10/84

SILVER COIN PROPERTY

COIN #1 TO 4, KING 1 AND QUEEN 1 CLAIMS

GEOLOGICAL AND GEOCHEMICAL REPORT

Ainsworth Area

SLOCAN MINING DISTRICT

82F / 15W

Latitude 49°48'N Longitude 116°58'W

FOR

VICTORIA RESOURCE CORPORATION

VANCOUVER B.C.

BY

WESTERN HORIZONS RESOURCES LTD.

AGASSIZ B.C.

K.E.Northcote
S.C.Gower

October 20, 1983

K.E. NORTHCOTE AND ASSOCIATES LTD.

– Geological, Mineral Exploration and Mineral Land Use Consultants –

2346 ASHTON ROAD, R.R. 1, AGASSIZ, B.C. V0M 1A0 TELEPHONE (604) 796-2068

K.E. NORTHCOTE, Ph.D., P.ENG.

SUMMARY

SILVER COIN PROPERTY

The Silver Coin Property is located approximately 6.5 kilometres west of Kootenay Lake on the north side of Woodbury Creek in the Slocan Mining District. NTS 82F/15W. The property consists of four two post claims COIN 1 to 4 and two four-post claims KING 1 and QUEEN 1 totalling 36 units.

The claims area is underlain by Slocan Group consisting mainly of argillite, limestone and dolomite. The east side of the property is underlain by slate, argillite and minor limestone, chert and volcanic rocks of the Kaslo Group. Intrusive porphyritic granodiorite phases of the Nelson Batholith lie to the south and west of the property with a northeasterly trending hornblendite offshoot extending into the west side of the claim area. Lamprophyre dykes and sills also occur in the claims area.

The argillite member of the Slocan Group is cut by mineralized westerly dipping fault-vein trending northerly through the claim group. The fault-vein system ranges from about 0.5 to 2.0 metres in width and consists of gouge and abundantly sheared argillite, containing shattered vein quartz and carbonate, very minor sulphides with silver values. Galena sphalerite, tetrahedrite and native silver have been reported. There has been successive periods of pre and post-ore movement on the fault-vein.

During the 1930's and 1940's five adits, reported to total about 175 metres, were driven on the property. Some stoping was done in adit 4 and ore was hand sorted and shipped from adits 4 and 5 and

subsequently from adit 3 with total production amounting to approximately 40 tonnes containing about 4,900 oz. silver. Extensive soil and silt geochemistry and geophysical surveys were conducted in 1980 and 1981. Adits 1 and 2 were opened, mapped and sampled and adit 4 mapped and sampled to the point where it was caved about 23 metres from the portal. Preliminary sampling was done on dumps 3, 4 and 5. In 1983 a rock geochemistry program was conducted.

A road suitable for 4-wheel-drive leaves the Woodbury Creek road providing access as far as a washed out creek-crossing just east of adit 2. From that point a trail provides access to adits 3, 4 and 5. There are no plants or equipment either on surface or underground on the property. Adit 4 is caved at a point about 23 metres from the portal but is reported to extend for an additional 20 metres. Stoping in this adit has almost broken through to adit 5. Adits 1, 2, 3 and 5 are caved at the portal with adit 3 reported to extend for only 3 metres beyond caving. The hanging wall and foot wall of the shear-vein system are competent sedimentary rocks which stand well but the backs of the adits are intensely sheared rock-vein material which requires support in some places.

In the program reported here, dumps from adits 3, 4 and 5 were measured and profile sampled and indicate a total of 1416 tonnes with weighted average grade about 4.7 oz/ton silver. Two trenches were blasted and hand dug on the fault-vein system between adits 3 and 4 and a third between 2 and 3. The trenches intersected the fault-vein system but did not penetrate surface leaching. Values from fault-vein material in the trenches range from 0.10 to 1.30 oz/ton silver. In addition samples previously taken from leached caved material at adit 3 and unleached vein and slough from adit 4 were assayed for silver. Values from adit 3 are similar to values from the trenches, .08 (hanging wall) to 0.7 (siliceous foot wall) oz/ton silver. Values from unleached material

in adit 4 range from 0.29 (hanging wall) to 113.0 (foot wall gouge) oz/ton silver. It was noted that samples at or within the footwall gave the highest silver values. Significantly higher silver values that occur in vein-gouge material in close proximity to high grade zones might serve as an exploration guide.

Dump material from adits 3, 4 and 5 is of too low tonnage and grade to constitute ore with the present price of silver about $10.00/oz. If the high grade ore that was hand sorted and shipped from these adits is recalculated into the dump material the result is approximately 1450 tonnes of significant average grade of about 50 oz/ton silver. A model is thereby developed for that triangular volume of material from a point above adit 2 to some point above adit 5 which can be expected to contain approximately 17,000 tonnes of about 4 to 5 oz/ton silver with good probability of containing additional high grade ore shoots or pods similar to the ore previously shipped which would increase the over all silver grade considerably. Similarly, additional tonnage potential occurs in untested areas of silver anomalous soil-silt geochemistry and geophysical conductors which may represent an extension of the system and/or possible parallel systems to the north and east.

A three stage program is recommended. The first stage at an estimated cost of $12,000.00 completes the program outlined by Northcote July 21, 1983. Blasting and hand trenching is recommended on geochemical and geophysical anomalies to the north and east of the known fault-vein system in search of extensions or parallel systems. The second stage, at an estimated cost of $36,000.00, recommends re-opening the caved portion of adit 4 and the stope in preparation for mapping and sampling. Continued excavation by blasting and hand trenching is also recommended to penetrate leaching in possible extensions and new systems parallel to the known fault-vein system. If significant

silver values are obtained from stages 1 and 2 a further third stage is recommended, requiring road access to the adits and new zones, to provide for deep trenching by backhoe in search of high grade ore bodies along the fault-vein systems. Cost of this third stage is estimated to be about $40,000.00

Depending upon success of stages 1, 2 and 3, further exploration would require extension of existing adits and diamond drilling from underground.

ESTIMATED COST OF PROPOSED PROGRAM

STAGE 1

Wages and Fees	
Geological mapping and sampling 8 days-2 persons @ $400.00/day including measuring and sampling dumps 1&2	$ 3,200.00
Trenching and blasting to locate extensions of structure and new structures 2 persons 8 days @ 300./day	2,400.00
Powder Includes transport and back-packing to blasting site	1,000.00
Food and Lodging	
4 persons @ 50./day--8 days	1,600.00
Transportation	
2 vehicles	1,000.00
Support Costs	
Assays Sample preparation and silver assays 30 @ $10.00	300.00
Report Writing	2,000.00
Contingencies 10%	500.00
Stage 1 Total	$12,000.00

STAGE 2

Wages and Fees	
Mining team- open adits 2 and 4 and rehabilitate stope, 10 days @ $300.00/day	$ 3,000.00
Geological- mapping and sampling supervision adit 4 and stope, new trenches 10 days @ 300./day	3,000.00
Trenching, blasting and sampling, north extension and parallel structures 10 days @ 300./day	3,000.00
Geophysical Survey	
Including re interpretation of earlier surveys	8,000.00
Food and Lodging	
5 persons-10 days x $50.00	3,000.00
Transportation	
Haulage 200.00 Vehicles 1500.00 Helicopter 3 hrs @ 550.00 = 1650.00	3,350.00
Support Costs	
Lumber and timber 1,000.00 Assays 100 @ $10. 1,000.00 Concentrate assay rejects to determine silver recovery and gold content - 5,000.00 Powder 1,000.00	8,000.00
Engineering Report	
	2,500.00
Contingencies 10% (+)	2,150.00
Stage 2 Total	$36,000.00

STAGE 3

Subject to revision of program and costs at end of stage 2

Wages and Fees			
Geology and supervision		$4 800.00	$ 9,600.00
Blasting and sampling		4 800.00	
Access Road			
Bulldozer D-7	7 days @ $800./day	5 600.00	6,600.00
Mobilization and demobilization		1 000.00	
Trenching			
Bulldozer	3 days @ $800./day	2 400.00	9,000.00
Backhoe (tracked)	7 days @ 800./day	5 600.00	
Mobilization and demobilization		1 000.00	
Food and Lodging			3,500.00
Transportation			2,000.00
Support Costs			
Powder		1 000.00	3,000.00
Assays	200 @ $10.00	2 000.00	
Report Preparation			2,500.00
Contingencies	10%		3,800.00
Stage 3 Total			$40,000.00

Total estimated cost of Stages 1, 2 and 3 is $88,000.00

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REFERENCES

MEMPR Minister of Mines Annual Reports
1938-A-35: 1939-38; 1940-25,81; 1946-35,151

Assessment Reports 8807, 9124 and report submitted for assessment June 15, 1983 by S.C.Gower.

Fyles, J.T. 1967, Geology of the Ainsworth-Kaslo Area, MEMPR Bulletin 53.

