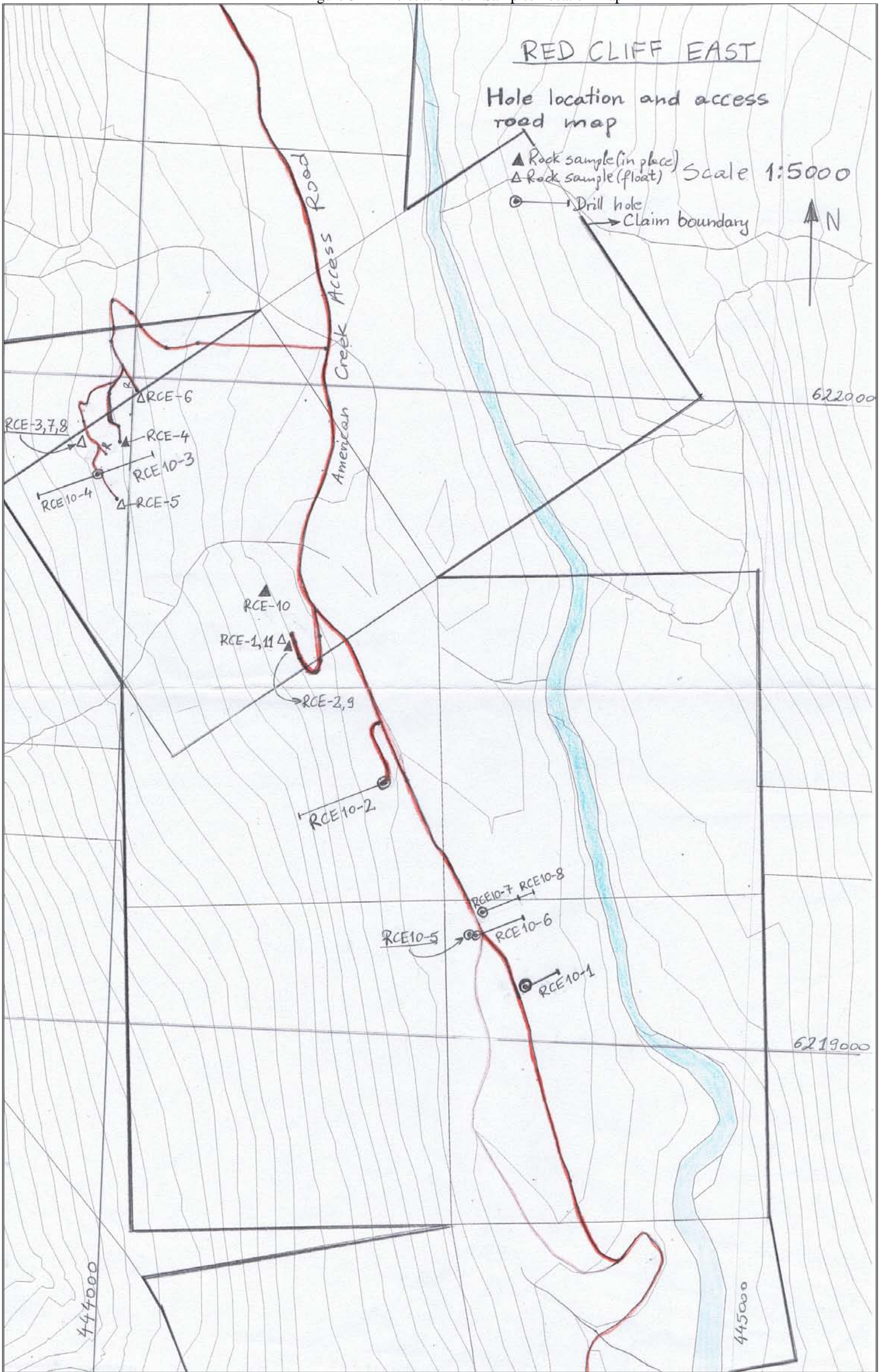
Results

Holes RCE10-1, 6, 7 and 8 tested a quartz-chlorite+/-sericite+/-carbonate+/-pyrite alteration zone. The zone is marked on the surface as a prominent ridge 50-70 metres wide and at least 200 metres long. The holes intersected broad intervals of weakly to very strongly silicified andesitic rocks with 3 to 10 percent quartz-carbonate veins. Sulphides were represented by trace to 5% medium to coarse grained pyrite often accompanied by black-green chlorite. Locally trace to minor chalcopryite, galena and sphalerite were also noted. Core samples collected from these holes were not anomalous in gold or silver.

Hole RCE10-2 was drilled to test section of the 2009 soil line which returned anomalous values in silver, copper, lead and zinc. The hole intersected some carbonate lesser chlorite and epidote veining. In a few spots trace to minor pyrite, chalcopryite and sphalerite were seen. Six core samples collected from the hole did not record anomalous gold or silver values.

Holes RCE10-3 and 4 tested a wide fracture/fault zone which showed weak copper mineralization. The holes encountered only weak carbonate+/-chlorite+/-epidote veining and minor amounts of pyrite. Core samples collected from these two holes did not returned anomalous gold or silver values.

Figure 3 Drillholes and Rock Samples Location Map



CONCLUSIONS

The results from the core and rock samples obtained during the 2010 exploration program did not returned any anomalous precious metal values. One of the rock samples yielded anomalous silver (5.8 ppm) and copper (1010 ppm) values.

RECOMMENDATIONS

The recommended work on the Red Cliff East property includes the following:

- 1) More prospecting and soil sampling above a portion of the 2009 soil line which showed the most anomalous results.
- 2) An attempt should be made to explain the source of highly anomalous gold in the 2009 silt samples collected from creeks draining the western portion of the property.

The cost of the recommended work is estimated at 20,000 dollars.

REFERENCES

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11. Walus, Alex; (2009); Assessment Report

CERTIFICATE OF AUTHOR’S QUALIFICATIONS

I, Alojzy Aleksander Walus, of 8546-164 Street, Surrey, in the Province of British Columbia, do hereby certify that:

1. I am a graduate of the University of Wroclaw, Poland and hold M.Sc. Degree in Geology.
2. I am a consulting geologist working on behalf of Nanika Resources.
3. I have worked in British Columbia from 1988 to 2010 as a geologist with several exploration companies.
4. I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.
5. This report is based on my work completed on the Red Cliff East Property in the period from October 9 to 27, 2010.
6. I authorize Nanika Resources to use information in this report or portions of it in any brochures, promotional material or company reports.

