VICTORY RESOURCES CORPORATION

GEOLOGICAL ASSESSMENT REPORT

(Events 4284496 & 4304648)

on a

LINEAMENT ARRAY ANALYSIS

Work done on

Tenures 589947 & 567126

of the

WEN Claim Group

(52057, 567126,585153,585980,589880,589946,589947, 589952)

of the

TONI PROPERTY

Nicola Mining Division
BCGS Map 092H.098/099

Centre of Work
5537000N, 682500E

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ILLUSTRATIONS

SUMMARY

The eight claim Victory WEN group portion of the TONI property covers an area of 3,575 hectares 233 kilometres northeast of Vancouver, 30 kilometres southwest of Merritt, British Columbia and nine kilometres northeast of the past productive ELK property.

Production from the ELK property is reported as 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver recovered between 1992 and 1995. In 2004, global (bulk-tonnage and underground mineable) measured and indicated resources were reported to total 668,300 tonnes grading 9.66 grams per tonne gold (207,600 ounces) plus an additional 1,317,200 tonnes grading 4.91 grams per tonne gold (207,800 ounces) in the inferred category. Gold-bearing pyrrhotite and polymetallic gold-silver mineralization are hosted primarily by parallel to subparallel east-northeast trending pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks.

The Victory Property covers a northwesterly contact between an unnamed late Triassic granodioritic intrusive and the eastern belt of the Upper Triassic Nicola volcanics. At one of the mineralized zones on the HN-WEN prospect, one of two east-west trending parallel quartz veins intersected in a 1996 drill-hole program reported averaged 16.578 gm/t Au, 18.185 gm/t Ag, and 0.75% Cu over 6.55 metres of core or 28.43 g/t Au (0.91 oz/t Au) over 3.81 metres (Main Vein). In a four drill-hole Victory 2008 program the second parallel quartz vein (Adit Vein), 50 metres north, was discovered near the portal of the Lower Adit, one of three adits on the Property, and intersected up to 0.27 oz/t Au over one metre. Although 13.9 metres of quartz vein was intersected, the true width of the Adit Vein is up to three metres.

On the AU-WEN prospect (MINFILE 092HNE144), also located on the Victory TONI property and one kilometre west of the subject Property, mineralization is associated with Au pyrrhotite and polymetallic veins. Native gold is associated with the sulphides in narrow quartz-filled fractures. Reported gold assays in chip samples range from 6.8 g/t over 5.1 metres to 10.8 g/t Au over 4.9 metres (Assessment Report 16008).

The 2009 Lineament Array Analysis on two of the eight claim group Victory Property indicated predominant northwesterly trending and east-west structures with complementary or subordinate east-northeast and vari-oriented splay structures.

The dominant east-westerly trending structures substantiate that this is the prime structural trend for other major quartz veins that may host potentially economic gold mineralization as by the HN-WEN mineralized quartz veins the on the Victory property. This prime directional structural trend may also be “regional” as indicated by the productive ELK property mineralized quartz veins some nine kilometres distant where the mineralized structures trend east-west.

The mineralized subordinate and splay structure “stockwork” zones displayed in the adit peripheral to the 2008 drill intersected vein and in the drill-hole of the 1996 mineralized vein may indicate that other stockwork mineralization in the area is associated with a “major” mineralized quartz vein. Should this be the case, the mineralized stockwork zone at the AU-WEN with significant gold values, which may have resulted from the contained native gold associated with the sulphides in narrow quartz-filled fractures, should be explored for a major potentially economic native gold bearing, east-west trending quartz vein..

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Toni Property - Wen Group

Events 4284496 & 4304648

Figure 1. LOCATION MAP

INTRODUCTION

In May, 2009 a Lineament Array Analysis was completed on two claims, Tenures 567126 & 589947 of the eight claim WEN claim group ("Property) of Victory's TONI property. The purpose of the program was to delineate potential structures which may be integral in geological controls to potentially economic mineral zones that may occur on the two claims.

Information for this report was obtained from sources as cited under Selected References.

PROPERTY DESCRIPTION AND LOCATION

The property consists of eight claims covering an area of 3575.5884 hectares. Particulars are as follows:

Tenure Number	Type	Claim Name	Good Until	Area (ha)
520757	Mineral	WEN	20101108	499.041
567126	Mineral	AU-WEN EAST	20091205	498.8479
585153	Mineral	NORTH 1	20100608	124.7025
585980	Mineral	VT679	20091014	374.4429
589880	Mineral	TONI 18	20091014	519.8626
589946	Mineral	TONI 34	20091014	519.6958
589947	Mineral	TONI 35	20091014	519.4985
589952	Mineral	TONI 40	20091014	519.4972

Total Area: 3575.5884 ha

*Upon the approval of the assessment work filing, Event Numbers 4284496 and 4304648.

The Property is located within BCGS Map 092H.098/099 of the Nicola Mining Division, 223 direct kilometres from Vancouver, 30 direct kilometres from Merritt and nine kilometres from ELK (Siwash) past productive deposit of Fairfield Minerals Ltd. The centre of the work area is at 5537000N, 682500E (NAD 83).

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access to the Property is southward from Merritt via the Coquihalla connector Highway for 42 kilometres to the Loon Lake road; thence westward and northward to the "8" kilometre signpost; thence 100 metres northward from this point, the western fork of the road is taken for less than one kilometre to a dirt road leading eastward to an outhouse approximately 30 metres distant. The outhouse is at the location of former drill-sites and core storage on Tenure 520757. This road also provides access to all the 1996 and 2002 drill-sites and the original HN-WEN prospect (MINFILE No 092HNE058).

