



Symbol : MML (V.S.E.)

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PROGRESS REPORT

July 31, 1985

Menika Mining Ltd. (N.P.L.) has 100% interest of the RELIANCE Property, located 5.6 km. east of Goldbridge, adjoining the old Congress property to the north, now under exploration by Levon Resources Ltd. and Veronex Resources Ltd. The roadwork on the RELIANCE Property exposed two main zones of altered and mineralized formations.

The Bona Zone at an elevation of 2,640 ft., some 200 meters (656 ft.) northeast of the Senator workings returned assays of 2.11 oz of gold per ton across six meters (19.5 ft.)

The Senator road at an elevation of 2,670 ft. exposed an altered and mineralized zone for a distance of approximately 270 ft. The Imperial road #1 at an elevation of 2,775 ft. exposed the continuation of the same mineralized formation for 340 ft., and is open to the south. The same altered formation is visible on the Imperial road #2, #3 and #4 at an elevation of 3,110 ft.

The mineralized showing on the Senator and the Imperial road #1 is of the Stock Work type, (STOCK WORK:- a rock mass interpenetrated by small veins) consisting of numerous veins in all directions and of varying widths, ranging from one half inch, with assays up to 3.498 oz. of gold per ton, and up to one meter (3.3 ft.) in width, with assays of 2.501 oz. of gold per ton. One zone on the Imperial road, assayed 0.467 oz. of gold per ton across 5.5 meters (18 ft.)

Summary from our Consulting Geologist's Report (L. Sookochoff, P. Eng.):

It is concluded that recent and former exploration has disclosed evidence of a gold-silver epithermal system. The stock work of antimony-gold veins, the pervasive silicification, vuggy quartz, the cinnabar and the travertine and heavy iron oxides characterize the higher portions of an epithermal system. At this level of the system and confirmed by the sample results, bulk tonnages of lower grade mineralization could be delineated with excellent potential for developing continuous high grade sections over minimum mining widths. The sampling program has also indicated that with the high and low grade zones the potential is present for delineating substantial tonnages of economic mineralization grades at this level. The model and property also indicate the potential of increasing gold values to depth. Furthermore the more favorable zones for exploration are indicated adjacent to the present workings where arsenic-antimony geochem anomalies suggest an extensive mineralized zone paralleling the northerly trending Senator-Imperial structure. With the widespread known and indicated gold bearing zones over an area of 1000 meters (3280 ft.) by 1000 meters (3280 ft.), and a vertical range of some 500 meters (1640 ft.), and exploration program is warranted to initially conduct testing of the Senator-Imperial and Bona zones.