Rice, H.M.A.1941, Nelson Map-Area, East Half, GSC Memoir 228

SILVER COIN PROPERTY

INTRODUCTION

TERMS OF REFERENCE

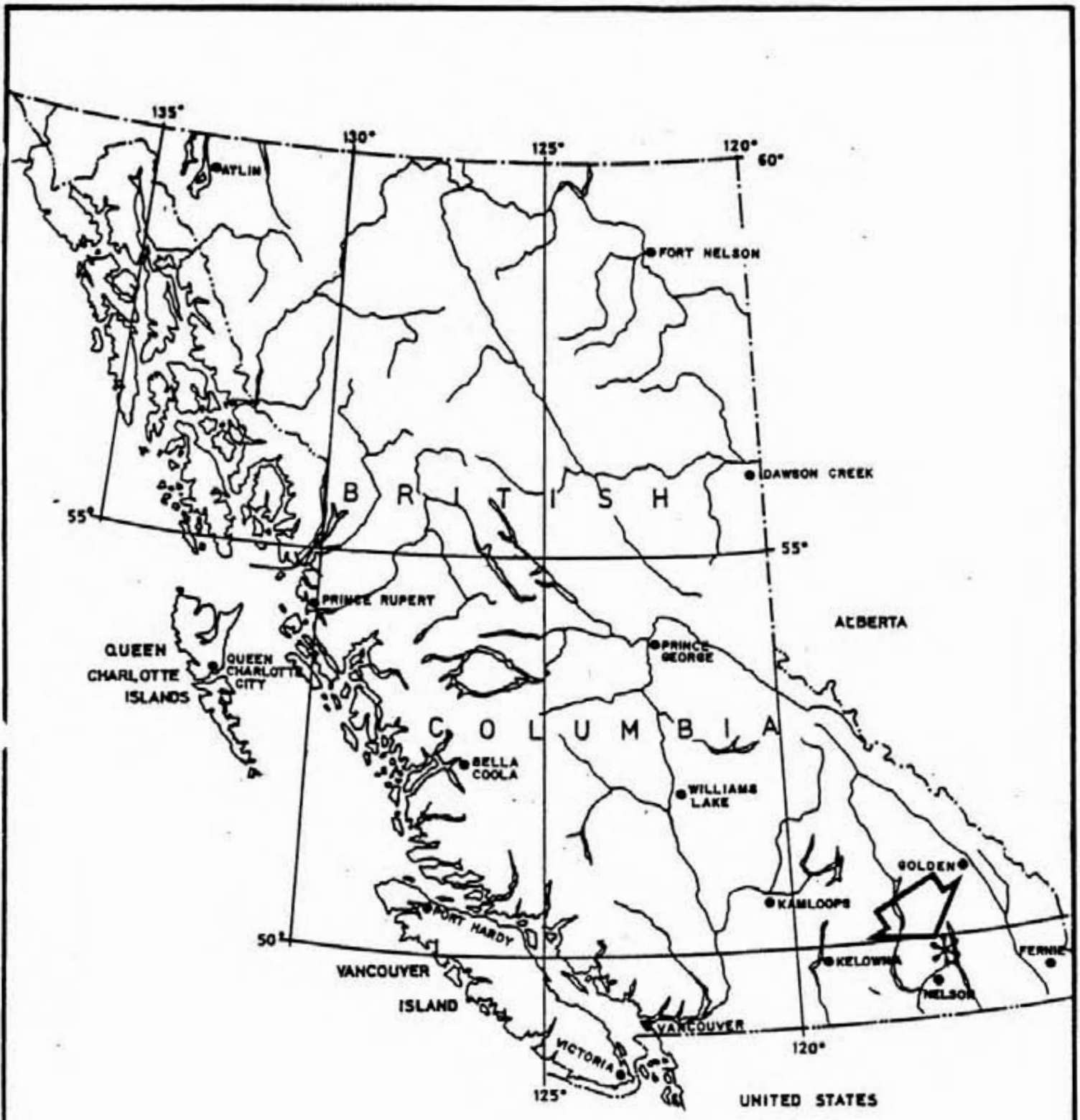
K.E.Northcote and Associates Ltd., through Western Horizons Resources Ltd., carried out a modified version of the exploration program recommended in Northcote's report dated July 21, 1983. The original report recommended measuring and sampling existing dumps from adits 1, 2, 3, 4 and 5; blasting, hand trenching and sampling between adits 2 and 3, 3 and 4, and above adit 5. In addition it was recommended that blasting, hand trenching and sampling be carried out to find a northerly extension or parallel structures to the known shear-vein system in the area of geochemical,geophysical anomalies north and east of the present workings. Funding was available for part of this program. K.E. Northcote, S.C. Gower and E. Thompson spent 8 days, September 26 to October 3, 1983 on the property.

For completion the general descriptive and geology sections of the July 21, 1983 report are reproduced here.

LOCATION AND ACCESS

The Silver Coin Property is located approximately 6.5 kilometres (4 miles) west of Kootenay Lake on the north side of Woodbury Creek 14 kilometres (9 miles) southwest of Kaslo in the Slocan Mining District. Latitude 49°48'N, Longitude 116°58'W, NTS 82F/15W. See Figures 1 and 2. Elevations on the property range from 1000 metres (3200 feet) at Woodbury Creek to 1700 metres (5500 feet) at the highest points on southwest, northwest and northeast corners of the claims.

The property is accessible by 8 kilometres (5 miles) 4-wheel drive



LOCATION OF SILVER COIN CLAIMS

FIGURE: 1.	SCALE: 1:10,000,000
DRAWN BY: T.T. & B.K.N.	DATE: July 25, 1983

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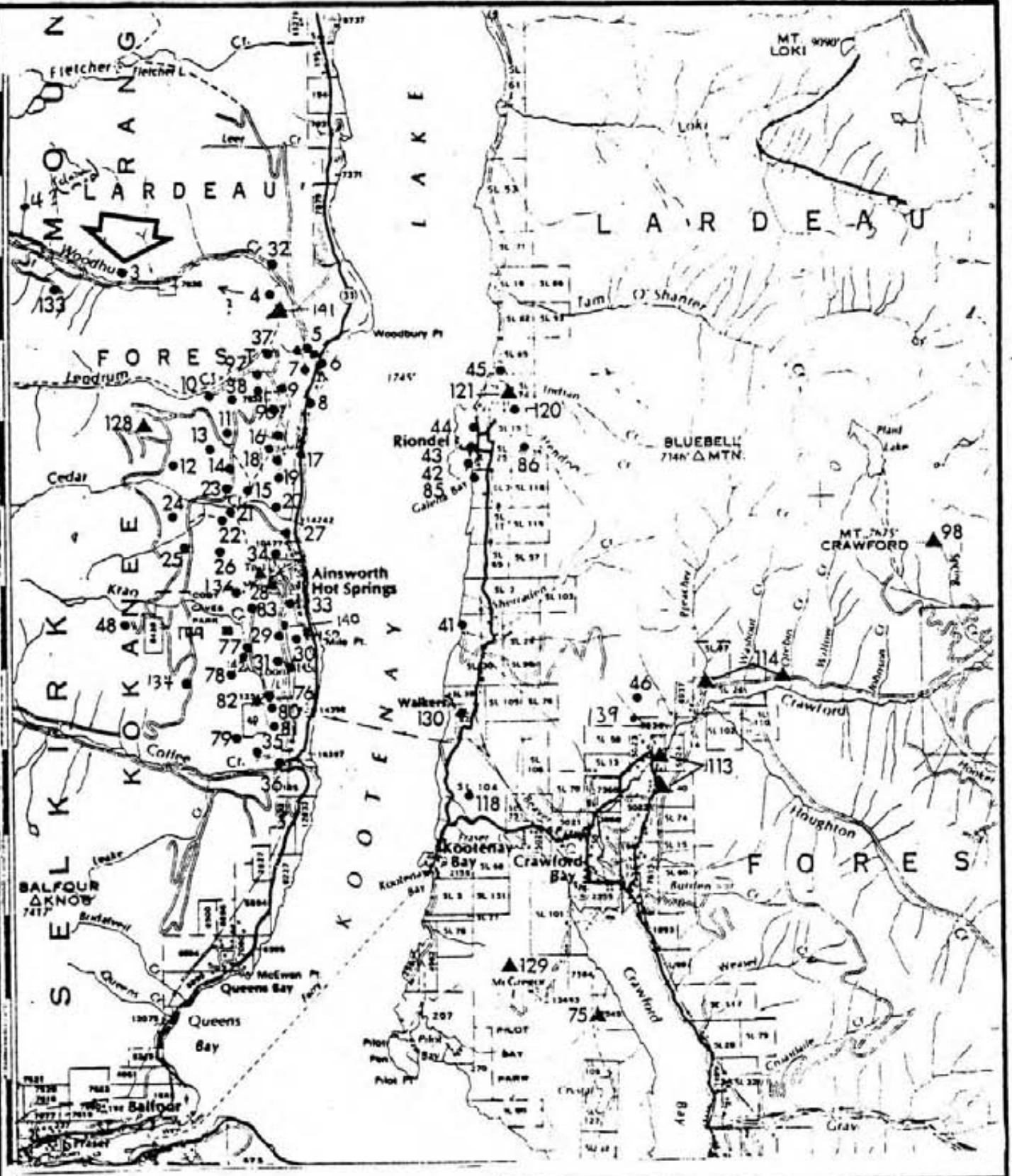

MEMPR Minfile Map 82 F NE

VICTORIA RESOURCE CORPORATION

LOCATION OF SILVER COIN PROPERTY

Slocan Mining Division

FIGURE:	2	SCALE:	1:50,000
DRAWN BY:	BKN	DATE:	JULY 25 83

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road along Woodbury Creek leading west from Highway 31 from a point immediately north of Woodbury-Lendrum Creek bridge. See Figure 3. The centre of the property can be reached on foot or by 4-wheel drive on a few hundred metres of bulldozed road which extends almost to adit level 2.