“Alojzy A. Walus”

DATED AT VANCOUVER, B.C., January 20, 2011

Alojzy A. Walus, P.Geo.

STATEMENT OF EXPENDITURES - EVENT # 4825324

Geologist (26 days @ \$500/ a day)	13000.00
Car Rental plus gas	2145.57
Accommodation/food	1942.64
Drilling	89575.05
Excavator(road construction)	17397.00
Assays	2431.00
Field supplies	397.41
Travel (air fares plus hotels)	2334.17
Report	1000.00
TOTAL	130222.84

APPENDIX I

DRILLOGS WITH GOLD AND SILVER RESULTS

DDH: RCE10-1		Total depth: 96.62m		Core size: NQ		Logged by: A. Walus			
Azimuth: 65°		Start: October 11, 2010		Easting: 444650		Northing: 6219085			
Inclination: 55°		Completion: October 13, 2010		Elevation:					
Interval (m)		Rock type	Rock description - alteration, mineralization, texture	Sample interval (m)				Assay	
From	To			Sample	From	To	Width	Au(g/t)	Ag(g/t)
0.00	9.14	Casing							
9.14	38.25	Andesite	Strong chlorite alteration.						
9.14	14.32		Locally weak silicification, 3-10% quartz veins and replacements.						
14.32	33.83		Quartz veins, stockwork, replacements and quartz cemented breccia. Quartz content ranges from 10 to 100%. In many places weak to strong silicification. Trace to 5% pyrite which forms disseminations, blebs and steaks. In a few place trace galena and trace to minor chalcopyrite.						
15.85	16.76		Interval almost completely(>90%) replaced by quartz. Dense network of fractures filled with limonite.	101	15.85	16.76	0.91	<5	<0.2
20.42	21.24		Weakly to moderately silicified andesite with 10-15% quartz veins and replacements, minor pyrite. Trace galena and chalcop. in the last 10 cm of the interval.	102	20.42	21.24	0.82	<5	<0.2
23.93	24.84		Interval with 70-80% of quartz veins and replacements, 1-2% pyrite. In a few places there are concentrations of clay minerals.	103	23.93	24.84	0.91	<5	<0.2
29.41	31.70		Interval partly replaced by felsite						
36.58	37.49		In places weak silicification, 3-5% quartz-carbonate veinlets. Pyrite 3-5%, minor chalcopyrite. The latter is associated with green-black chlorite	104	36.58	37.49	0.91	7	0.4
37.49	38.25		Interval with 3-5% quartz lesser carbonate veins and replacements. Disseminated pyrite 3-5% accompanied by greenish-black chlorite.	105	37.49	38.25	0.76	6	0.2
38.25	42.37	Fracture/fault Zone	Very badly broken core to rock chips, 3-5% quartz-carbonate veins and replacements, minor pyrite.	106	38.25	40.54	2.29	5	<0.2

DDH: RCE10-2	Total depth: 197.20m		Core size: NQ	Logged by: A. Walus							
Azimuth: 250°	Start: October 13, 2010			Easting: 444424			Northing: 6219392				
Inclination: 45°		Completion: October 15, 2010			Elevation:						
Interval (m)		Rock type	Rock description - alteration, mineralization, texture	Sample interval (m)				Assay			
From	To			Sample	From	To	Width	Au(g/t)	Ag(g/t)		
0.00	6.09	Casing									
6.09	115.21	Andesite	Andesite to andesite lapill-tuff. Strong sericite-chlorite alteration. The rock contains 1 to 5% carbonate lesser quartz, epidote and chlorite veinlets. Sporadically minor rodohrosite was also noted.								
16.76	30.02		Carbonate-epidote-quartz veinlets and stockwork 5 to 40%.	109	24.69	25.60	0.91	<0.03	<3		
28.44	28.52		Quartz-chlorite vein 7-8 cm wide @ 45° to c/a.								
88.70	88.76		Carb.-epidote-chlorite vein 2-3 cm wide @ 40 to c/a.								
94.75	93.85		3-5 cm wide quartz-epidote vein with minor pyrite and trace galena(?).	110	94.75	94.85	0.10	<0.03	<3		
115.21	132.59	Feldsp.-biotite dacite(?)	The rock consists of 5-10% feldspar and 5-10% chloritized biotite phenocrysts set in aphanitic groundmass. Moderate sericitization.								
132.59	197.20	Andesite	Andesite to andesite lapill-tuff. Strong sericite-chlorite alteration. The rock contains 1 to 10% carbonate-epidote+/-chlorite veins and replacements. Veins have variable attitude to c/a. Locally weak silicification in the upper part of the interval.								
148.44	148.54		10 cm long section of the core containing 5 cm wide carbonate-epidote vein @ 90° to c/a, minor pyrite.	111	148.44	148.5	0.10	<0.03	<3		
157.58	159.41		The interval contains a few 2-5 mm wide carbonate-sphalerite veinlets. In a few spots trace to minor pyrite and chalcopyrite was noted.	112	157.58	159.41	1.83	<0.03	<3		
166.42	167.03		Interval in 70-80% replaced by carbonate and epidote, trace chalcopyrite.	113	166.42	167.03	0.61	<0.03	<3		