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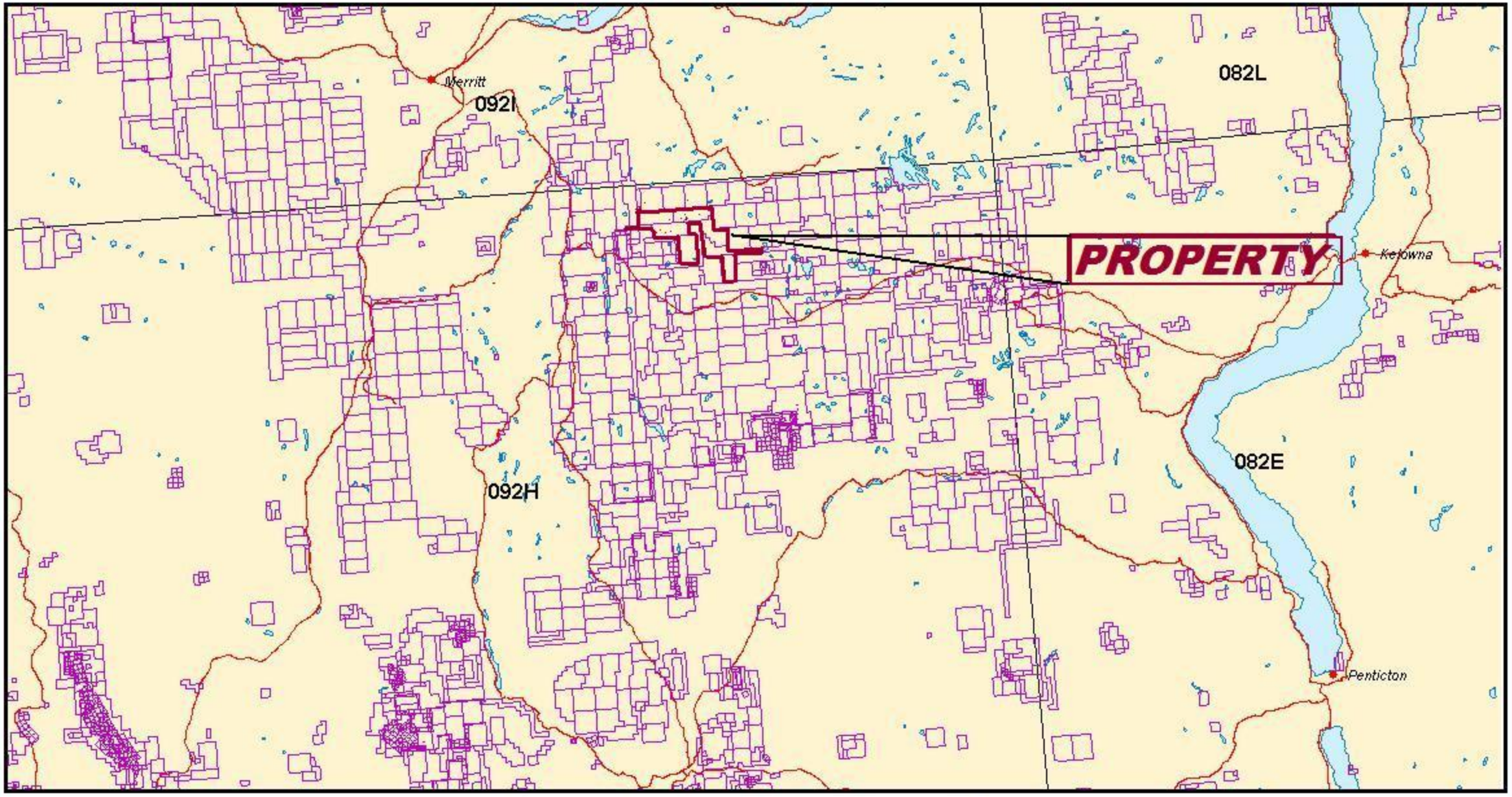

Figure 2. CLAIM LOCATION

Accessibility, Climate, Local Resources, Infrastructure and Physiography (cont'd)

The region is situated within the dry belt of British Columbia with rainfall between 25 and 30 cm per year. Temperatures during the summer months could reach a high of 35° and average 25°C with the winter temperatures reaching a low of -10° and averaging 8°. On the WEN claim snow cover on the ground could be from December to April and would not hamper a year-round exploration program.

Sufficient water for all phases of the exploration program could be available from the many lakes and creeks, which are located within the confines of the property. Water may be scarce during the summer months and any water required for exploratory purposes, would be transported.

Merritt, or Kamloops, historic mining centres could be a source of experienced and reliable exploration and mining personnel and a supply for most mining related equipment. Kamloops is serviced daily by commercial airline and is a hub for road and rail transportation. Vancouver, a port city on the southwest corner of, and the largest city in the Province of British Columbia is four hours distant by road and less than one hour by air from Kamloops.

HISTORY: PROPERTY & AREA

Property

Early **1990's**: Trenching and three short adits were driven on exposures containing chalcopyrite-bearing quartz veins. The explored area was subsequently designated as the **HN-WEN** prospect, or the **WEN** prospect. (MINFILE 092HNE058).

1960's: Consolidated Skeena Mines completed an airborne magnetic survey and geochemical soil survey over the **WEN** prospect and the area.

1969: Harry Nesbitt staked the claims over the presently designated **AU-WEN** prospect

1971: W. Petrie of Merritt acquired the Hill claims which included the **WEN** prospect.

1972: Nitracell Canada optioned the claims **(WEN)** and conducted a program of line-cutting, soil sampling, geological mapping, induced polarization and magnetometer surveys, in addition to a five-hole 884.6 metre diamond drill program. An assay from drill-hole HNS 72-1 was reported as 1.12 % Cu and 3.4 g/t Ag (AR 4230).

1974: Harry Nesbitt carried out trenching of a copper occurrence at the **AU-WEN** prospect and discovered free gold at the "Main" or "Nesbitt" zone.

1974: New Pyramid Gold Mines Ltd. conducted trenching and diamond drilling on the **AU-WEN** prospect with no significant results.

1978: Invex Resources Ltd. conducted soil sampling and trenching on the **AU-WEN** prospect. A gold-copper-silver soil anomaly was delineated that extended approximately 700 metres north of the initial prospect.

1978: Imperial Metals Corp. completed 168 metres of diamond drilling in two drill-holes on the **AU-WEN** prospect. Anomalous gold values were intersected (Dawson, 1986) but the values were not as significant as those obtained from the surface showings.