CLAIMS

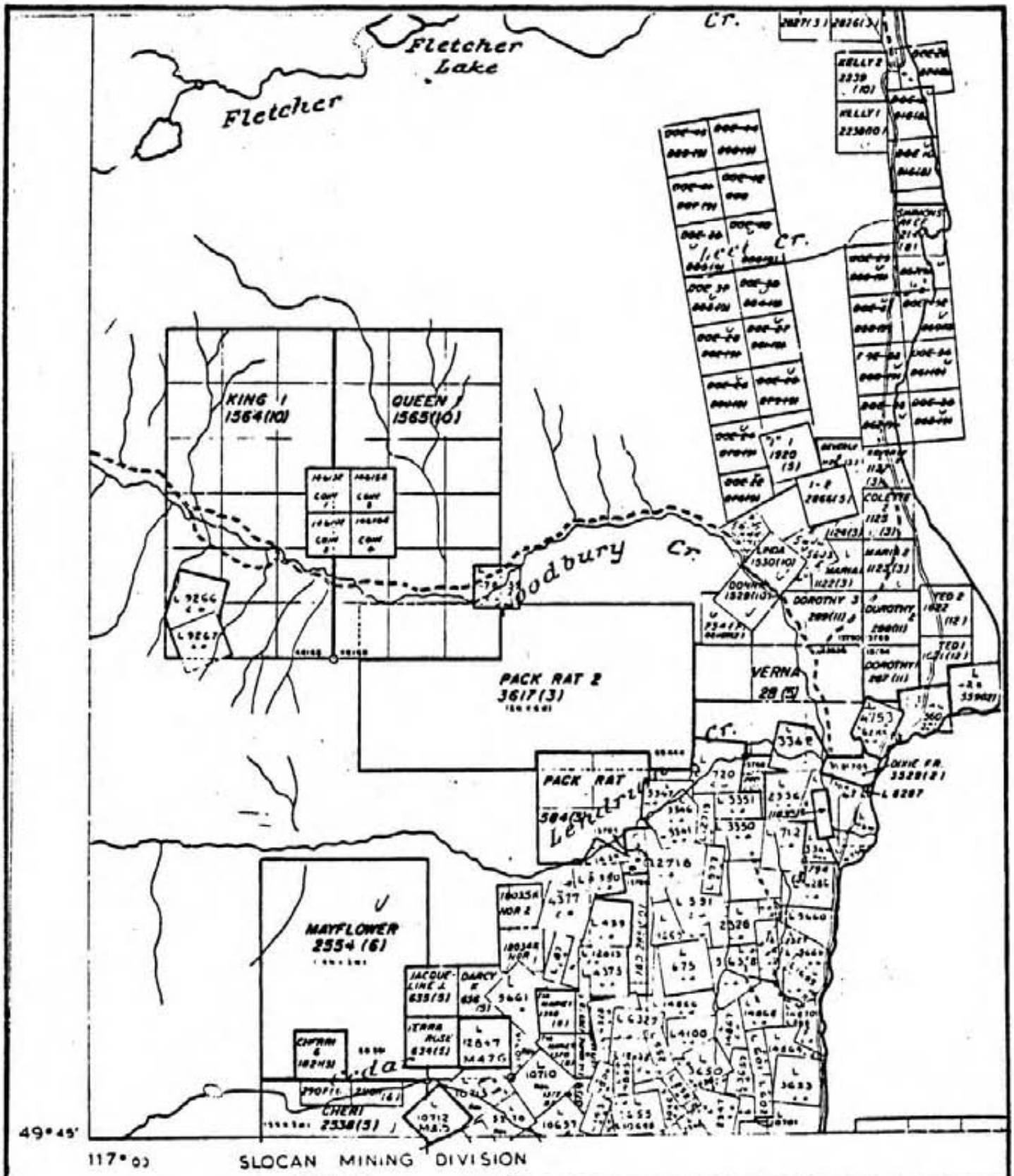
The Silver Coin Property consists of four two-post claims Coin 1 to 4 and two four-post claims King 1 and Queen 1 totalling 36 units. See Figure 3.

TABLE I

SILVER COIN PROPERTY CLAIMS

CLAIMS	UNITS	RECORD NO.	STAKED	EXPIRES
COIN 1		14613	May 19, 1970	May 19, 1984
COIN 2		14614	May 19, 1970	May 19, 1984
COIN 3		14615	May 19, 1970	May 19, 1984
COIN 4		14616	May 19, 1970	May 19, 1984
KING 1	18	1565 (10)	Oct 29, 1979	Oct 29, 1983
QUEEN 1	18	1564 (10)	Oct 29, 1979	Oct 29, 1983

It is noted that KING 1 and QUEEN 1 claims totalling 36 units overstake COIN 1 to 4 two-post claims. All claims were purchased by Victoria Resource Corportation from Evelyn Bodles Carter. There is notice of Coin #1 grouping COIN #1 grouping COIN #1 to 4 claims dated May 11, 1971 and a second notice Coin #2 grouping COIN #1 to 4, KING #1 and QUEEN #1 dated Dec. 31, 1980. The contestation period has passed for all claims. Claim posts were not inspected; legality of the claims is the responsibility of the registered owner.



VICTORIA RESOURCE CORPORATION	
COIN 1 to 4, KING 1 and QUEEN 1 CLAIMS	
FIGURE: 3	SCALE: 1:50,000
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WESTERN HORIZONS RESOURCES LTD.	

HISTORY OF PREVIOUS WORK

Native silver bearing boulders were found in Woodbury Creek in the late 1890's. Follow-up resulted in discovery of the Silver Coin vein-shear system which is mineralized with galena, tetrahedrite and native silver. Underground mining was carried out on five levels over a period of 40 years with shipping grade material recovered from Levels #4 and #5. High grade material was selected from these levels and the following production was achieved:

TABLE II

HISTORY OF PRODUCTION
(Min file 82 F NE 003) Microfilm 0004 81/04/23

	MINED	SILVER(G)	LEAD(Kg)	ZINC(Kg)
1938	8 tonnes	31,974	713	136
1939	10	63,761	1,595	442
1940	4	17,573	211	70
1946	7	29,672	696	241
Total	29 (T)	142,980 (G)	3,225 (Kg)	889 (Kg) [metric]
Total	30	4,596 (oz)	7,109 (lbs)	1,959 (lbs) [imperial]

This averages in grade 5,200 gms/T Ag (153 oz/ton Ag) and 9% Pb and 3% Zn.

The property was abandoned after 1946 until the mid 1950's when it was explored by Silver Coin Exploration who mined the roof of adit Level #3 and is reported to have shipped 15 tons of ore averaging 20.0 oz/ton Ag. No further work is recorded until the property was aquired by Wilburn Lamond Carter in 1979. The property

was then optioned to Lacana Mining Corporation in 1980-81 and programs under direction of S.C. Gower are recorded in MEMPR Assessment Reports # 8807 and #9124 and included extensive soil-silt geochemical surveys, geophysical surveys, opening, mapping and sampling adits 1 and 2, and mapping and sampling adit 4 to caved section 23 metres from the portal. In addition preliminary sampling was done of dumps 3, 4 and 5. Subsequently a small rock geochemistry program was done on the property by S.C. Gower on behalf of Mrs. Evelyn Carter and filed for assessment in a report dated June 15, 1983. Northcote examined the property in July 1983 and collected samples from adit 4 and at the caved portal area of adit 3. The results of this sampling are included in this report.

The regional geology of the area was mapped scale 1" to 4 miles by H.M.A.Rice, published in G.S.C. Memoir 228, Nelson Map-Area, East Half, 1941. A brief description of the Silver Coin property is included in the memoir. The geology of the Ainsworth-Kaslo area was subsequently mapped by J.T. Fyles, scale 1" to 1000 ft. and published in MEMPR Bulletin No. 53, 1967. The Silver Coin property is also noted in Fyles report but the adit portals had caved at the time of his visit.

DEVELOPMENT

Five adits totalling about 175 metres have been driven on the property. All adits are presently inaccessible because of caving at the portals with exception of adit 4 which is caved at a point about 23 metres but is reported to extend another 20 metres beyond point of caving. Stoping in adit 4 appears to have almost broken through to adit 5. The hanging wall and footwall of the fault-vein system is composed of competent sedimentary rocks which stand well but the intensely sheared backs are locally very incompetent, slough periodically and therefore require support. The portals of 1, 2, 3 and 5 are caved and require excavation to permit access. There is no plant or equipment on surface or underground.