DDH:	RCE10-6	Total depth: 124.05m	Core size: NQ	Logged by: A. Walus									
Azimuth: 70°		Start: October 17, 2010		Easting: 444571				Northing: 6219164					
Inclination: 55°		Completion: October 18, 2010		Elevation:									
Interval (m)		Rock type	Rock description - alteration, mineralization, texture	Sample interval (m)				Assay					
From	To			Sample	From	To	Width	Au(g/t)	Ag(g/t)				
0.00	27.74	Overburden											
27.74	42.67	Andesite volcanics	Moderate to complete silicification. Quartz veins and replacements from 5 to 100%. Veins attitude are mostly from 40 to 70° to c/a. Trace to 5% pyrite often accompanied by black chlorite.										
27.74	28.50		Weakly silicified black mudstone with 30-40% carbonate veining.										
30.39	31.15		Strong silicification, 20-30% quartz veins and replacements, 3-5% pyrite.	123	30.39	31.15	0.76	<0.03	<3				
35.26	35.66		Completely silicified interval with minor pyrite.	124	35.26	35.66	0.40	<0.03	<3				
42.67		Andesite volcanics	Strong chloritization, in many places weak to strong silicification, 2-10% quartz-carbonate veins and replacements. Quartz is white to gray, translucent. Veins attitude is mostly between 40 and 70° to c/a. Trace to 10% pyrite often accompanied by black chlorite.										
57.36	57.82		Interval with 30-40% quartz-carbonate veins and replacements. Veins are oriented @ 45 to c/a. 2-3% pyrite, minor chalcopyrite.	125	57.36	57.82	0.46	<0.03	<3				
59.43	60.03		15-20% quartz-carbonate veins mostly @ 45° to c/a. Pyrite content 2-3% accompanied by black chlorite.	126	59.43	60.03	0.60	<0.03	<3				
63.00	63.58		Interval with 20-25% irregular quartz-carbonate veinlets at variable attitude to c/a. Pyrite 3-5% accompanied by black chlorite.	127	63.00	63.58	0.58	<0.03	<3				
73.45	74.22		Weakly silicified andesite with 2-3% pyrite accompanied by black chlorite. At 73.94m there is a 3-4cm wide vein of massive pyrite @ 65° to c/a.	128	73.45	74.22	0.77	<0.03	<3				

DDH: RCE10-7		Total depth: 133.20m		Core size: NQ		Logged by: A. Walus							
Azimuth: 70°		Start: October 18, 2010		Easting: 444591		Northing: 6219195							
Inclination: 55°		Completion: October 19, 2010		Elevation:									
Interval (m)		Rock type	Rock description - alteration, mineralization, texture	Sample interval (m)				Assay					
From	To			Sample	From	To	Width	Au(g/t)	Ag(g/t)				
0.00	15.24	Overburden											
15.24	29.26	Andesite volcanics ?	V. strong silicification and possibly also K-feldspar? alteration. Trace to minor pyrite, 3-5% quartz-carbonate veinlets.	134	21.49	21.95	0.46	<0.03	<3				
18.90	18.93		Fault - fault gouge										
26.21	26.73	Fault(?)	Very badly broken core to rock chips.										
29.26	133.20	Andesite volcanics	Strong chloritization. In many places weak to moderate silicification, 2-10% quartz-carbonate veins showing variable attitude to c/a. Quartz is white to gray-semitranslucent. Trace to 10% of fine to coarse grained pyrite often accompanied by black chlorite. Pyrite occurs as disseminated grains, small patches, streaks and veinlets up to 1 cm wide.										
29.26	29.87		Brecciated rock cemented by 15-20% of quartz, <1% pyrite, some black chlorite.	135	29.26	29.87	0.61	<0.03	<3				
36.88	37.12		Weakly brecciated interval with 15-20% quartz lesser carbonate irregular veining with 1% pyrite and trace chalcopyrite.	138	38.40	39.92	1.52	<0.03	<3				
38.40	39.92	Fault	Badly broken core to rock chips, in a few places fault gouge.										
45.72	46.24		Section of the core with 3-5% pyrite accompanied by black chlorite. Some quartz-carbonate veining mostly @ 70-80° to c/a.	136	45.72	46.24	0.52	<0.03	<3				
50.60	50.90		The rock contains 5-10% carbonate-quartz veinlets healing fractures in crackle breccia, 2-3% pyrite with accompanying black chlorite, weak silicification.	137	50.6	50.9	0.30	<0.03	<3				