VICTORY RESOURCES CORPORATION

Events 4284496 & 4304648

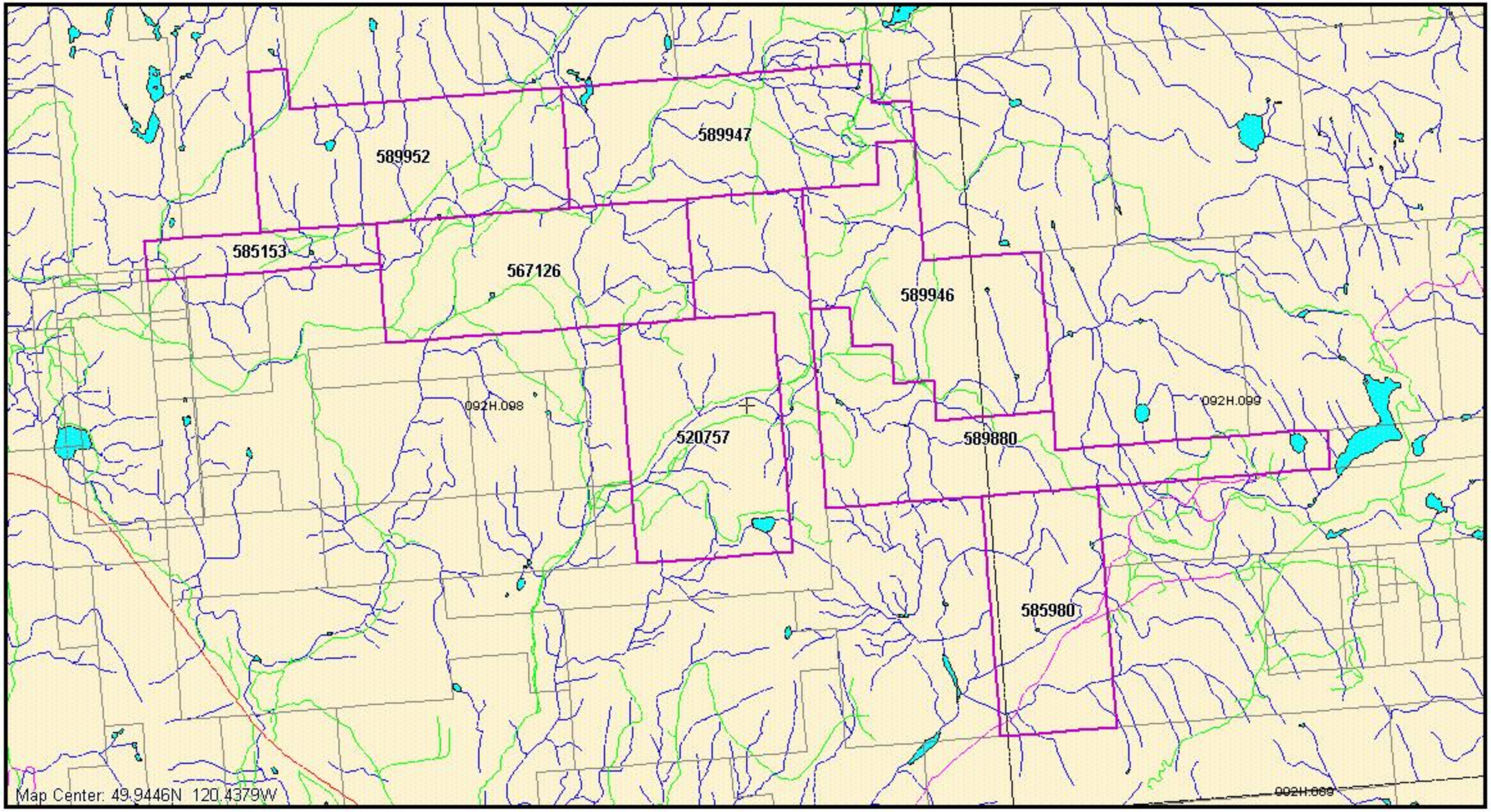

Figure 3. CLAIM MAP

History: Property & Area (cont'd)

Property (cont'd)

1979 (?): Heyman and J.D. Rowe of Fairfield Minerals Ltd. prospected the **AU-WEN** prospect area and discovered the Hodge vein, a new gold-bearing quartz vein to the north of the Nesbitt zone.

1980 (?): Fairfield Minerals Ltd. completed a program of geochemical, geological, and geophysical surveys, as well as trenching on the **AU-WEN** prospect.

1984: Algo Resources Ltd. conducted induced polarization, magnetometer, geochemical, and geological surveys and drilled nine holes totalling 587 metres on the **AU-WEN** prospect. Anomalous gold values were intersected but not as high as in surface showings.

1996: George Resource Company completed a 16-hole, 1,636.8 metre diamond drill program within the area of the **WEN** showing. The highest reported assay was from drill-hole W96-1 which averaged 16.578 gm/t Au, 18.185 gm/t Ag, and 0.75% Cu over 6.55 metres of core from the designated Main Vein. An assay from drill-hole W-96-3 was reported as 3.6% over 1.68 metres of core from the Stockwork Zone (north of the Lower Adit).

1996: George Resource Company conducted trenching and sampling on the **MAL** occurrence. Assays of 1.36% Cu and anomalous gold values (440 ppb Au) were reported. In the early 1960's narrow diameter diamond drilling reportedly intersected 20 feet averaging 1.62% Cu.

2002: Lateegra Resources Corp. completed two diamond drill holes in the **HN-WEN** area. The highest assay was 0.10% Cu and <0.10 gm/t Au over a 2.74 metre core interval (Verzosa, 2003).

2006: Victory Resources Corporation completed an MMI soil survey over a localized area of the **HN-WEN** prospect (Sookochoff, 2007).

2006: Victory Resources Corporation completed an MMI soil survey over a localized area of the **AU-WEN** prospect (Sookochoff, 2007).

2008, Victory Resources Corporation completed a four diamond-drill hole, 183.43 metre program (VRW-08-2 to VRW-08-5) in the specific area of the **HN-WEN** Lower Adit and discovered a gold-bearing quartz vein designated as the Adit Vein (50 metres north of the Main Vein) trending east-west and with an indicated true width of up to three metres. The highest assay was from drill-hole VRW-08-28.6 g/t Au, 0.24% Cu, and 0.24 g/t Hg over a one metre section of the 3.63 metre quartz vein intersection (Sookochoff, 2009).

Property & Area

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on the Property and peripheral to the Property (Figure 5) are reported as follows

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE 002
On Property

> Initial work consisted of diamond drilling and trenching in the early 1960s on the main showing on which the occurrence is centred.

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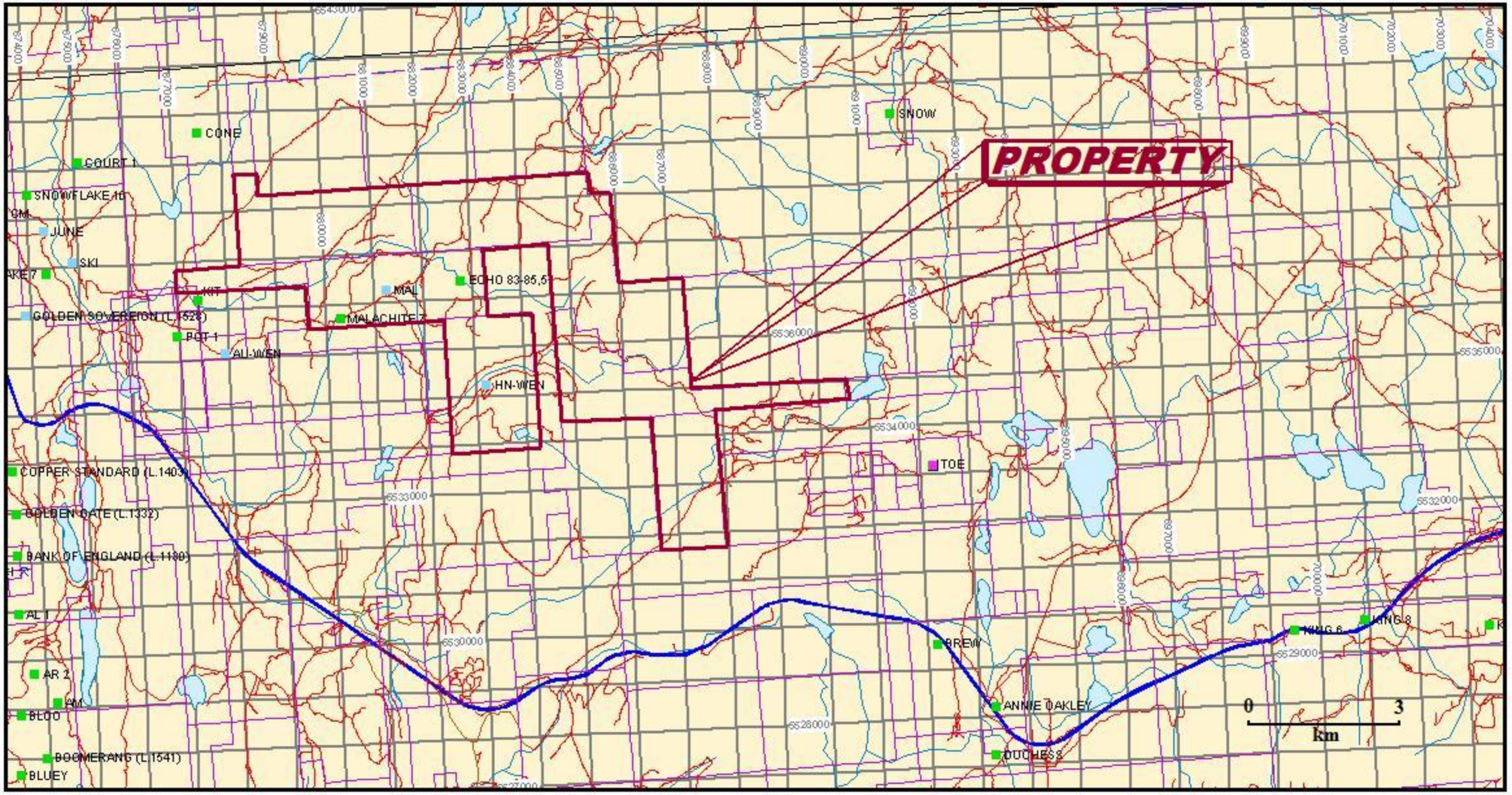