GEOLOGY

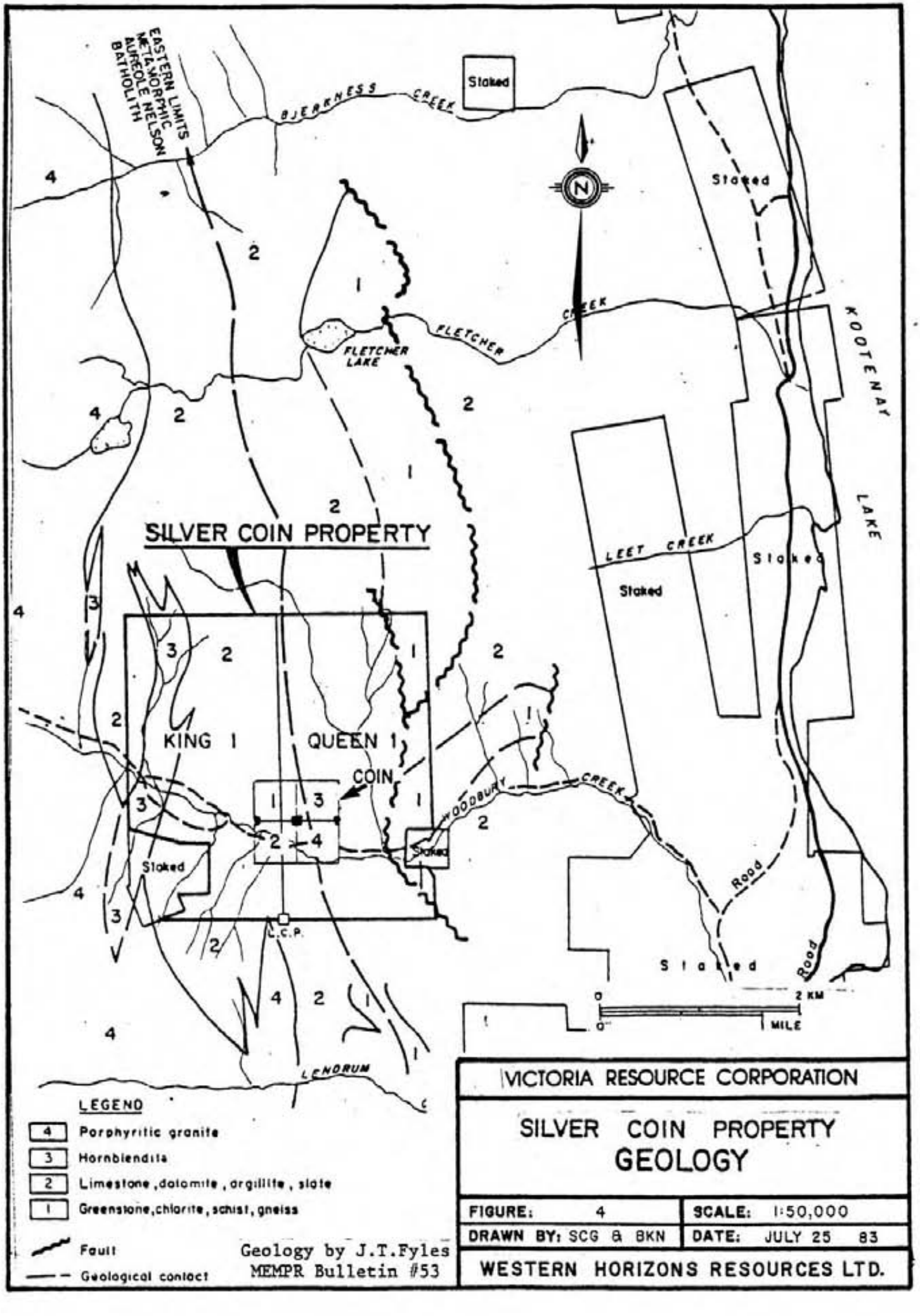
REGIONAL GEOLOGY

The regional geology of the Ainsorth-Kaslo area has been mapped by H.M.A. Rice, scale 1" to 4 miles; and by J.T. Fyles, scale 1" to 1000 ft. Fyles, in particular, gives a very detailed account of the geology of the Ainsworth-Kaslo area and the mining properties in the Ainsworth camp. His account of the geology is summarized briefly here: Fyles 1967, p 17-18.

The area west of Woodbury Point is divided by northerly trending normal, left strike slip faults into four major fault panels. See Figure 5. Each panel, particularly panel #4, contains additional normal-strike faults. The first panel contains northerly striking moderately westerly dipping rocks of the Lardeau Group of the highest (kyanite-sillimanite) regional metamorphic grade. These rocks are quartz-mica schists, mica schists containing porphyroblasts of brown garnet and lenses of grey marble.

The second panel contains similarly northerly striking moderately westerly dipping rocks of the Milford and Kaslo Groups and is of slightly lower grade regional metamorphism than panel #1. These rocks are mica schists, micaceous quartzites, limestones, hornblende schists and gneisses.

The third panel which also contains northerly striking, moderately westerly dipping rocks of the Milford, Kaslo and Slocan Groups is of still lower grade regional metamorphism.


EASTERN LIMITS METAMORPHIC AUREOLE NELSON BATHOLITH
BJERKNESS CREEK
Staked
FLETCHER CREEK
FLETCHER LAKE
KOOTENAY LAKE
SILVER COIN PROPERTY
LEET CREEK
KING 1
QUEEN 1
COIN
WOODBURY CREEK
L.C.P.
Road
LENORUM
0 2 KM
0 MILE
LEGEND
4 Porphyritic granite
3 Hornblendite
2 Limestone, dolomite, argillite, slate
1 Greenstone, chlorite, schist, gneiss
Fault
Geological contact
Geology by J.T.Fyles MEMPR Bulletin #53
VICTORIA RESOURCE CORPORATION
SILVER COIN PROPERTY
GEOLOGY
FIGURE: 4
SCALE: 1:50,000
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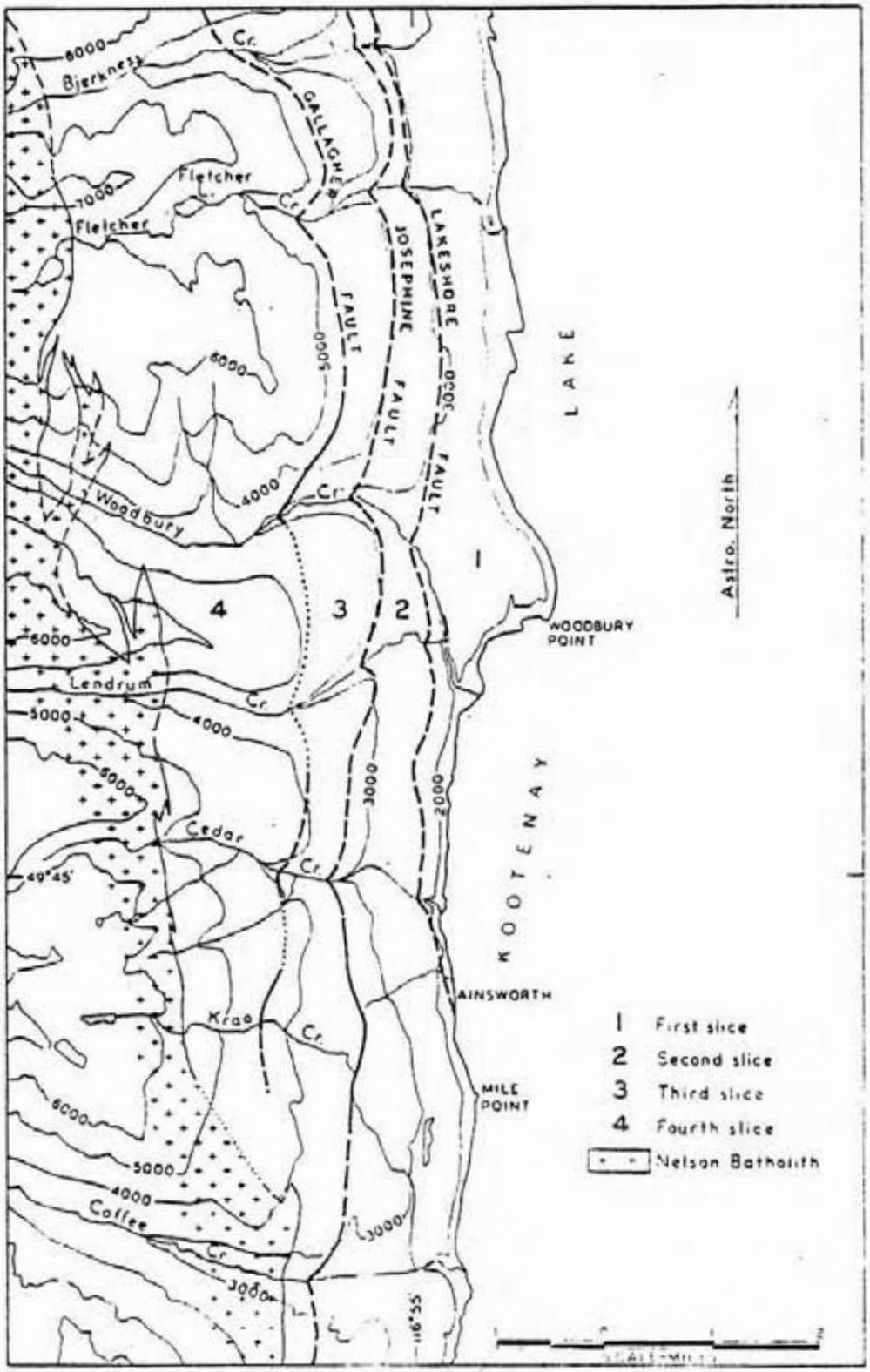


Figure 5. Map showing the major strike faults and the fault slices in the Ainsworth camp.

From J.T.Fyles, MEMPR Bulletin 53, 1967

The fourth panel, which contains the Silver Coin property on Woodbury Creek, is bounded on the west by the Nelson batholith. This slice conatins complexly folded and faulted rocks probably of the Slocan, Kaslo and Milford Groups, and are of lowest grade of regional metamorphism. These rocks include limestone, dolomite, argillite and green metavolcanics. A zone of deformation and thermal metamorphism related to the Nelson batholith extends for as much as half a mile eastward from the batholith contact and is superimposed on regional deformation and metamorphism of the meta-sedimentary-volcanic sequence.

Sills and lenses of fine grained gneissic granite and grano-diorite intrude metamorphic rocks of the area. In some areas irregular pegmatites occur. The granitic rocks on the west edge of the area are part of the Nelson batholith and are largely porphyritic and non porphyritic quartz monzonite and grano-diorite. Lamprophyre sills and dykes intrude all the rocks in the area.

GEOLOGY OF THE SILVER COIN PROPERTY

The Silver Coin Property lies within the 4th fault panel which contains a wide variety of dark and light grey limestones, dark-grey to black and purplish-grey argillites, fine-grained grey dolomite and several varieties of green phyllites. These rocks have undergone low grade regional metamorphism with super-imposed thermal metamorphism as a result of intrusion of the Nelson batholith. See Figures 4 and 5.

Rock units within the Silver Coin Property are mainly Slocan Group which includes a band of northerly trending steeply east-

vertical-to westerly dipping purplish grey massive argillite ranging from approximately 125 to 300 metres (400 to 1000 ft) wide flanked on the east and west by grey and white fine-grained limestone and light and dark-grey massive fine-grained dolomite. The east side of the property is underlain by a unit of dark grey slate, argillite and minor limestone partly in fault contact with limestone-dolomite on the west and with green phyllite, and interlayered green phyllite, tuff, greywacke, chert and volcanics of the Kaslo Group.

Intrusive rocks to the south and west of the property are porphyritic granodiorite phases of the Nelson Batholith with a northeasterly trending hornblendite offshoot extending into the west side of KING 1 claim.