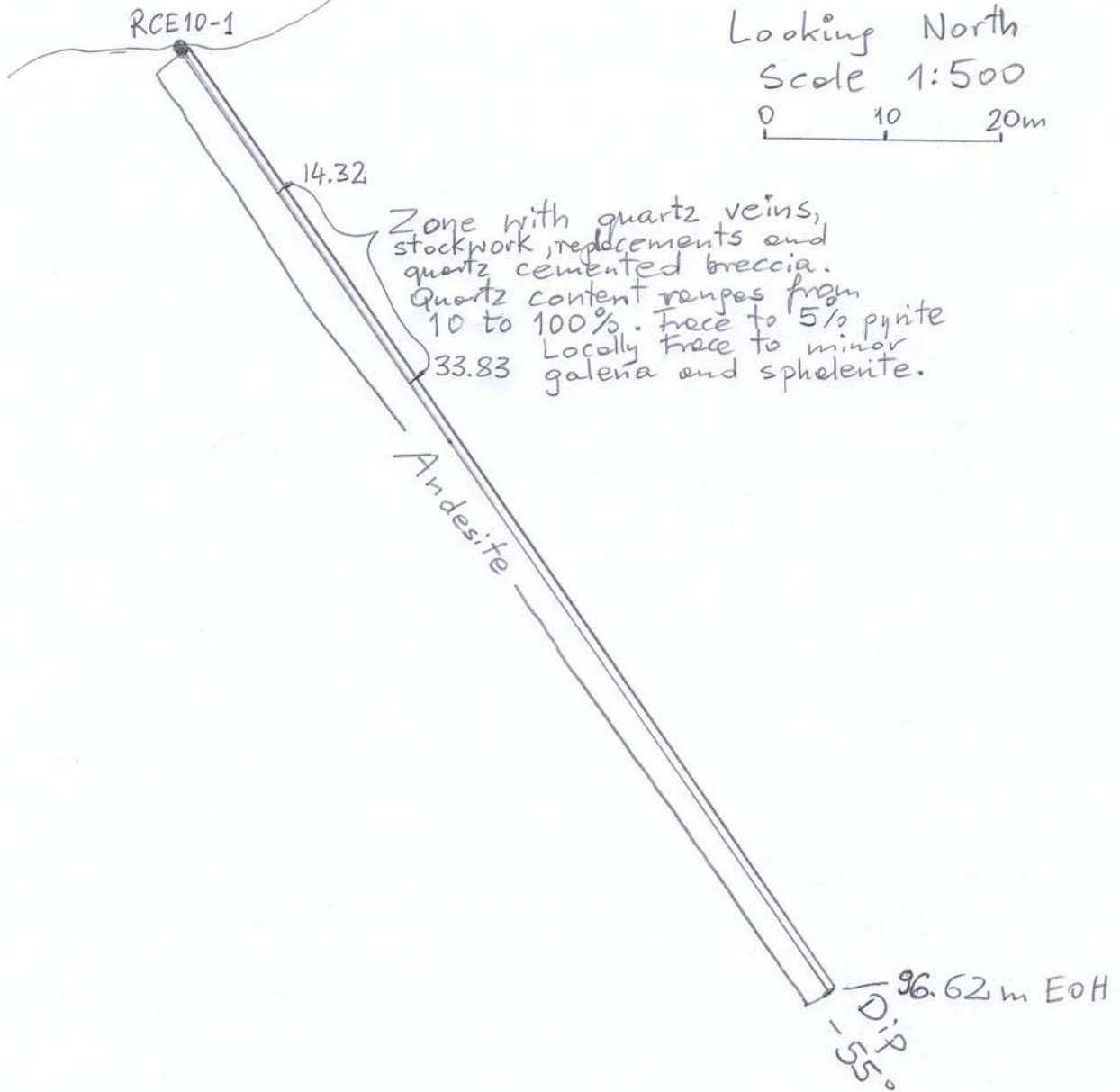
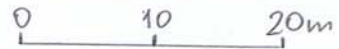
DDH: RCE10-8		Total depth: 169.77m		Core size: NQ		Logged by: A. Walus			
Azimuth: 70°		Start: October 19, 2010		Easting: 444591		Northing: 6219195			
Inclination: 70°		Completion: October 20, 2010		Elevation:					
Interval (m)		Rock type	Rock description - alteration, mineralization, texture	Sample interval (m)				Assay	
From	To			Sample	From	To	Width	Au(g/t)	Ag(g/t)
0.00	18.29	Overburden							
18.29	44.50	Andesite volcanics	Very strongly silicified rock, 2-5% quartz-carbonate veinlets and replacements. Veinlets have variable attitude to c/a. Quartz is white to gray-semitranslucent. Trace to 1% fine grained pyrite.						
18.29	18.90		K-feldspar alteration (?)						
25.90	26.52		Same general description, minor pyrite, trace galena	144	25.90	26.52	0.62	<0.03	<3
44.50	148.44	Andesite volcanics	Strong chloritization. In many places weak to moderate silicification, 2-5% quartz-carbonate veinlets mostly @ 30° to 60° to c/a. Quartz is white to gray, semitranslucent. Trace to 5% fine to coarse grained pyrite often accompanied by black chlorite. Pyrite occurs as disseminated grains, small patches, streaks and veinlets up to 0.5 cm wide.						
62.48	63.24		Interval with 3-5% medium to coarse grained pyrite accompanied by black chlorite. No silicification.	145	62.48	63.24	0.76	<0.03	<3
77.27	78.18		Same as above.	146	77.27	78.18	0.91	<0.03	<3
80.77	80.89		Quartz-chlorite vein 5 cm wide @ 30° to c/a.						
113.38	113.93		Zone with 7-10% coarse grained pyrite accompanied by black chlorite. There is also 5-10% quartz as veinlets and replacements. Upper contact is @ 45° to c/a. Lower contact is along a small fault (<1 cm wide) @ 30° to c/a.	147	113.38	113.93	0.55	<0.03	<3
114.91	169.77		Sporadically small amounts of epidote as veinlets and small patches.						