Figure 4. UTM LOCATION

History: Property & Area (cont'd)

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
On Property

The HN-WEN occurrence consists of copper mineralization in an area east of the historical Aspen Grove copper camp, between Merritt and Princeton. The occurrence is centred on one of a number of adits in the main mineralized zone, between Quilchena and Pothole creeks, 8 kilometres west of Boot Lake, and 13 kilometres east of the community of Aspen Grove. Adits and trenches were initially cut around 1900; later work included diamond drilling and trenching in the 1960s and 1970s

ELK Past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins)
MINFILE 092HNE096
Nine kilometres southeast

The Elk 1 to 27 claims were staked in November 1986 by Cordilleran Engineering Ltd. for Fairfield Minerals Ltd. to cover new showings of gold-silver mineralization veins. Work conducted on the property from 1986 to 1991 consisted of geological mapping, prospecting, linecutting, soil sampling, geophysics, excavator trenching, diamond drilling and road construction.

AU-WEN prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au)
MINFILE 092HNE144
One kilometre west

The AU occurrence consists of gold-silver-copper mineralization just east of the historical Aspen Grove copper camp, between Merritt and Princeton. Work on this showing dates back to the 1930s when visible gold was discovered in soil. The occurrence is located 1.8 kilometres east-northeast of Pothole Lake, between Quilchena and Pothole creeks, 8 kilometres east-northeast of the community of Aspen Grove.

SHRIMPTON CREEK PLACER past producer (Surficial placers)
MINFILE 092HNE180
Eight kilometres south

The creek was worked by F. Keeling in 1939, between 6.4 and 8 kilometres above Missezula Lake.

ELK prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE295
Nine kilometres southeast

This prospect was discovered by Fairfield Minerals Ltd. in 1989 after trenching soil and electromagnetic anomalies outlined in 1987 and 1989. Placer Dome Inc. drilled 4 holes totalling 259 metres in 1990.

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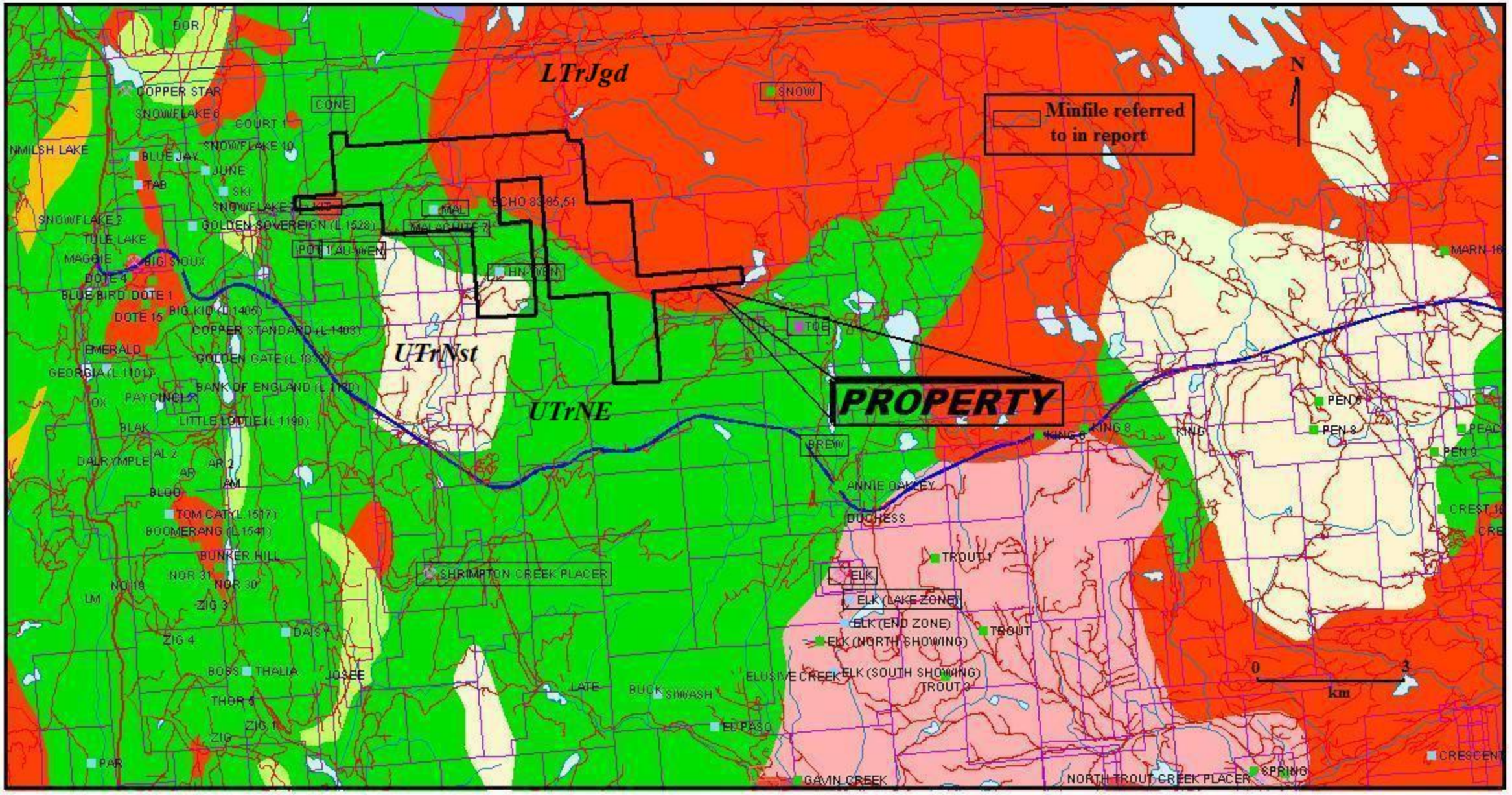

Figure 5. GEOLOGY & MINFILE

GEOLOGY: REGIONAL

The Aspen Grove geological district is located within the regional Quesnel Trough, a 30 to 60, km wide belt of Lower Mesozoic volcanic and related strata enclosed between older rocks and much invaded by batholiths and lesser intrusions (Campbell and Tipper, 1970). The southern part is the well-known Nicola belt, continuing nearly 200 km to its termination at the U.S. border and containing the important copper deposits of Highland Valley, Craigmont, Copper Mountain, Afton, Brenda, in addition to the historic Hedley gold camp.

The Nicola Group has been divided into western, central, and eastern belts on the basis of lithology and lithogeochemistry and by major fault systems. Variation from calc-alkaline to shoshinitic compositions from west to east has been interpreted to reflect eastward dipping subduction in the Nicola arc. The Property is situated within the eastern belt of the Nicola Group which is bounded on the west by the northerly striking Kentucky-Alleyne fault zone.