The metasedimentary (metavolcanic) rocks on the Silver Coin Property are strongly folded and are cut by northerly trending steeply dipping strike slip faults. The mineralized Silver Coin vein-fault appears to be one of these fault systems.

MINERALIZATION OF AINSWORTH CAMP
(from Fyles, 1976)

FAULT-VEIN SYSTEMS

The veins in the Ainsworth camp show three dominant attitudes:

(a) North to north 20° west strike, dipping 45° west
(b) West to north 70° west strike, dipping 55° south
(c) Northwest strike, dipping 60° southwest

The vein systems may be essentially parallel to the foliation in the south part of the Ainsworth camp but, because of the lenticular character of the wall rocks due to granitic intrusion and old folds

and faults, the bedded veins tend to pass from one rock type to another. In the north the veins are of somewhat a more cross cutting nature. The veins are zones of repeated fracturing, faulting and mineralization and contain lamprophyre sills or dykes. Offsets by fault movement are almost entirely to the left with the south or west side down relative to the north or east.

Individual ore bodies in the Ainsworth camp are small, tabular to lenticular, ranging from a few inches to a few feet thick and measuring no more than a few hundred feet along strike and down dip. From production figures grades of more than 50% lead and 20% zinc were commonly obtained in ore mined in quantity for milling. Silver values vary with lead and values amount to 1/2 to 1/3 of an ounce per ton for every unit of lead.

Mineralization controls are not completely understood but sulphides tend to be concentrated where (a) they pass from one rock type to another (b) where vein-fault systems branch or split either along strike or up the dip and (c) where, because of undulating slip surfaces of the vein-fault, they tend to open by fault movement.

The main gangue minerals are quartz, calcite, siderite and fluorite. Wall rocks adjacent to veins have been altered to contain chlorite, sericite, carbonates and knebelite. The principal sulphides are pyrite, galena, sphalerite, chalcopyrite and pyrrhotite. Arsenopyrite is noted in a few places. Wire silver is the only silver mineral recognized in the camp. (Fyles, 1976)

REPLACEMENT DEPOSITS

Two types of lead-zinc replacement deposits are present in the Ainsworth camp. In the first type of deposit replacement is associated with, and subordinate to, quartz-carbonate-sulphide mineralization along well-defined faults and fractures adjacent to

the vein and along the contacts of limestone and schist. Pyrite, sphalerite, and galena are disseminated in the siderite, decreasing in amount away from the main fractures or faults.

Replacement deposits of the second type also occurs along fractures but resembles the Bluebell deposit on the east side of Kootenay Lake. Tight fractures contain clusters, pods and grains of galena, sphalerite, pyrite, and pyrrhotite generally without quartz or carbonates. Knebelite, generally associated with pyrrhotite, as well as chlorite and iron carbonates are minor alteration products.

Intensity of fracturing appears to be the most important factor controlling the extent of both types of replacement.

MINERAL POTENTIAL OF THE SILVER COIN PROPERTY

Although the Silver Coin fault-vein system has many similarities to other fault-vein systems of the Ainsworth camp it also has notable differences. The most productive systems occur in carbonates within the more highly metamorphosed fault panels along the west margin of Kootenay Lake. These more competent rocks tend to produce wider fracture zones with possibly less intense shearing than in less competent argillic sections. The Silver Coin fault-vein system, on the other hand, is bounded by argillite which is in close proximity to a limestone-dolomite unit on the east and contains zones of intense pre and post ore shearing and gouge. See Figures 4 and 5. The fault-vein structure has both normal and strike slip components similar to other fault vein systems in the Ainsworth camp but the Silver Coin system trends more northerly with undulating moderate to steep westerly dips (locally through vertical to steep easterly)

A Potential of Known Silver Coin Fault-Vein System

S.C. Gower's description of workings and geology-sampling maps of Adits 1, 2, and 4 from MEMPR Assessment Report 8807 are reproduced here. See Figures 6, 7 and 8.

Level #1

Elevation 1,045 metres, length 53.0 metres, width approximately 2 metres (argillaceous shear zone). Ag values range from 0.12 to 0.32 oz/ton. Dump was not sampled.

Level #2

Elevation 1,110 metres, length 80 metres, width 0.5 to 2 metres (argillaceous shear zone) Ag values range from nil to 2.15 oz/ton. Dump was not sampled

Level #3

Elevation 1,150 metres; length extends 3 metres past caved portal, width (?), Ag values leached material 0.18 to 1.12 oz/ton. Previously reported values from adit are 15 to 20 oz/ton. Dump Ag values, random samples, averaged 19.5 oz/ton.

Level #4

Elevation 1,190 metres, length 23 metres to cave-in. Back has been stoped. Width 1.0 to 2.0 metres. Ag values averaged 4.0 oz/ton across 1.0 to 1.5 metre sections at accessible sampling intervals from portal to point of cave-in. Narrow quartz veins and gouge zones carry much higher Ag values to 20 to 30 oz/ton with the highest value in gouge being 173.0 oz/ton.

Previous mining records indicate a zone of massive sulphide, removed from this level, which averaged 10% Pb, 3% Zn and 140 oz/ton Ag.

Level #5

Elevation 1,200 metres, length (?) caved, width (?), Ag values ? Dump material random assays averaged 5.5 oz/ton Ag.

Adits 3, 4 and 5 achieved some production amounting to about 40 tonnes from which 4,900 oz silver (125 oz/ton silver) was reported recovered. Sampling by Gower in adit 4 averaged 4.0 oz/ton Ag across 1.0 to 1.5 metre sections which is a much higher value than from similar material in adits 1 (0.12 to 0.32 oz/ton) and 2 (nil to 2.15 oz/ton) which produced no ore. Dumps 3 and 5, sampled because these adits were not accessible, gave significant values of 19.5 and 5.5 oz/ton respectively. Mining records and sampling by Gower indicates that high silver values are erratic and high grade ore occurs in localized shoots or pods. Sampling of dumps and sheared rock-vein material also suggests a possible smearing effect of higher values by late shearing or by percolation of solutions in the vicinity of silver-rich pods.

The best potential for finding additional ore shoots appears to be in the zone extending from between adits 2 and 3 to some point above adit 5.

B. Potential of New Zones North and East of Known Fault-Vein System

Ministry of Energy Mines and Petroleum Resources Assessment Report #8807, by S.C. Gower, shows strong silver geochemical anomalies and geophysical linear conductors north and east of the presently explored Silver Coin fault-vein system. These anomalies may indicate a northerly extension of the known system or presence of parallel systems. These untested areas provide potential for additional reserve tonnage. See Figure 9.

PRESENT EXPLORATION PROGRAM

K.E. Northcote, S.C. Gower and E. Thompson spent 8 days September 26 to October 3 1983 carrying out part of the program outlined in Northcote's

report dated July 21, 1983. The lateral extent of dumps from adits 3, 4 and 5 were measured and thickness determined by excavating through the dumps, or to a depth of at least 2 metres, at sample sites. Vertical channel samples were taken from each excavation. Three trenches were blasted and hand dug to intersect the fault-vein structure at two sites between adits 3 and 4 and at one site between adits 2 and 3. See Figure 9. Channel samples collected earlier at adits 3 and 4 were also submitted for silver assay. In all, 57 samples were assayed. Sample locations are shown on Figures 8, 10, 11 and 12 and the results form Appendix A.

RESULTS

Figures 10, 11 and 12, show the approximate lateral and vertical dimensions of the waste dumps and the location of vertical channel samples. Thickness and silver values are indicated on the figures. Calculated volumes and tonnages assume 2.5 specific gravity and 30% porosity. Each assay value was assigned a rectangular volume of influence. These figures are intended as approximations only.

TABLE III

SAMPLES FROM DUMPS

	VOLUME	TONNAGE*	WEIGHTED AVERAGE GRADE
Dump #3	184 m^3	322 tonnes	7.31 oz/ton Ag.
Dump #4	480 m^3	840 tonnes	3.12 oz/ton Ag.
Dump #5	145 m^3	254 tonnes	6.6 oz/ton Ag.

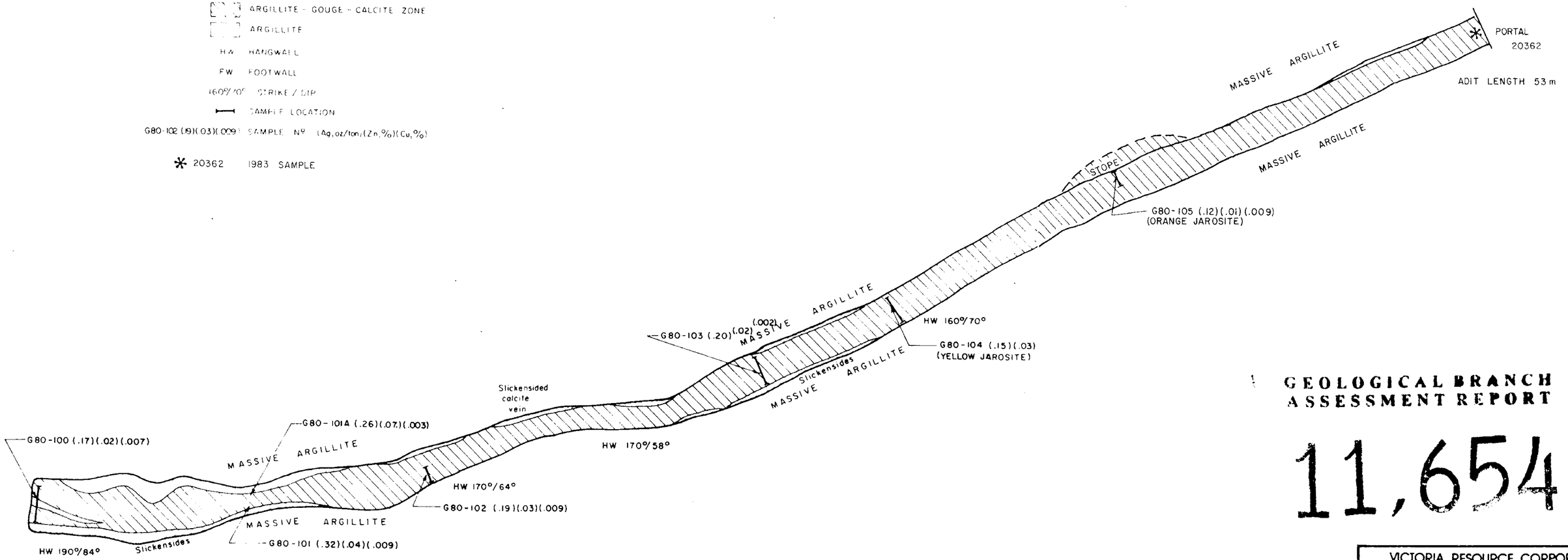
* Allowing for 30% porosity

Total tonnage for dumps 3,4 and 5 is 1416 tonnes

Weighted average grade for the dumps 3, 4 and 5 is 4.7 oz/ton Ag.