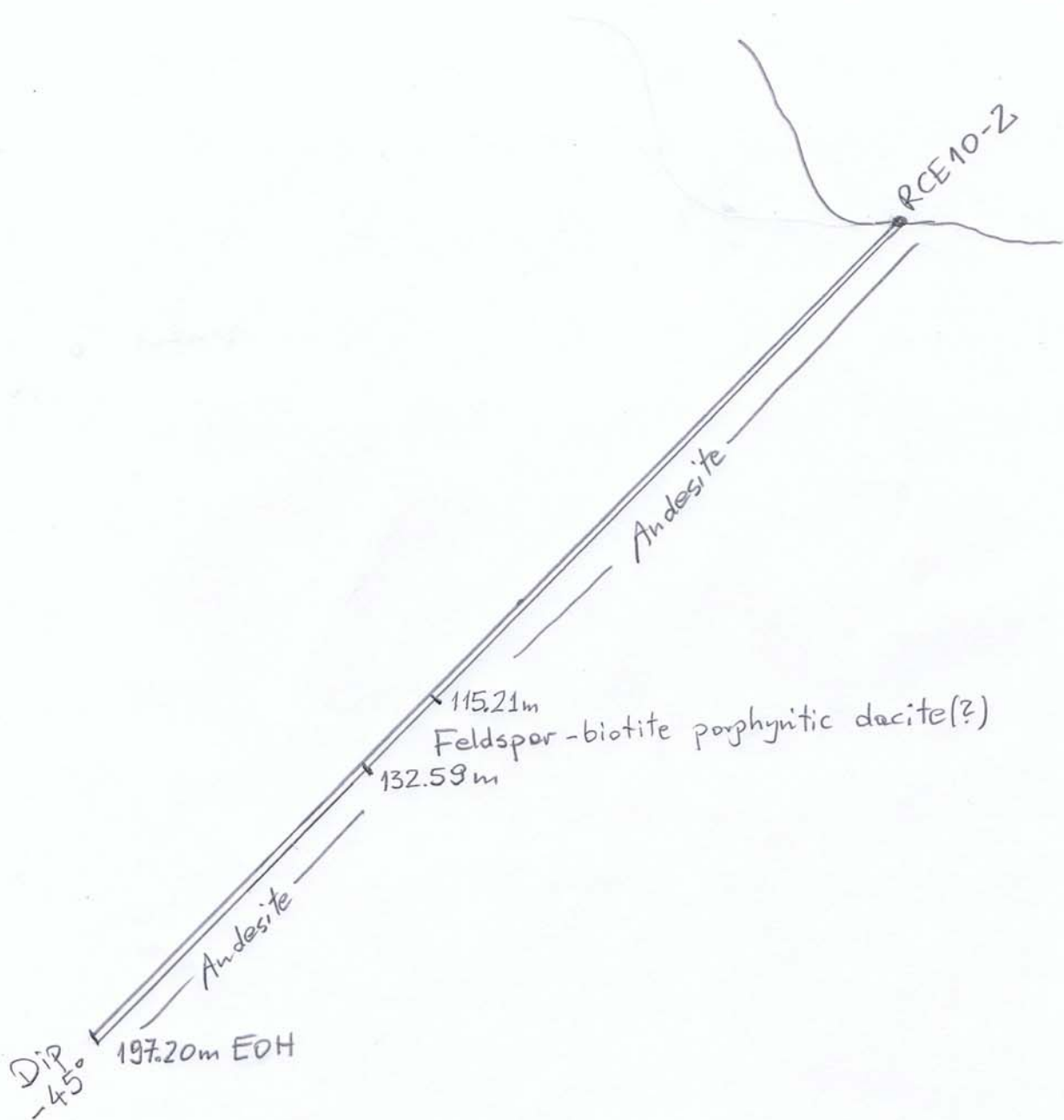
APPENDIX II

DRILLHOLES CROSS SECTIONS

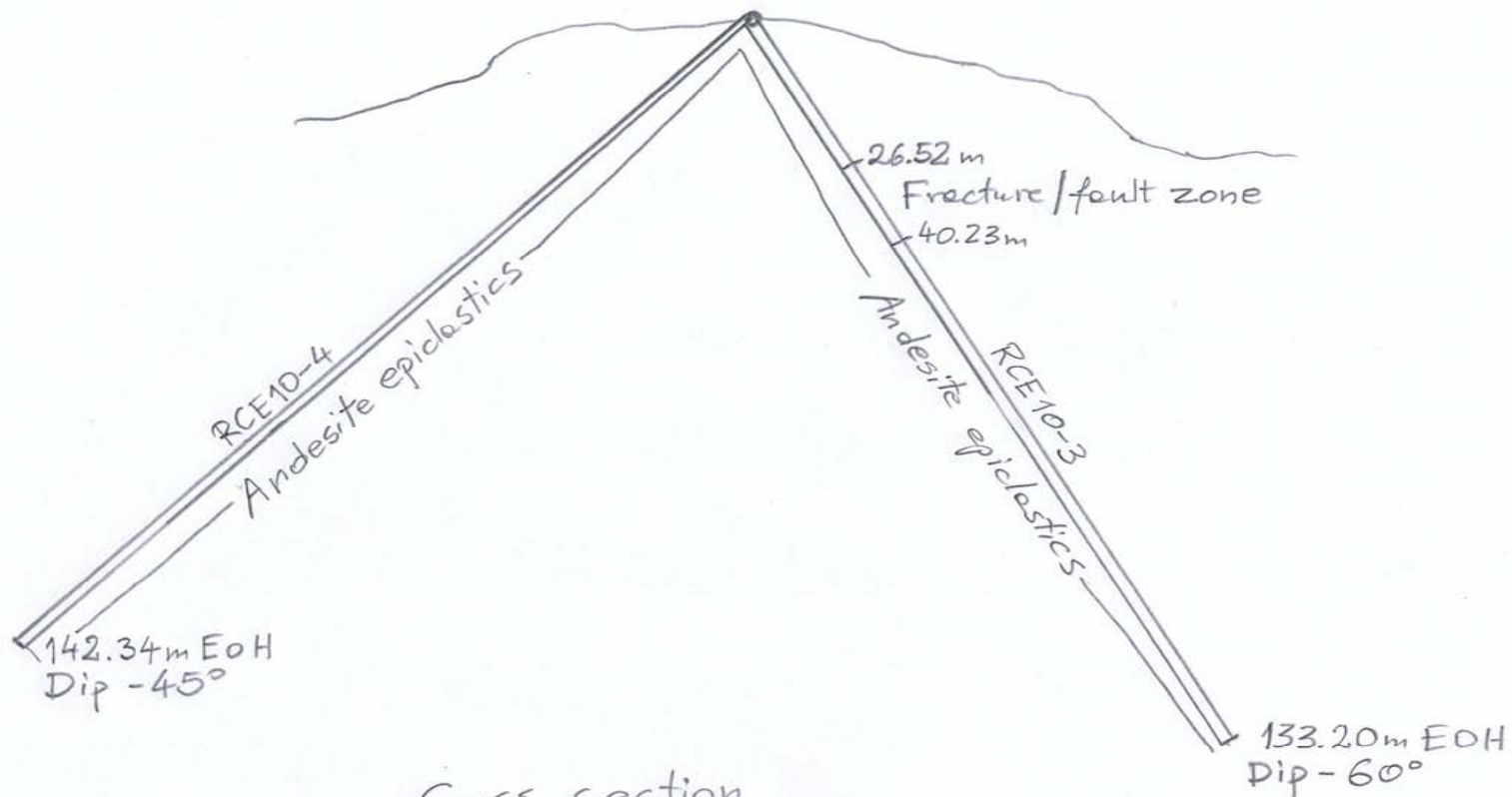
Cross section
Hole RCE10-1

Looking North
Scale 1:500

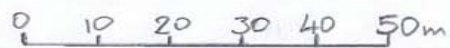


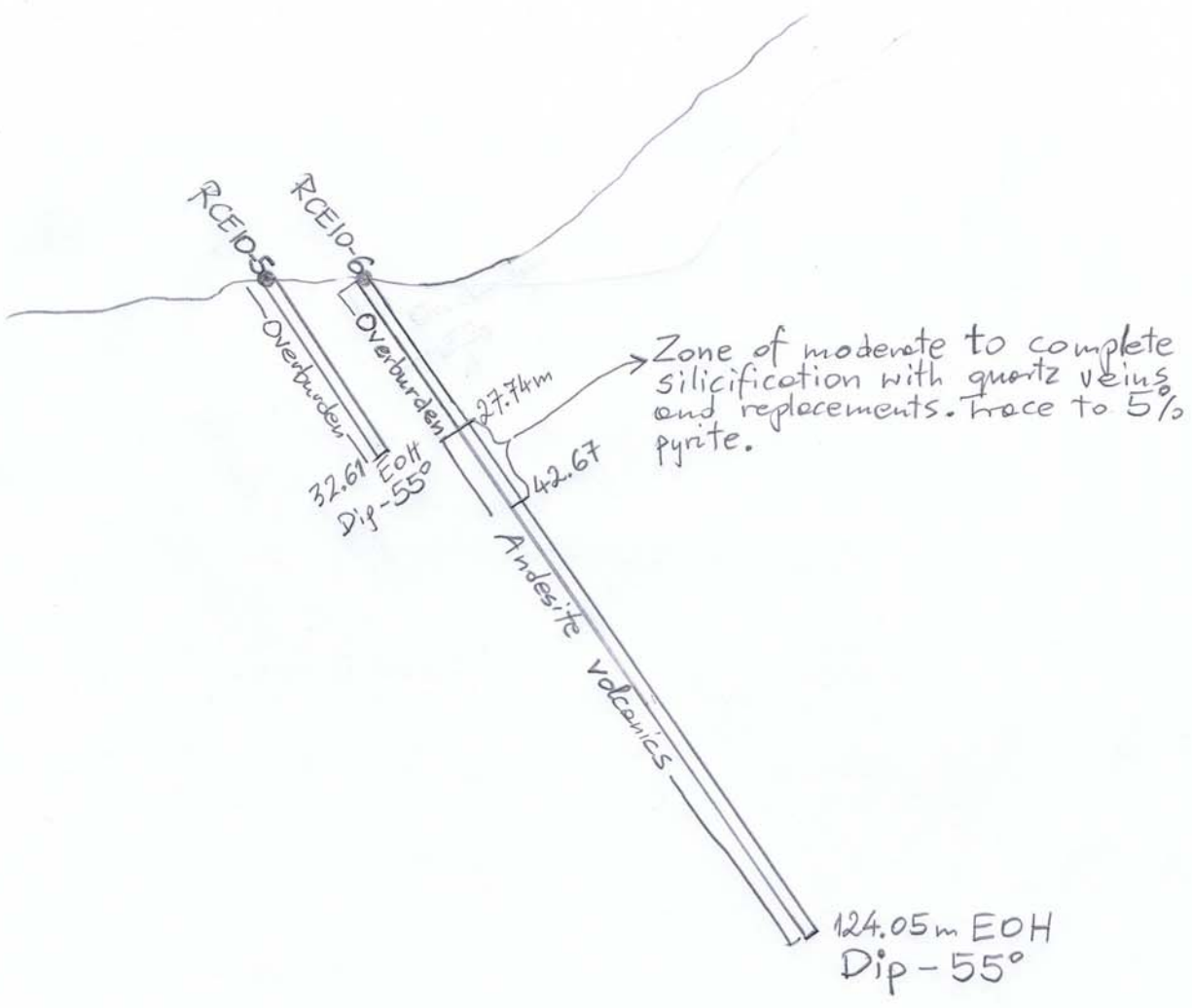


Cross section
Hole RCE 10-2
Looking North
Scale 1:1000
0 10 20 30m

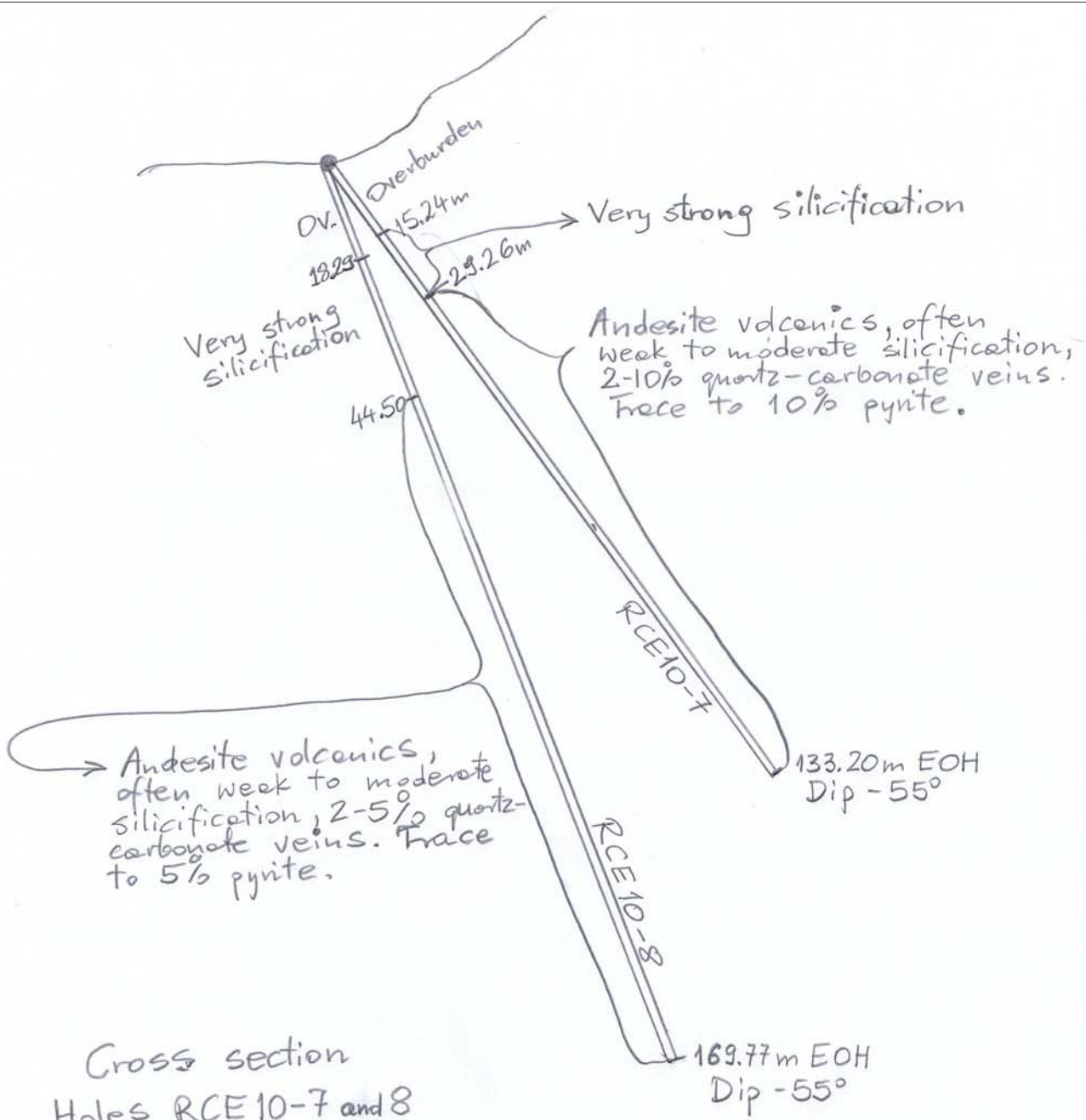


Cross section
 Holes RCE10-3 and 4
 Looking North
 Scale 1:1000





Cross section
 Holes RCE10-5 and 6
 Looking North
 Scale 1:1000
 0 10 20 30 40m



Cross section
 Holes RCE10-7 and 8
 Looking North
 Scale 1:1000
 0 10 20 30 40m

APPENDIX III
ASSAY CERTIFICATES

Quality Analysis ...



Innovative Technologies

Date Submitted: 14-Oct-10
Invoice No.: A10-7128
Invoice Date: 22-Oct-10
Your Reference:

Nanika Resources
725-625 Howe Street
Vancouver B.C. V6C2T5

ATTN: James Jacuta

CERTIFICATE OF ANALYSIS

8 Rock samples were submitted for analysis.

The following analytical packages were requested: Code 1A2-Tbay Au - Fire Assay AA
Code 1E3-Tbay Aqua Regia ICP(AQUAGEO)

REPORT **A10-7128**

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Notes:

Values which exceed the upper limit should be assayed for accurate numbers.
If value exceeds upper limit we recommend reassay by fire assay gravimetric-Code 1A3