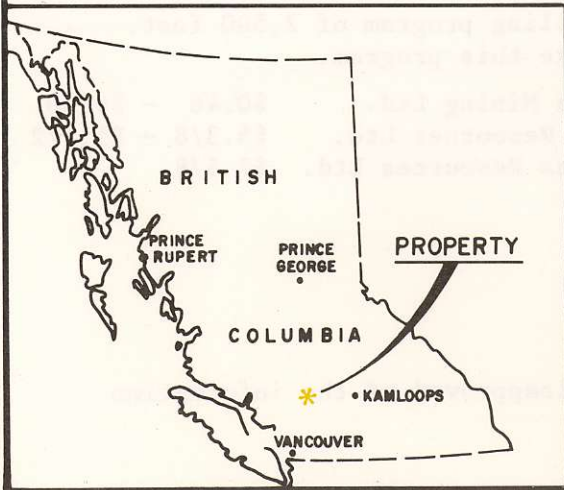
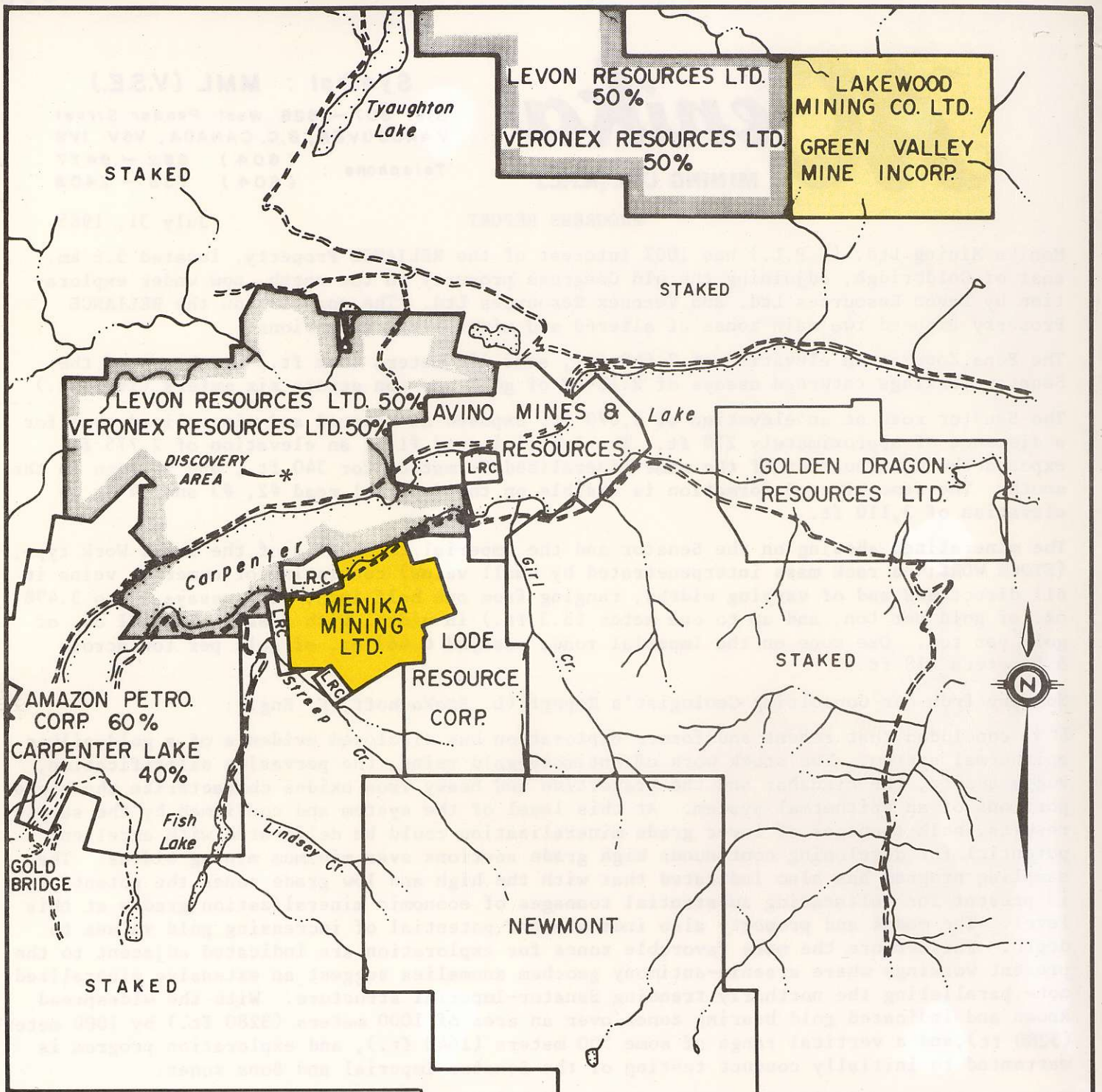
Our consulting geologist has recommended an initial drilling program of 2,500 feet. We are in the process of arranging financing to undertake this program.

Closing price on the V.S.E. as of July 31, 1985:	Menika Mining Ltd.	\$0.46 - \$0.50
	Levon Resources Ltd.	\$5.3/8 - \$5.1/2
	Veronex Resources Ltd.	\$7.5/8

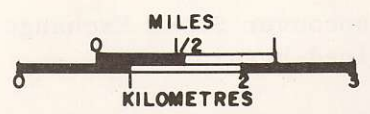
On Behalf Of The Board Of Directors:

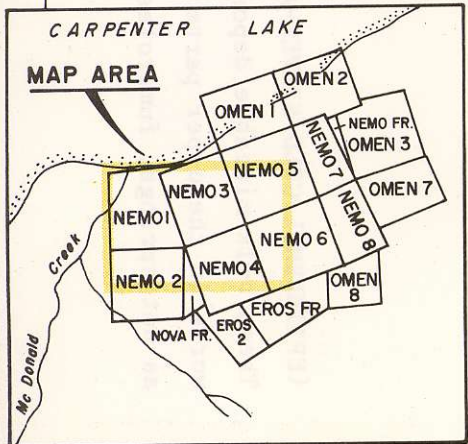
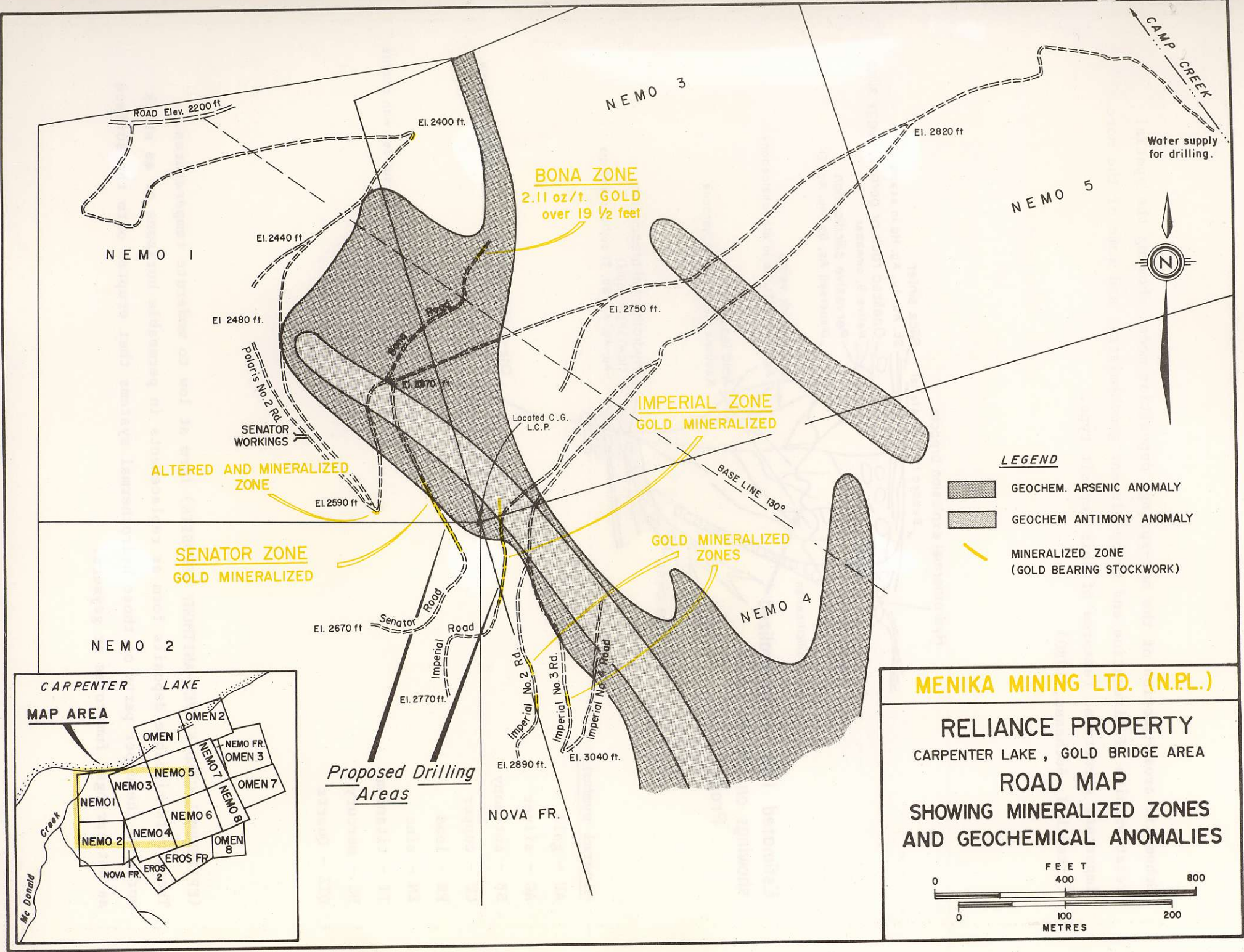
Charles Boitard, President

The Vancouver Stock Exchange has neither approved nor disapproved of the information contained herein.