LEGEND

- CALCITE VEINING
- ARGILLITE - GOUGE - CALCITE ZONE
- ARGILLITE
- HW HANGWALL
- FW FOOTWALL
- 160°/70° STRIKE / DIP
- SAMPLE LOCATION
- G80-102 (.19)(.03)(.009) SAMPLE Nº (Ag, oz/ton)(Zn, %)(Cu, %)
- * 20362 1983 SAMPLE



0 4 metres

GEOLOGY BY S.C.GOWER
MEMPR ASSESSMENT REPORT #8807

GEOLOGICAL BRANCH
ASSESSMENT REPORT

11,654

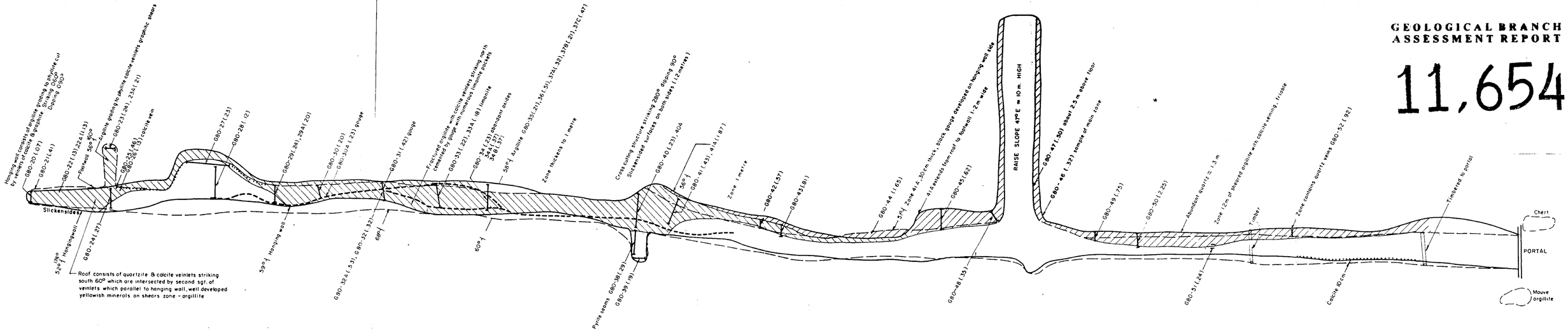
VICTORIA RESOURCE CORPORATION

SILVER COIN PROPERTY

ADIT LEVEL Nº 1

FIGURE: 6	SCALE: 1:100
DRAWN BY: SCG	DATE: JULY 25 83

WESTERN HORIZONS RESOURCES LTD.



GEOLOGICAL BRANCH
ASSESSMENT REPORT

11,654

L E G E N D

- CALCITE VEINS
- ZONE 41A — QUARTZ - CALCITE BRECCIA
- ARGILLITE
- GOUGE ZONE
- SHEAR ZONE
- CALCITE VEIN
- FLOOR
- ROOF
- SAMPLE LOCATION
- G80-30(.20) SAMPLE Nº. (SILVER, oz / ton)

0 4 METRES

GEOLOGY BY S.C.GOWER
MEMPR ASSESSMENT REPORT #8807

VICTORIA RESOURCE CORPORATION

SILVER COIN PROPERTY
ADIT LEVEL Nº. 2

FIGURE: 7	SCALE: 1:100
DRAWN BY: SCG	DATE: JULY 25 83

WESTERN HORIZONS RESOURCES LTD.

LEVEL 5 (caved)

Roof

loose rocks

Timbering

Timbering

G80-98 (10.5) 1m.

G80-99 (4.27) 1.5m

CAVED

Ground

LEVEL 4

CROSS SECTION

LEGEND

- MAUVE ARGILLITE
- CHERT
- SHEAR ZONE
- ZONE OF QUARTZ STRINGERS
- QUARTZ VEIN
- GOUGE
- 170°/60° STRIKE / DIP
- SAMPLE LOCATION
- G80-54 (1.21) SAMPLE Nº. (SILVER, oz/ton)
- ROOF
- FLOOR
- * 20356 1983 SAMPLES

LEVEL Nº. 4

Shattered argillite G80-53 (0.24)

20365 20357 20359 20360

Sheared argillite G80-54 (1.21)

Sheared argillite, some gouge (7.90)

Whitish gouge G80-364 (73.0)

6" quartz vein (27.50')

Siliceous argillite & vein G80-60 (9.10)

Ore shoot

Post

20358

CHERT

Timbering

20366

20361 20364 20363 20356

Zone between vein, quartz stringers G80-112 (4.40)

Quartz vein, 20cm, gouge, jarosite G80-91 (5.40)

Vein G80-119 (58.5)

Quartz vein G80-115 (14.25)

Shattered argillite G80-116 (3.40)

Quartz vein G80-120 (0.81)

Quartz breccia G80-118 (0.72)

Between vein & zone, siliceous, 13cm G80-95 (7.42)

Quartz vein G80-93 (18.20)

Quartz vein 6cm, malchite, azurite, jarosite G80-92 (30.5)

Sample wallrock between vens G80-94 (2.24)

Quartz vein 4cm G80-90 (0.8)

Roof sample quartz veinlets calcite breccia G80-91 (5.68)

Quartz vein, vuggy jarosite G80-87 (155)

Between vens, shattered argillite G80-86 (0.41)

Inner quartz vein, 4cm G80-84 (29.6)

Wallrock, chert minor quartz veinlets G80-85 (0.55) breccia

Quartz stringers chert footwall

SOIL

PORTAL

Entrance

Quartz stringers argillite hangingwall 180°/72°

SOIL

Shattered argillite G80-55 (0.68)

G80-59 (0.85)

Sheared argillite, jarosite G80-58 (0.20)

G80-62 (0.72)

G80-63 (0.23)

G80-64 (0.17)

ARGILLITE

20354 20355

Quartz vein G80-113 (2.95)

Sheared argillite G80-114 (11.0)

Slickensides

Quartz vein G80-117 (20.65)

Argillite & gouge G80-96 (1.82)

Sheared argillite G80-97 (0.81)

170°/60°

Argillite & gouge G80-88 (1.95)

Sheared argillite G80-89 (0.57)

0 4 metres

GEOLOGY BY S.C.GOWER
MEMPR ASSESSMENT REPORT #8807

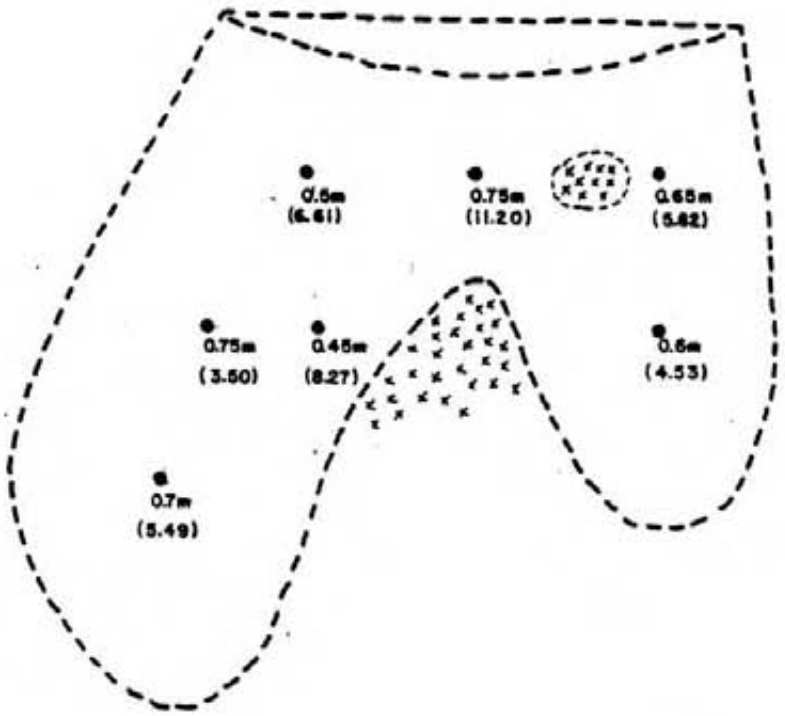
VICTORIA RESOURCE CORPORATI

SILVER COIN PROPERTY

ADIT LEVELS Nº. 4 & 5

FIGURE: 8	SCALE: 1:10C
DRAWN BY:	DATE: JULY 25

WESTERN HORIZONS RESOURCES



Scale:
5m.