CERTIFIED BY :

A handwritten signature in black ink, appearing to read "Emmanuel Esemé".

Emmanuel Esemé , Ph.D.
Quality Control

ACTIVATION LABORATORIES LTD.

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E-MAIL Ancaster@actlabs.com ACTLABS GROUP WEBSITE www.actlabs.com



Activation Laboratories Ltd. Report: A10-7128

Analyte Symbol	Au	Ag	Cd	Cu	Mn	Mo	Ni	Pb	Zn	Al	As	B	Ba	Be	Bi	Ca	Co	Cr	Fe	Ga	Hg	K	La	Mg
Unit Symbol	ppb	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	%	ppm	%
Detection Limit	5	0.2	0.5	1	5	1	1	2	2	0.01	2	10	10	0.5	2	0.01	1	1	0.01	10	1	0.01	10	0.01
Analysis Method	FA-AA	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP
101	< 5	< 0.2	< 0.5	2	401	1	2	12	47	0.20	4	< 10	1030	< 0.5	< 2	2.70	2	19	1.09	< 10	< 1	0.02	< 10	0.56
102	< 5	< 0.2	3.4	86	323	< 1	< 1	49	355	0.98	4	< 10	56	< 0.5	< 2	1.62	4	12	1.60	< 10	< 1	0.05	< 10	1.04
103	< 5	< 0.2	< 0.5	8	229	< 1	< 1	3	25	0.49	2	< 10	46	< 0.5	< 2	3.82	3	27	0.86	< 10	< 1	0.05	< 10	0.42
104	7	0.4	0.7	393	717	< 1	9	3	53	2.03	5	< 10	62	< 0.5	< 2	3.84	22	19	5.32	< 10	< 1	0.07	< 10	2.50
105	6	0.2	0.5	143	556	< 1	10	4	41	1.68	10	< 10	53	< 0.5	< 2	2.59	21	21	5.15	< 10	< 1	0.06	< 10	1.95
106	5	< 0.2	< 0.5	7	366	< 1	< 1	< 2	34	1.20	< 2	< 10	39	< 0.5	< 2	3.23	5	10	1.82	< 10	< 1	0.06	< 10	1.36