GEOLOGY MAP LEGEND

Pleistocene to Recent

PlRal

Unnamed alluvial till

PlRvk

Unnamed alkalic volcanic rocks

Upper Triassic

Eastern Volcanic Facie

uTrNE

lower amphibolite/kyanite grade metamorphic rocks

uTtNsf

mudstone, siltstone, shale, fine clastic sedimentary rocks

uTrNMl

basaltic volcanic rocks

uTrJum

unnamed ultramafic rocks

Central Volcanic Facies

uTrNc

andesitic volcanic rocks

Late Triassic to Early Jurassic

LTrJgd

unnamed granodiorite intrusive rocks

LTrJdr

dioritic to gabbroic intrusive rocks

GEOLOGY: PROPERTY

As indicated by the BC government supported MapPlace geological maps, the Property covers a northwesterly contact between an unnamed late Triassic granodioritic intrusive (LTrJgd) and the eastern belt of the Upper Triassic Nicola volcanics (UTrNE). A succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (UTrNsf) outcrop within, and peripheral to, the southern portion of the Property.

The WEN claim (Tenure 520757) of the Property covers the HN-WEN prospect and is located along a contact between amphibolite/ kyanite grade metamorphic rocks and a succession of upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks, both of the Eastern Volcanic Upper Triassic Belt of Nicola Group Volcanics. The contact between the volcanic rocks and the argillites is parallel to the bedding.

The sedimentary-pyroclastic component is at least 50 metres thick and strikes north-northwesterly, dipping approximately 70 degrees west. Presumably subvolcanic, dioritic hornblende porphyry sills intrude the volcanics and sediments. The volcanics have been intruded by three steeply dipping, northwesterly striking quartz-feldspar porphyry dykes in the vicinity of the Main vein and associated stockwork zones (exposed in the Lower Adit) at the HN-WEN prospect. Steeply dipping, easterly striking shears are inferred to crosscut the mineralized area.

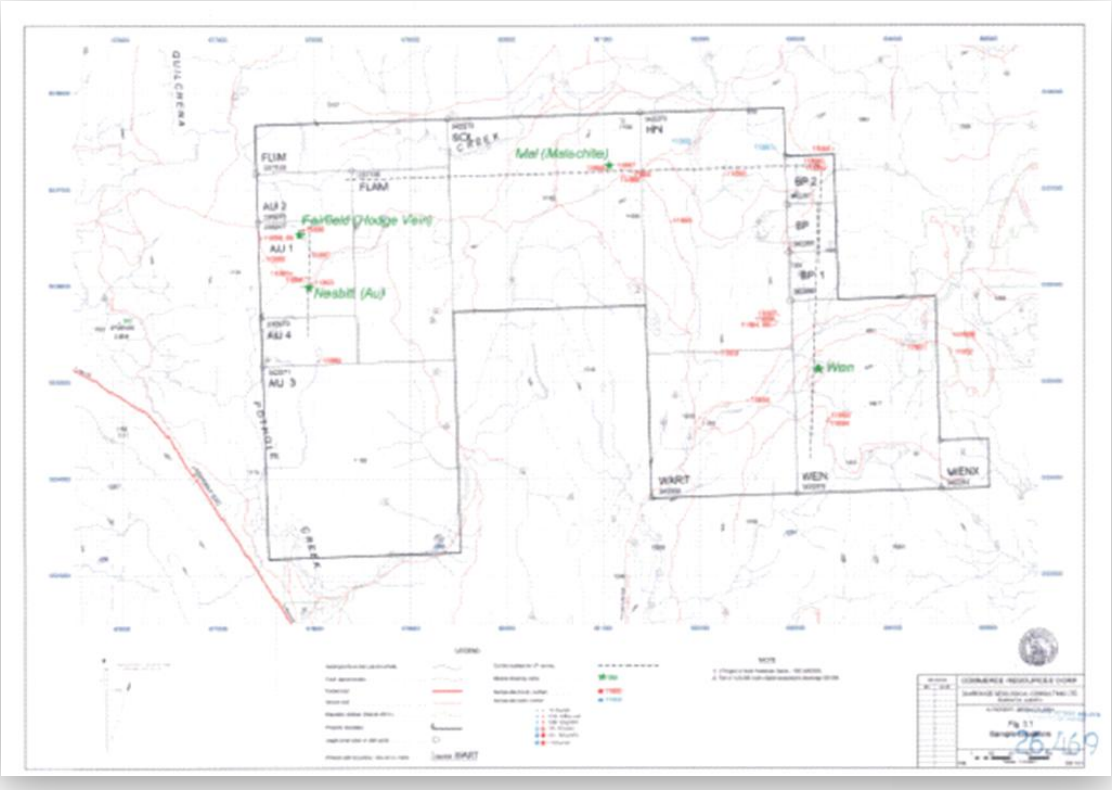

Figure 5a. Map (from Dahrouge, 2001) indicating the WEN, MAL & the AU-WEN mineral showings on the Victory Toni property.

GEOLOGY: PROPERTY & AREA

The geology on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on the Property and peripheral to the Property (Figure 5) are reported as follows

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE 002
On Property

The Malachite occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt or facies of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcaniclastic rocks and volcanic flows. The main Aspen Grove copper camp lies several kilometres to the west in the Central belt, separated by the north-striking Kentucky-Alleyne fault system (Bulletin 69).

The area of the Malachite occurrence is underlain by dark green, augite porphyritic andesitic to basaltic volcanics and fragmental rocks, with subordinate black argillite with local limy horizons, and feldspar porphyry (Assessment Reports 449, 1586). Some volcanic flow breccia contains pink trachytic fragments (Assessment Report 9590). Stratified rocks strike north-northwest and dip moderately to steeply west (Geological Survey of Canada Map 41-1989).

Within 1 or 2 kilometres to the north of these rocks is the east-trending contact of the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

The volcanics and sedimentary rocks have been altered, probably the result of hydrothermal activity related to the Pennask batholith. Epidote alteration is common; potassium feldspar alteration is more restricted. Skarn alteration is most characteristic of this occurrence, as it hosts the main mineralization. It is closely associated with limy rocks, and is marked by epidote and garnet. North-trending gossanous shear zones have been exposed in trenches near the skarn zones (Assessment Report 449).

Copper mineralization is concentrated in the skarn zones. Pyrite and subordinate magnetite and chalcopyrite are associated with quartz-calcite veins, or are disseminated in variable amounts (Assessment Report 1586). Chalcocite and malachite are also present at the main showing (Assessment Report 8453). Finely disseminated pyrite is common in most rocks, particularly the argillaceous rocks (Assessment Reports 1718, 9590). A zone of massive, medium-grained pyrite between 1 and 13 metres thick, in altered volcanic rocks, has been found below the surface by diamond drilling; the paragenesis is epidote, magnetite, pyrite (Assessment Report 9590).

GEOLOGY: PROPERTY & AREA (cont'd)

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
On Property

The HN-WEN occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcaniclastic rocks and volcanic flows. The main Aspen Grove copper camp lies several kilometres to the west in the Central belt, separated by the north-striking Kentucky-Alleyne fault system (Bulletin 69).

The area of the occurrence is underlain by augite porphyritic volcanic flows of andesitic to basaltic composition, fragmental rocks including tuff and breccia, and argillites (Assessment Reports 1586, 4230). The argillites are dark grey to black, well bedded, and locally limy. They are somewhat carbonaceous and pyritic. Minor rock types present include feldspar porphyry and locally lenses of diorite.

About 2.5 kilometres to the northeast is the contact with the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

The contact between the volcanic rocks and the argillites passes through the centre of the mineralized area. The contact is parallel to bedding, striking 130 degrees and dipping 40 degrees southwest, with the volcanic rocks on the northeast side (Assessment Report 4230).

ECHO showing (Volcanic redbed Cu)
MINFILE 092HNE059
On Property

The Echo occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcaniclastic rocks and volcanic flows. The main Aspen Grove copper camp lies several kilometres to the west in the Central belt, separated by the north-striking Kentucky-Alleyne fault system (Bulletin 69).