Estimated Tonnage- 322 tonnes
assuming 30% porosity

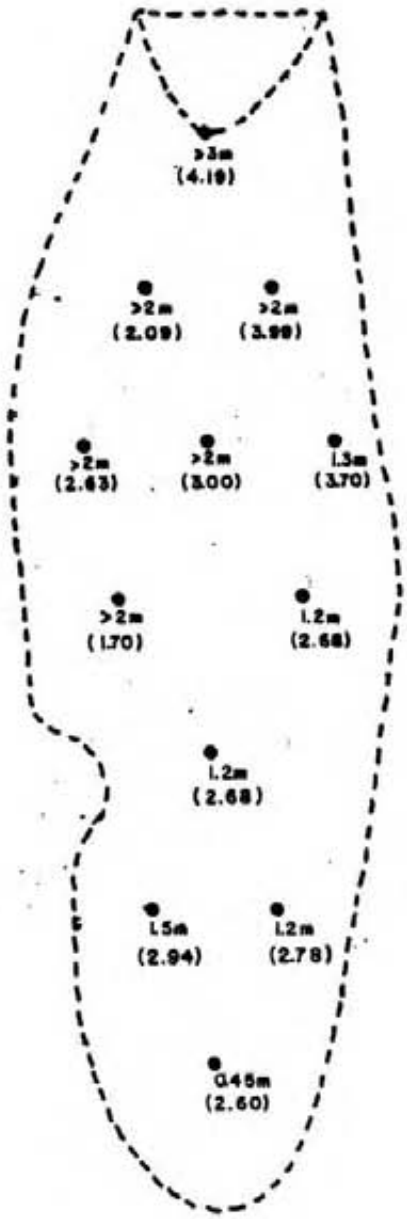
LEGEND

0.7m - depth

(5.49) - Oz. / ton Ag

rock outcrop

VICTORIA RESOURCE CORPORATION	
PLAN OF DUMP FROM ADIT 3	
FIGURE: 10	**SCALE:**
DRAWN BY: P. Stoeckly	**DATE:** NOV 1983
WESTERN HORIZONS RESOURCES LTD.	



Scale:
5m.

Estimated Tonnage- 840 tonnes
assuming 30% porosity

LEGEND

0.45m - depth

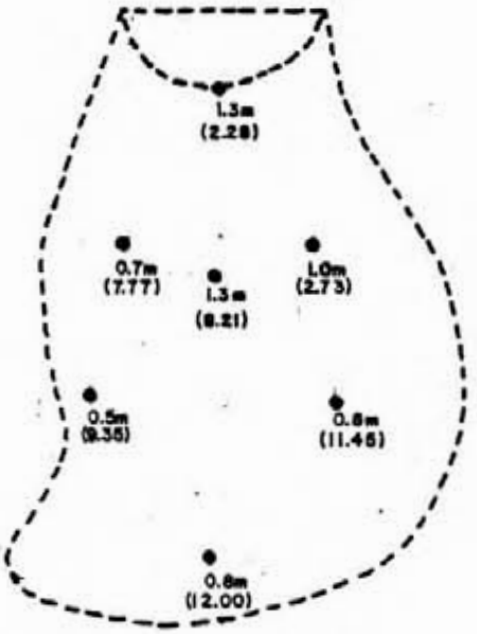
(2.60) - Oz./ton Ag.

VICTORIA RESOURCE CORPORATION

PLAN OF DUMP FROM
ADIT 4

FIGURE: 11	SCALE:
DRAWN BY: P. Stoeckly	DATE: NOV 1983

WESTERN HORIZONS RESOURCES LTD.



Scale:
5m.

Estimated Tonnage - 254 tonnes
assuming 30% porosity

LEGEND

1.3m - depth

(2.28) - Oz. / ton Ag.

VICTORIA RESOURCE CORPORATION	
PLAN OF DUMP FROM ADIT 5	
FIGURE: 12	SCALE:
DRAWN BY: P. Stoeckly	DATE: NOV 1983
WESTERN HORIZONS RESOURCES LTD.	

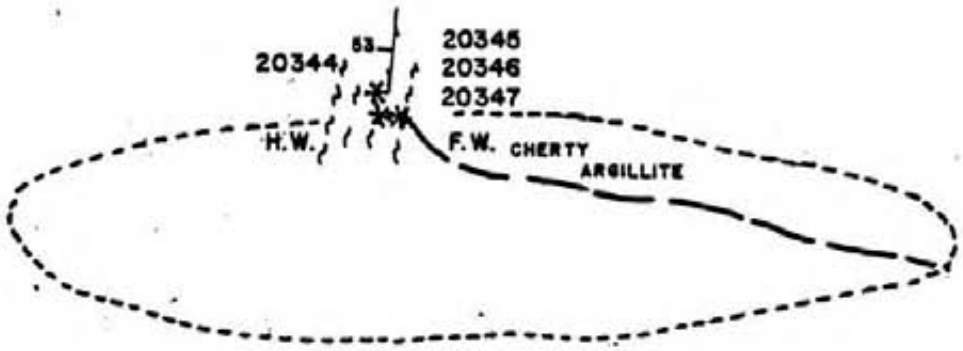
Three trenches were blasted and hand dug between adits 2 and 3 and 3 and 4. See Figure 9. The locations of samples taken from the trenches are shown on Figure 13. A total of about 100 metres^3 was excavated. All trenches intersected the vein structure with trench 2.50 intersecting only the footwall side of the structure. All samples are composed of leached material.

TABLE IV

TRENCH CHANNEL SAMPLES

SAMPLE NO.	LENGTH	GRADE OZ/T Ag.	MATERIAL*	POSITION
TRENCH 3.75 length 6m, width 2m, depth 1.5m, volume 18m^3				
20348	2.0m	0.10	Schist/calcite stringers	Hanging wall
20349	2.5m	0.11	Shattered/sheared	Shear zone
TRENCH 3.50				
20336	1.60m	0.27	Hornfels/ schist	Hanging wall
20337	1.30m	0.18	Crushed zone	Near Hanging wall
20338	0.20m	0.32	Carbonaceous gouge	Fault zone
20339	0.30m	0.12	Shattered hornfels/ schist calcite & quartz veinlets	Shear zone
20340	1.20m	1.30	Extreme shattered gouge	Shear zone
20341	1.40m	0.22	Extreme powdered friable zone	Shear zone
20342	1.00m	0.61	Cherty breccia Carbonate-limonite/jarosite	Foot wall
20343	1.20m	0.20	Cherty breccia, stringers of calcite/quartz	Foot wall

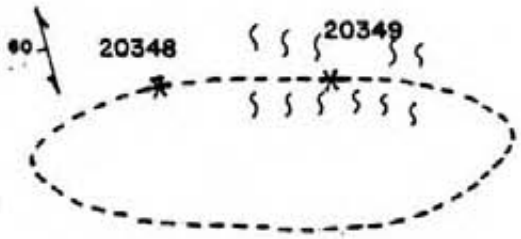
TRENCH 2.50



TRENCH 3.50

Scale. 1 m

TRENCH 3.75



VICTORIA RESOURCE CORPORATION	
PLAN OF TRENCHES 2.50 3.50 3.75	
FIGURE: 13	SCALE:
DRAWN BY: P. Stoeckly	DATE: NOV 1983
WESTERN HORIZONS RESOURCES LTD.	

TABLE IV Continued

TRENCH 2.50 length 12m, width 3m, depth 1.5 to 2.0m volume 63.0m³

SAMPLE NO,	LENGTH	GRADE OZ/T Ag.	MATERIAL*	POSITION
20344	1.00m	0.22	Quartz carbonate breccia & leached gouge	In Structure
20345	-	0.19	Selected breccia	In structure
20346	0.30m	0.18	Quartz vein	Vein near foot wall
20347	0.15m	0.20	Gouge	In fault zone

*All material is leached

Silver values from the trenches range from 0.10 to 1.30 oz/ton Ag. These low values suggest that the trenches may not have penetrated surface leaching. The values obtained from the trenches are comparable to values from the fault vein structure on the surface at adit 3.
See Tables IV and V.

TABLE V

CHANNEL SAMPLES

ADIT 3

SAMPLE NO.	LENGTH	GRADE OZ/T Ag.	MATERIAL	POSITION
20350*	0.5	.08	Hornfels	Hanging wall
20351*	1.2	.11	Sheared Hornfels Argillite	Shear zone
20352*	1.0	.23	Sheared argillite	Shear zone
20353*	1.0	.70	Siliceous footwall and vein	Foot wall

TABLE V Continued

ADIT 4

SAMPLE NO.	LENGTH	GRADE OZ/T Ag	MATERIAL	POSITION
20354	0.75	2.08	Vein/gouge	10.2m from portal
20355	0.30	0.29	Hanging wall	"
20356	0.40	5.58	Foot wall	"
20357	0.40	4.18	Vein/shear	19m from portal
20358	0.40	1.80	Hanging wall	"
20359	0.20	7.53	Footwall shear and gouge	"
20360	0.20	1.48	Foot wall	"
20361	1.50	6.92	Slough	10.2m from portal
20363	0.10	119.00	Footwall gouge	10.6m from portal
20364	1.50	8.92	Slough	"
20365	1.50	3.78	Slough	20m from portal
20366	1.50	7.71	Slough	16m from portal
ADIT 1				
20362*	0.70	0.32	Shear/gouge	Caved surface at portal

*Indicates leached material

CONCLUSIONS

Dumps 3, 4, and 5 contain neither a sufficient volume of material nor silver values to be of economic importance with the price of silver approximately $10.00 an ounce.

The present value of the silver recovered from the high grade zones in adits 3, 4 and 5 is approximately $49,000 or $1,250.00 per ton. Clearly a much larger tonnage of similar grade ore is required to support exploration, development, mining and concentrating costs. There are no known reserves of ore grade material on the property.

It is noted that silver values increase significantly in sheared wall rock-vein material in proximity to known ore shoots, as in adit 4 and waste dumps 3, 4 and 5, as compared to similar material where there are no known ore shoots, as in adits 1 and 2. The increase in silver content may be partly a result of smearing of values in the structure during late fault movement or by percolation of solutions (water) from high grade zones into the sheared material. In either case the increase in values may serve as an exploration guide to high grade ore shoots.