107	12	1.0	1.4	211	785	25	6	15	161	1.85	14	< 10	38	< 0.5	< 2	2.52	42	17	7.18	10	< 1	0.08	< 10	2.74
108	7	0.3	0.5	74	424	18	1	5	35	1.24	17	< 10	41	< 0.5	3	2.29	17	9	3.74	< 10	< 1	0.06	12	1.40

Quality Analysis ...



Innovative Technologies

Date Submitted: 23-Oct-10
Invoice No.: A10-7491
Invoice Date: 02-Nov-10
Your Reference:

Nanika Resources
725-625 Howe Street
Vancouver B.C. V6C2T5

ATTN: James Jacuta

CERTIFICATE OF ANALYSIS

4 Rock samples were submitted for analysis.

The following analytical package was requested: Code 1A3-Ag Au, Ag-Fire Assay Gravimetric

REPORT **A10-7491**

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Notes:

CERTIFIED BY :

A handwritten signature in black ink, appearing to be "Emmanuel Esemé". The signature is written in a cursive style with a large, sweeping "E" and "S".

Emmanuel Esemé , Ph.D.

Quality Control



ACTIVATION LABORATORIES LTD.

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E-MAIL Ancaster@actlabs.com ACTLABS GROUP WEBSITE www.actlabs.com

Activation Laboratories Ltd. Report: A10-7491

Analyte Symbol	Au	Ag
Unit Symbol	g/tonne	g/tonne
Detection Limit	0.03	3
Analysis Method	FA-GRA	FA-GRA
136A	< 0.03	< 3
147	< 0.03	< 3
141	< 0.03	< 3
150	< 0.03	< 3

Quality Analysis ...