**MENIKA MINING LTD. (N.P.L.)**  
**RELIANCE PROPERTY**  
 CARPENTER LAKE, GOLD BRIDGE AREA  
**PROPERTY MAP**



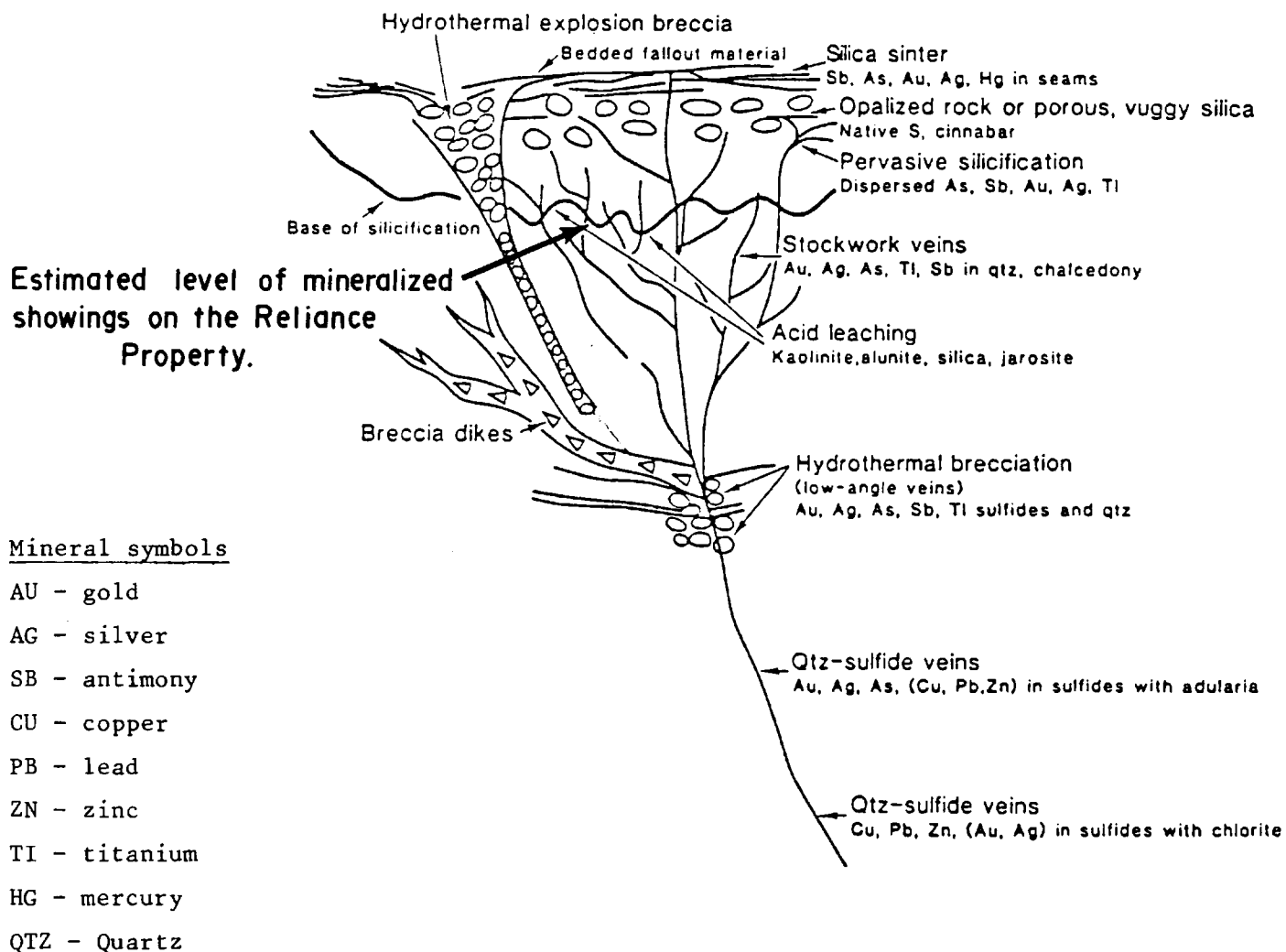


**MENIKA MINING LTD. (N.P.L.)**

**RELIANCE PROPERTY**  
 CARPENTER LAKE, GOLD BRIDGE AREA  
**ROAD MAP**  
 SHOWING MINERALIZED ZONES  
 AND GEOCHEMICAL ANOMALIES

Schematic cross-section of the hot-springs deposition model showing the spatial relationships of alteration and trace-element geochemistry, and some of the more important structural features of this deposit type.

(after L.J. Buchanan, 1980)



(EPITHERMAL GOLD-SILVER-ANTIMONY DEPOSITS) form at low to moderate temperatures. These bulk-mineable deposits form as replacements in permeable horizons or as stock works in the upper parts of those hydrothermal systems that erupted onto the surface as hot springs, fumeroles or geysers.