Samples from dumps 3, 4 and 5 are representative of the amount and grade of material from their respective adits less the amount and grade of ore shipped. Assuming the figures are reasonably accurate the tonnage and silver values of ore shipped can be recalculated back into the amount of material in the dumps to produce an approximation of the original tonnage and grade of this rock when in situ. Approximate figures are 1450 tonnes averaging approximately 50 oz per ton silver. This provides a model of what might be found nearby within the fault-vein system, in extensions of the system or in parallel fault-vein systems. High grade pods might be selectively sorted and shipped.

The zone of highest potential for finding additional high grade ore

appears to be from between adits 2 and 3 to some point above adit 5. A model of this favourable zone is a triangular volume measuring approximately 120m long, 75m deep by 1.5 (+) wide or 6750 m^3 containing about 17,000 tonnes. This tonnage might be expected to approximate the grade of material in dumps 3, 4 and 5 or about 4 to 5 oz/ton silver with a good possibility of discovering one or more zones of high grade approximating the amount and grade of ore shipped previously.

The controls for localization of high grade zones in the fault-vein system are not known but some clues may be obtained from detailed mapping and examination of the stope in adit 4.

Sampling has shown that the best silver values seem to occur at or within the brecciated siliceous foot wall.

RECOMMENDATIONS

A three stage program is recommended for continued exploration of the Silver Coin property. Implementation of stages 2 and 3 are dependent upon thorough assessment and favourable results from preceding stages. Stages 1 to 3 are directed towards proving continuity of the fault-vein system thereby increasing potential reserves; and towards locating new high grade ore zones. The estimated cost of successive stages increases as risk decreases.

A fourth stage would require underground exploration possibly by extending adit 4 by drifting under new-found mineralized surface extensions and testing above and below the adit extension by diamond drilling. Planning and implementation of a fourth stage would require input by a qualified mining engineer. The cost of this stage would probably be in the order of $200,000.00

STAGE 1

Stage 1 constitutes completion of the program outlined in Northcote's report dated July 21, 1983. This stage will attempt to increase potential reserves by prospecting, mapping, blasting and hand trenching across areas of anomalous geochemical silt-soil silver values and geophysical conductors and anomalies north and east of present workings to locate extensions of and new fault-vein systems parallel to the known system. The leached horizon might not be completely penetrated at this stage but fault-vein structures should be demonstrated before initiation of stage 2

Measurement and limited profile sampling of dumps 1 and 2 should be completed at this stage.

STAGE 2

A mining team (2 men) should be contracted to open caved portion of adit 4 and to rehabilitate the stope by replacing ladders and scaffolding. The fault-vein system past the present caved area and the stope requires mapping and sampling to test strength of continuity of the system, to locate sulphides and/or silver values which might be an indication of new ore shoots.

If continuity of structure has been proven to the north of the present workings or in parallel structures, penetrate the leached horizon at the most favourable location by repeated blasting and hand trenching.

Sufficient funds should be allocated at this stage for contracting a geophysicist to re-interpret surveys conducted earlier by Lacana and for limited experimentation with additional methods in order to trace fault-vein systems and locate high grade zones. Conductive carbonaceous

material may present a problem in locating high grade zones on this property.

Silver concentrates should be made of assay rejects to determine percent recovery and gold content.

STAGE 3

Build an access road past adit 3, 4 and 5 to new significant silver bearing extensions of the known fault-vein or parallel systems. Trench with caterpillar and/or backhoe along the strike of the vein systems searching for high grade zones below the level of leaching.

CERTIFICATE

I, Kenneth E. Northcote of 2346 Ashton Road, R.R. #1, Agassiz B.C. do hereby certify that:

1] I have been practicing as a professional geologist for a period of approximately 25 years for petroleum exploration companies, mining exploration and consulting companies, federal and provincial agencies.

2] I obtained a Ph.D in geology from U.B.C. in 1968 and qualified for registration with the Association of Professional Engineers of B.C. in 1967

3] This report is based on personal examination of the Silver Coin Property July 15,16 and September 26 to October 3, 1983. In addition all available Assessment Reports, Minister of Mines Annual Reports and provincial and federal government geologic maps and publications were utilized.

4] I have no interest either directly or indirectly in the properties or securities of Victoria Resource Corporation nor do I expect to receive any.

5] I consent to the use of this report in, or in connection with, a prospectus relating to the raising of funds.

Dated at Agassiz B.C. this 2nd day of November, 1983

K.E. Northcote Ph.D., P.Eng.

APPENDIX A

MIN-EN Laboratories Ltd.

705 WEST 15th STREET,
NORTH VANCOUVER, B.C., CANADA V7M 1T2
TELEPHONE (604) 980-5814

ANALYTICAL REPORT

Project ..... 83-16 ..... Date of report ..... Oct.18/83.

File No. ..... 3-1217 ..... Date samples received ..... Oct.7/83.

Samples submitted by: ..... K. Northcote

Company: ..... Victoria Resources Corp.

Report on: ..... Geochem samples

..... 57 ..... Assay samples

Copies sent to:

1. Victoria Resources Corp., Vancouver, B.C.
2. K.E. Northcote, Agassiz, B.C.
3. .....

Samples: Sieved to mesh ..... Ground to mesh ..... -100

Prepared samples stored ☒ discarded ☐

rejects stored ☒ discarded ☐

Methods of analysis: ..... Ag-Acid digestion-chemical analysis.

Remarks: .....

MIN-EN LABORATORIES LTD.
705 WEST 15TH STREET, NORTH VANCOUVER, B.C. V7M 1T2
PHONE: (604) 980-5814 OR (604) 988-4524

Certificate of Assay

TO: Victoria Resources Corp.,
713-744 W. Hastings St.,
Vancouver, B.C.

PROJECT No. 83-16
DATE: Oct.18/83.
File No. 3-1217

SAMPLE No.	Ag oz/ton					
20310	2.28					
11	8.21					
12	12.00					
13	2.73					
14	7.77					
15	11.45					
16	9.35					
17	4.19					
18	3.00					
19	2.68					
20	2.60					
21	3.99					
22	2.09					
23	3.70					
24	2.63					
25	2.68					
26	1.70					
27	2.78					
28	2.94					
29	11.20					
30	5.82					
31	6.61					
32	4.53					
33	8.27					
34	3.50					
35	5.49					
36	.27					
37	.18					
38	.32					
20339	.12					

MINE-EN Laboratories Ltd.

CERTIFIED BY: [signature]

PHONE: (604) 980-5814 OR (604) 988-4524

Certificate of Assay

TO: Victoria Resources Corp.,

713-744 W. Hastings St.,

Vancouver, B.C.

PROJECT No. 83-16

DATE: Oct.18/83.

File No. 3-1217

SAMPLE No.	Ag oz/ton					
20340	1.30					
41	.22					
42	.61					
43	.20					
44	.22					
45	.19					
46	.18					
47	.20					
48	.10					
49	.11					
50	.08					
51	.11					
52	.23					
53	.70					
54	2.08					
55	.29					
56	5.58					
57	4.18					
58	1.80					
59	7.53					
60	1.48					
61	6.92					
62	.32					
63	119.00					
64	8.92					
65	3.78					
20366	7.71					

MINE-EN Laboratories Ltd.

CERTIFIED BY: .....

STATEMENT OF COSTS

PROFESSIONAL FEES			
Field			
K.E. Northcote, B.K. Northcote July 14-17			
4 days @ $300.00/day			$ 1 200.00
K.E. Northcote September 26-October 3			
8 days @ $300.00/day			2 400.00
S.C. Gower, E.W. Thompson			
8 days @ $300.00/day			2 400.00
FOOD AND LODGING			
July 14 to 17 (K.E.N.,B.K.N.)(4 days X 2)			
Lodging	143.34		
Meals	180.00 (8 X 22.50)	323.34	
September 26 to October 3 (K.E.N.,S.C.G.,E.W.T.)			
Lodging	475.79 (8 days X 3)		
Meals	540.00 (24 X 22.50)	1 015.79	1 339.13
REPORT PREPARATION			
Professional fees office and laboratory			
6 days @ $200.00/day (KEN)			1 200.00
Typing, draughting, supplies, photocopying			440.00
Miscellaneous, telephone, courier service, sample shipping to laboratory.			60.00
ASSAYS			
57 @ $9.50 (Ag assay and sample prep.)			541.50
KILOMETERAGE			
K.E.N 2 trips	3300 Km @ $.25/km	825.00	
S.C.G. 1 trip	1600 Km @ $.25/km	400.00	1 225.00
EXPLOSIVES			
Supplied by K.E.N.		175.00	
Supplied by S.C.G.		178.10	353.10
Total Costs			$11 158.73

K.E. Northcote Ph.D., P.Eng.

4500

4000

3500

SOIL SURVEY

4.8 SILT VALUES PPM Ag

5.2

6.0

5.9

6.2

8.2

6.2

8.4

3.8

5.4

4.3

4.0

16.6

20.0

LEVEL 5

LEVEL 4

LEVEL 3

LEVEL 2

LEVEL 1

TRENCH 3.75

TRENCH 3.5

TRENCH 2.5

WOOLBURY CREEK

KING - ANE QUEEN - LCP

LEGEND

Road

Trail

Portal

Background

Weakly anomalous

Moderately "

Strongly "

Extremely "

GEOLOGICAL BRANCH
ASSESSMENT REPORT

11,654

From S.C. Gower Assessment Report 8807

0 50 100 m

VICTORIA RESOURCE CORPORATION

SILVER COIN PROPERTY

SOIL & SILT GEOCHEMISTRY

- SILVER -

FIGURE: 9	SCALE: 1:1250
DRAWN BY: RSTOECKLY	DATE: NOV. 1983

WESTERN HORIZONS RESOURCES LTD.