The area of the occurrence is underlain by augite porphyritic volcanic flows of andesitic to basaltic composition, and volcanic tuff and breccia (Assessment Report 1586; Geological Survey of Canada Map 41-1989). The volcanics may be affected by low grade propylitic and chloritic alteration. Less than 1 kilometre to the north of the occurrence is the east-striking contact of the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

GEOLOGY: PROPERTY & AREA (cont'd)

TOE showing (Alkalic porphyry Cu-Au)
MINFILE 092HNE060
On Property

The Toe occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization. The occurrence lies in the Eastern belt or facies of the Nicola Group, which is characterized by submarine volcaniclastic rocks and volcanic flows (Bulletin 69; Geological Survey of Canada Map 41-1989).

Exposure is limited in the Paradise and Boot lakes area (mainly on the Toe 27-29, 51, 54, 55 claims), which is underlain by augite porphyritic volcanic flows of andesitic to basaltic composition, fragmental rocks including tuff and breccia, minor argillite and diorite (Assessment Reports 1049, 1586).

The Nicola rocks in this area form a northeasterly-closing embayment largely surrounded by the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite (Geological Survey of Canada Map 41-1989). The contact of the batholith passes through the northwestern part of the Toe claims. The diorite bodies in the volcanics may be related to this intrusion. The volcanics have been contact metamorphosed and hydrothermally altered by the intrusive activity, resulting in the formation of "metadiorite" locally (Assessment Report 1586). These altered rocks locally contain significant disseminated magnetite and/or pyrite, with minor chalcopyrite

ELK Past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins)
MINFILE 092HNE096
Nine kilometres southeast

The Elk property is underlain by Upper Triassic volcanics and sediments of the Nicola Group and by Middle Jurassic granites and granodiorites of the Osprey Lake batholith. The contact between these units trends northeasterly across the property. Early Tertiary feldspar porphyry stocks and dikes of the Otter intrusions occur throughout the property.

The western property area is underlain by steeply west-dipping andesitic to basaltic flows, agglomerates, tuffs and minor siltstone and limestone units of the Nicola Group. The eastern half of the property is underlain by granitic rocks of the Osprey Lake batholith. Early Tertiary feldspar porphyry and quartz feldspar porphyry stocks and dikes of the Otter intrusions cut both of the above. Breccias containing rounded volcanic, dioritic and granitic fragments in a granitic matrix crosscut Nicola rocks, Osprey Lake batholith and Otter intrusions rocks. The elongate breccia bodies vary in width from 5 to 30 metres and trend northeasterly.

GEOLOGY: PROPERTY & AREA (cont'd)

ELK Past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins) (cont'd)

MINFILE 092HNE096

Nine kilometres southeast

These zones may be portions of major fault structures, but displacement, if any, is not readily apparent. Andesite dikes are the youngest units mapped, postdating all of the above. They are dark greyish green, fine grained and vary in thickness from 30 centimetres to 5 metres. They are commonly muscovite-altered and brown weathering. Strong orange and blue clay alteration is also evident in these rocks.

Mineralization appears to be spatially associated with these (Tertiary (?)) andesite dikes which are locally cut by quartz veins. The Nicola Group lithologies mapped on the Elk property consist of dark greyish green, massive basaltic andesite (some porphyritic containing pyroxene and/or amphibole phenocrysts and some containing 0.5-millimetre laminae of sand-sized black grains); pale grey-green siliceous laminated tuff; and brownish green to pale green agglomerates containing fragments from 5-50 centimetres in size. The Nicola rocks are occasionally silicified, carbonatized or epidote-altered. Iron oxide staining and finely disseminated pyrite are common.

Nicola rocks on the west side of the property dip approximately 60 degrees west, forming the east limb of a syncline. The syncline trends roughly north-south and its axis passes about 5 kilometres west of the property. Structural deformation in the area appears to be minimal.

The Osprey Lake granitic rocks are pinkish grey, medium to coarse-grained, equigranular quartz monzonite to granodiorite in composition. Pink, sugary textured aplite dikes cut the quartz monzonite. Quartz diorite related to the batholith is far less common and occurs as stocks. Dikes of quartz monzonite and hornblende-biotite-quartz monzonite also occur. Alteration includes weak to strong propylitic, argillic, phyllic and silicic assemblages.

The Otter intrusions comprise quartz feldspar porphyry, feldspar porphyry and quartz-biotite-feldspar dikes and stocks. The quartz feldspar porphyry is extensively clay altered.

GEOLOGY: PROPERTY & AREA (cont'd)

AU-WEN prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au)
MINFILE 092HNE144
One kilometre west

The AU occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcaniclastic rocks, ranging from tuffaceous volcanic siltstones characteristic of the lower part, to coarse volcanic conglomerate and laharic breccias in the upper part. The assemblage is characterized by a paucity of intrusive rocks in comparison to the main Aspen Grove copper camp in the Central belt a few kilometres to the west, separated by the Kentucky-Alleyne fault system (Bulletin 69).

The AU occurrence is centred on the main gold showing, a small stripped, drilled and trenched area just off a gravel road south of Quilchena Creek (Assessment Reports 5766, 16008). This and most of the surrounding area is underlain by andesitic to dacitic tuff, cherty tuff, black argillite, and volcanic sandstone and siltstone. The rocks are strongly fractured in a variety of orientations. Bedding in the tuff has been measured to strike 060 degrees and dip 54 degrees northwest, but it varies.

About 1 kilometre to the north of the main showing is biotite hornblende granodiorite and quartz monzonite of the Early Jurassic Pennask batholith, and about 500 metres to the west are porphyritic andesitic and basaltic volcanic rocks (Bulletin 69; Assessment Report 16008). Small bodies of diorite and micromonzonite, possibly subvolcanic, are quite common in the area, on the surface and in drill core (Assessment Report 16008). Some of the volcanics have sustained carbonate and epidote alteration, and locally they have pervasive hematite (Assessment Report 16008).

SHRIMPTON CREEK PLACER past producer (Surficial placers)
MINFILE 092HNE180
Eight kilometres southwest

Shrimpton Creek flows southwest from its headwaters immediately south of The Wart for 10 kilometres. The creek continues south- southwest for 6 kilometres before entering Missezula Lake, 38.5 kilometres north of Princeton. Most of the creek flows through a broad, gently sloping valley, which steepens somewhat in the lower 4 kilometres.

GEOLOGY: PROPERTY & AREA (cont'd)

CONE showing (Volcanic redbed Cu)
MINFILE 092HNE146
One kilometre northwest

The Cone occurrence is located in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization. The occurrence is one of many in the Aspen Grove area. It lies in the Central belt or facies of the Nicola Group (after Preto, Bulletin 69).

This belt of rocks mainly consists of subaerial and submarine, red or purple to green augite plagioclase porphyritic andesitic and basaltic flows, volcanic breccia and tuff, and minor argillites and limestone. The volcanics are intruded by bodies of comagmatic diorite to monzonite of Late Triassic to Early Jurassic age. The area is characterized by long-lived, primarily north-striking faults and related fracturing, which originally controlled intrusion emplacement. East-striking faults are subordinate, and commonly offset intrusive contacts.

Little information is available on the Cone occurrence itself. It is centred on an outcrop of augite plagioclase porphyritic volcanic rocks of andesitic to basaltic composition (Bulletin 69; Preliminary Map 15).