Innovative Technologies

Date Submitted: 22-Oct-10
Invoice No.: A10-7492
Invoice Date: 05-Nov-10
Your Reference:

Nanika Resources
725-625 Howe Street
Vancouver B.C. V6C2T5

ATTN: James Jacuta

CERTIFICATE OF ANALYSIS

40 Rock samples were submitted for analysis.

The following analytical package was requested: Code 1A3-Ag Au, Ag-Fire Assay Gravimetric

REPORT **A10-7492**

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Notes:

CERTIFIED BY :

A handwritten signature in black ink, appearing to be "Emmanuel Esemé". The signature is written over a horizontal line.

Emmanuel Esemé , Ph.D.

Quality Control



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E-MAIL Ancaster@actlabs.com ACTLABS GROUP WEBSITE www.actlabs.com

Analyte Symbol	Au	Ag
Unit Symbol	g/tonne	g/tonne
Detection Limit	0.03	3
Analysis Method	FA-GRA	FA-GRA
109	< 0.03	< 3
110	< 0.03	< 3
111	< 0.03	< 3
112	< 0.03	< 3
113	< 0.03	< 3
114	< 0.03	< 3
115	< 0.03	< 3
116	< 0.03	< 3
117	< 0.03	< 3
118	< 0.03	< 3
119	< 0.03	< 3
120	< 0.03	< 3
121	< 0.03	< 3
122	< 0.03	< 3
123	< 0.03	< 3
124	< 0.03	< 3
125	< 0.03	< 3
126	< 0.03	< 3
127	< 0.03	< 3
128	< 0.03	< 3
129	< 0.03	< 3
130	< 0.03	< 3
131	< 0.03	< 3
132	< 0.03	< 3
133	< 0.03	< 3
134	< 0.03	< 3
135	< 0.03	< 3
136	< 0.03	< 3
137	< 0.03	< 3
138	< 0.03	< 3
139	< 0.03	< 3
140	< 0.03	< 3
142	< 0.03	< 3
143	< 0.03	< 3
144	< 0.03	< 3
145	< 0.03	< 3
146	< 0.03	< 3
148	< 0.03	< 3
149	< 0.03	< 3
151	< 0.03	< 3

Quality Analysis ...



Innovative Technologies

Date Submitted: 12-Oct-10
Invoice No.: A10-6939
Invoice Date: 27-Oct-10
Your Reference:

Nanika Resources
725-625 Howe Street.
Vancouver B.C. V6C2T6
Canada

ATTN: Alex Walus

CERTIFICATE OF ANALYSIS

11 Rock samples were submitted for analysis.

The following analytical packages were requested: Code 1A2-Tbay Au - Fire Assay AA
Code 1E3-Tbay Aqua Regia ICP(AQUAGEO)

REPORT **A10-6939**

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Notes:

Values which exceed the upper limit should be assayed for accurate numbers.
If value exceeds upper limit we recommend reassay by fire assay gravimetric-Code 1A3

CERTIFIED BY :

A handwritten signature in black ink, appearing to read "Emmanuel Esemé", written over a horizontal line.

Emmanuel Esemé , Ph.D.
Quality Control



ACTIVATION LABORATORIES LTD.

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E-MAIL Ancaster@actlabs.com ACTLABS GROUP WEBSITE www.actlabs.com

Activation Laboratories Ltd. Report: A10-6939

Analyte Symbol	Au	Ag	Cd	Cu	Mn	Mo	Ni	Pb	Zn	Al	As	B	Ba	Be	Bi	Ca	Co	Cr	Fe	Ga	Hg	K	La	Mg
Unit Symbol	ppb	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	%	ppm	%
Detection Limit	5	0.2	0.5	1	5	1	1	2	2	0.01	2	10	10	0.5	2	0.01	1	1	0.01	10	1	0.01	10	0.01
Analysis Method	FA-AA	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP	AR-ICP
RCE-1	< 5	< 0.2	< 0.5	69	1450	< 1	14	3	166	2.69	< 2	< 10	307	< 0.5	< 2	0.50	29	26	5.54	< 10	< 1	0.03	< 10	2.30
RCE-2	< 5	< 0.2	< 0.5	4	333	< 1	2	10	67	1.18	< 2	< 10	145	< 0.5	< 2	0.22	4	23	1.91	< 10	< 1	0.19	20	0.70
RCE-3	< 5	0.2	0.6	9	381	1	2	55	98	0.99	106	< 10	86	< 0.5	< 2	0.47	4	9	2.31	< 10	1	0.31	18	0.30
RCE-4	25	5.8	0.7	1010	2540	< 1	7	8	144	3.17	< 2	18	351	< 0.5	< 2	4.03	23	7	5.33	< 10	< 1	0.45	< 10	1.80
RCE-5	< 5	0.3	< 0.5	13	356	23	1	28	33	1.81	128	13	12	0.7	< 2	0.98	11	4	3.85	< 10	< 1	0.95	13	0.31
RCE-6	< 5	< 0.2	< 0.5	9	236	2	1	14	45	0.84	12	< 10	157	< 0.5	< 2	0.10	6	6	2.90	< 10	< 1	0.28	12	0.23
RCE-7	< 5	< 0.2	< 0.5	2	47	< 1	1	2	9	0.18	< 2	< 10	60	< 0.5	< 2	0.02	< 1	17	0.45	< 10	< 1	0.05	< 10	0.02
RCE-8	< 5	< 0.2	< 0.5	< 1	1360	< 1	7	5	213	1.91	5	< 10	2030	< 0.5	< 2	0.15	25	17	3.45	< 10	< 1	0.20	< 10	2.35
RCE-9	< 5	< 0.2	1.1	20	1220	< 1	4	12	146	1.37	2	22	116	0.6	< 2	0.35	8	15	2.73	< 10	< 1	0.14	< 10	0.88
RCE-10	< 5	< 0.2	< 0.5	13	880	< 1	2	< 2	75	0.90	< 2	< 10	154	< 0.5	< 2	1.65	5	16	2.11	< 10	< 1	0.19	14	0.57
RCE-11	< 5	< 0.2	< 0.5	3	473	< 1	3	< 2	108	0.92	< 2	< 10	59	< 0.5	< 2	0.03	7	20	2.30	< 10	< 1	0.10	< 10	0.69