POT 1 showing (Volcanic redbed Cu)
Two kilometres south

The Pot 1 occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt or facies of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of alkalic volcanic flows and well bedded submarine volcaniclastic rocks, ranging from tuffaceous volcanic siltstones characteristic of the lower part, to coarse volcanic conglomerate and laharic breccias in the upper part. The assemblage is characterized by a paucity of intrusive rocks in comparison to the main Aspen Grove copper camp in the Central belt a few kilometres to the west, separated by the Kentucky-Alleyne fault system (Bulletin 69).

The area of the Pot 1 occurrence is underlain by purple to grey-green augite plagioclase porphyritic andesite to basalt (or trachyandesite and trachybasalt) (Bulletin 69; Preliminary Map 15). Minor volcanic siltstone, wacke and tuff may be present (Assessment Report 13714). These rocks are intruded by northwest-striking dikes of granodiorite to quartz monzonite. The volcanic rocks at the showing are highly fractured and altered with epidote, quartz-carbonate veins, and minor hematite (Assessment Report 13714).

GEOLOGY: PROPERTY & AREA (cont'd)

MALACHITE 7 showing (Cu Skarn; Volcanic redbed Cu)
MINFILE 092HNE269
On Property

The Malachite 7 showing is 1.0 kilometre southeast of Quilchena Creek and 10.5 kilometres west-northwest of the south end of Boot Lake.

BREW showing (Alkalic porphyry Cu-Au; Subvolcanic Cu-Ag-Au; As-Sb)
MINFILE 092HNE275
Five kilometres southeast

This occurrence is hosted in volcanics and minor sediments of the Upper Triassic Nicola Group, 2.6 kilometres northwest of the Middle Jurassic Osprey Lake batholith. The volcanics consist primarily of andesite and fine-grained diorite. The contact between the two units is gradational, suggesting the diorite may be a subvolcanic equivalent of the andesite. Minor tuffs, lapilli tuffs, agglomerates, and feldspar porphyritic andesite are also present. The sediments consist of mudstone, siltstone, shale, and rare carbonate, intercalated with the pyroclastic units.

A major fault zone, the Brew fault, striking 140 degrees and dipping steeply southwest, is exposed along the Coquihalla Highway for 600 metres. The zone is approximately 40 metres wide. It is somewhat gossanous and exhibits carbonate and clay alteration and sporadic silicification. Some quartz +/- calcite stringers and blebs are present but not common. Pyrite is ubiquitous along the entire fault. Sections of the zone are strongly mineralized with massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite. Samples of pyritic clay-altered sections have yielded up to 0.280 gram per tonne gold and 0.445 per cent arsenic (Assessment Report, 18041, page 8, samples 128665, 44719). A sample from a zone of quartz stringers analysed 0.600 gram per tonne gold (sample 239716).

This fault is traversed by several significant fault/shear zones striking 100 to 120 degrees. One major crossfault, the Mugwump fault, is exposed west of the Brew fault, striking 100 degrees and dipping 60 degrees south.

ELK (LAKE ZONE) Prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE295
Nine kilometres southeast

The Elk (Lake Zone) prospect is hosted in the northwestern margin of the Middle Jurassic Osprey Lake batholith, about 1000 metres southeast of andesitic volcanics of the Upper Triassic Nicola Group. The intrusion is cut by andesitic dikes of Tertiary age (?) in the vicinity of the deposit.

A zone of quartz veining and associated alteration, up to 4 metres wide, is hosted in moderately to strongly propylitic and argillic altered and sheared quartz monzonite, near and paralleling a west-striking andesitic dike. The zone is centred about the 1-metre wide dike in surface exposures. Trenching and drilling have traced the zone over a strike length of 150 metres and 78 metres downdip. It strikes west and dips about 55 degrees south. The deposit consists of a zone of intense argillic and sporadic sericitic alteration occasionally cut by quartz veins of similar orientation as the enclosing zone.

MINERALIZATION: PROPERTY & AREA

The mineralization on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on the Property and peripheral to the Property (Figure 5) are reported as follows

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE 002
On Property

Copper values appear to be erratic. In early diamond drilling, the best result reported is 1.62 per cent copper over 6 metres; this section contained at least 50 per cent magnetite (Assessment Report 449, page 6). More recent diamond drilling has resulted in generally low metal values, although one split core sample assayed 0.37 per cent copper and 6.8 grams per tonne silver (Assessment Report 9590). A grab sample from the main trenched and drilled area assayed 0.34 gram per tonne gold, 3.4 grams per tonne silver, and 0.2 per cent copper (Assessment Report 8453). The high magnetite and pyrite content of the rocks at this occurrence is reflected in significant magnetic and induced polarization anomalies, respectively, over the mineralized zones (Assessment Reports 1586, 8453).

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
On Property

The mineralization is restricted to the volcanics. It is exposed in 3 adits and at least 8 trenches, and is marked by alteration, mainly epidotization, silicification, carbonatization, moderate chloritization and local pyritization. Chalcopyrite is the only copper mineral: it is disseminated, or concentrated in quartz and calcite veins and veinlets between 0.3 and 30 centimetres thick, usually about 8 centimetres thick. Pyrite, pyrrhotite and rare specular hematite are also present in the veins. Locally oxidation has produced abundant malachite, azurite and limonite.

The mineralized zone measures 760 by 90 metres and has a depth of about 75 metres. Diamond drilling indicates that it strikes 160 degrees and dips vertically or steeply east, so it is not parallel to the volcanic-sedimentary contact, indicating that the contact is not the controlling factor. Rather, the veins hosting the mineralization are structurally controlled by numerous faults and fractures which consistently strike 160 degrees and dip 85 degrees east (Assessment Report 4230). Incidentally, the Echo occurrence (092HNE059) lies on this trend, 2 kilometres to the north-northwest, and the mineralization may also extend south-southeast of the HN-WEN occurrence (Assessment Report 4230).

Some significant copper and silver values have been obtained from the workings and diamond drill core. A 1.5-metre chip sample from Adit Number 1 was assayed at 4.39 per cent copper, 92.6 grams per tonne silver, and 0.7 gram per tonne gold (Assessment Report 4230). A grab sample from here was assayed at 4.84 per cent copper, 46.6 grams per tonne silver and 0.7 gram per tonne gold (Assessment Report 4230). Both samples were from oxidized material and may not be representative of grade throughout the deposit (Assessment Report 4230). A drill core sample (hole HNS 72-1) assayed 1.12 per cent copper and 3.4 grams per tonne silver (Assessment Report 4230).

The average grade of the whole deposit has been estimated at 0.08 per cent copper, with a generally low gold and silver content (Assessment Report 4230).

MINERALIZATION: PROPERTY & AREA (cont'd)

ECHO showing (Volcanic redbed Cu)

MINFILE 092HNE059

On Property

Chalcopyrite and malachite are present in trenches and opencuts in volcanics over an area 1000 by 800 metres. Chalcopyrite is disseminated, or concentrated in quartz-calcite veins (Assessment Report 1586).

The Echo occurrence lies directly along the strike of prominent fractures which host significant copper-silver mineralization at the HN-WEN occurrence (092HNE058), 2 kilometres to the south-southeast (Assessment Report 4230).

TOE showing (Alkalic porphyry Cu-Au)

MINFILE 092HNE060

On Property

A major copper soil anomaly occurs within the Toe claim group, measuring 3500 by 900 metres; a mercury anomaly is associated (Assessment Reports 1049, 1586). The highest soil anomaly was 0.07 per cent copper (Assessment Report 1586)

ELK Past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins)

MINFILE 092HNE096

Nine kilometres southeast

Gold-silver mineralization on the Elk property is hosted primarily by pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks. Crosscutting relationships indicate that the veins are Tertiary in age; they may be related to Tertiary Otter intrusive events. To date, mineralization has been located in four areas on the Elk property: Siwash North, South Showing (092HNE261), North Showing (092HNE281) and Siwash Lake (092HNE041, 295). The Siwash Lake zone is 800 metres south of the Siwash North deposit; the North Showing and South Showing areas are 2 and 3 kilometres south of Siwash North respectively.

In the Siwash North area, gold occurs in veins measuring 5-70 centimetres wide, hosted by a zone of strongly sericitic altered granite and, in the west, volcanic rocks. In general, the mineralized zone trends east-northeast with southerly dips from 20-80 degrees (from east to west), and appears to be related to minor shearing. Quartz veining occurs in a number of parallel to subparallel zones. Each zone consists of one or more veins within an elevation range of 5 to 10 metres that can be correlated as a group to adjacent drillholes. In the eastern parts of the area, up to six subparallel zones occur. Five of these zones are consistent enough to be labelled the A, B, C, D and E zones.

Mineralization in the west has been identified in one or locally two zones (the B and C zones). The main mineralized zone (B) is consistent, with only minor exceptions, across the entire drill grid. The Siwash North structure has been tested to 335 metres downdip and along a strike length of 925 metres. The zone remains open to depth and along strike.

MINERALIZATION: PROPERTY & AREA (cont'd)

ELK Past Producer (cont'd)

At surface, supergene alteration has leached out most of the sulphides with some pyrite and chalcopyrite remaining. Mineralization occurs primarily as native gold, occasionally as spectacular aggregates of coarse flakes in frothy quartz (strong pyrite boxwork) or in fractures in the vein. Electrum was noted in one area as very coarse-grained flakes associated with strong manganese staining. Gold is rarely seen in boxworks in sericitic (phyllic) alteration.

In drill core, mineralization has not been affected by supergene processes. Metallic minerals in drill core include pyrite, chalcopyrite, sphalerite, galena, tetrahedrite, maldonite ? pyrrhotite and native gold in order of decreasing abundance). Gold is strongly associated with pyrite and with a blue-grey mineral. Photomicrographs show the gold commonly in contact with this mineral, which may be a gold-bismuth alloy (maldonite?) or a copper-bismuth- antimony sulphosalt.

Gangue mineralogy consists primarily of quartz and altered wallrock fragments. Ankerite is commonly present, with lesser amounts of calcite. Minor barite is also present. Fluorite was noted in one vein as very small (less than 1 millimetre) zoned purple cubes scattered in the quartz.

Stronger alteration generally accompanies higher grade gold mineralization. Seven main types of alteration were recognized in the granitic rocks throughout the property: propylitic, argillic, sericitic, potassium feldspar stable phyllic, phyllic, advanced argillic and silicic. Locally, potassic alteration, skarnification and silicification are evident, but are relatively minor and do not appear to be related to mineralization.

Propylitic alteration is generally light green with biotite and hornblende altered to chlorite, and plagioclase is saussuritized. In volcanics, the colour is generally olive green, and the rock is soft. Argillic alteration is exemplified by bleached rock, with plagioclase white and clay-altered; potassium feldspar is slightly altered. Volcanics are bleached to light green or grey. Sericitic alteration is typically pale green with a micaceous sheen, with plagioclase altered to sericite; trace disseminated pyrite may be present. This type of alteration is often associated with quartz veins and appears to be the lowest grade alteration associated with gold mineralization. It is not recognized in volcanics.

Potassium feldspar stable phyllic alteration is light pink, green or yellowish with potassium feldspar fresh and pink and blocky. Plagioclase and mafic minerals are altered to fine-grained quartz-sericite-pyrite. It often occurs with veins and is associated with gold mineralization; it is not recognized in volcanics.

Phyllic alteration is generally grey, fine-grained quartz-sericite-pyrite alteration usually associated with veins and often gradational to quartz and often auriferous. Advanced argillic alteration is exemplified by most or all of feldspar being destroyed, quartz is "free-floating". The alteration is often sheared and white in colour and is often associated with quartz veins. Volcanics are white or blue coloured. Silicic alteration is quartz veining or replacement that is hard with moderate conchoidal fracture. There is a strong symmetrical zoning of alteration around the quartz veins: vein-advanced argillic-phyllic-potassium feldspar stable phyllic-argillic-propylitic.

MINERALIZATION: PROPERTY & AREA (cont'd)

ELK Past Producer (cont'd)

Measured geological reserves of the Siwash North deposit are 308,414 tonnes grading 22.17 grams per tonne gold and 24.68 grams per tonne silver using a cutoff grade of 10 grams per tonne gold. Reserves are based on results from 107 drillholes at 50-metre grid spacings along 804 metres of strike length to 304 metres downdip. All veining intercepts have been adjusted for true width and assays diluted to 2-metre mining widths (George Cross News Letter No. 223 (November), 1991).

The revised drill indicated reserve, based on more realistic open pit and underground mining widths of 0.39 to 0.79 metre with a 20.5 grams per tonne gold cutoff grade, is 122,458 tonnes averaging 54.5 grams per tonne gold (George Cross News Letter No. 65 (April 2), 1993).

From 1992 and 1995 (inclusive), 16,570 tonnes of ore were mined and milled and 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver recovered. In 1996, Fairfield shipped all remaining stockpiles, estimated to contain 2700 tonnes and grading greater than 12 grams per tonne (Information Circular 1997-1, page 21). A total of 994 metres of ramp access and three development levels exist underground.

Reverse circulation drilling, underground diamond drilling, reclamation, road construction, water sampling and aerial photography were also undertaken during this period.

Surface and underground diamond drill programs were carried out in the Siwash Mine area from 1994 to 1996 to define the resource. Exploration surface drilling was also carried out during the 1995 and 1996 field seasons to test trench targets between the Siwash mine site and the South Showing area 2.5 kilometres to the south. Limited prospecting and environmental monitoring was undertaken from 1997 to 1999.

In 1995, Fairfield Minerals with the support from the Explore B.C. Program carried out an extensive program including geochemistry, 13,972 metres of surface and underground diamond drilling in 315 holes and reserve calculations.

Surface drilling was done on fences 10-50 metres apart, underground drilling on fences 10 metres apart. Reserve calculations by the company and consultant Roscoe Postle gave the following results (Explore B.C. Program 95/96 - A38):

Probable (undiluted)	16,991 tonnes at 50.2 g/t gold	28,200 tonnes at 26.6 g/t gold
Possible (undiluted)	50,260 tonnes at 42.0 g/t gold	66,400 tonnes at 31.4 g/t gold

The 1996 exploration program consisted of 6873 metres of drilling in 91 holes. The Siwash zone has been traced along a 914 metre strike length and downdip to 245 metres. Reserves estimated by the company at January 1, 1996 were 121,350 tonnes grading 25.4 grams per tonne gold and 35.3 grams per tonne silver. These include a diluted, probable open-pit resource of 11,340 tonnes grading 58.97 grams per tonne gold, an underground probable resource below the open pit of 20,225 tonnes grading 26.74 grams per tonne gold, and a further possible underground resource of 89,790 tonnes grading 23.66 grams per tonne gold (Information Circular 1997-1, page 21).

MINERALIZATION: PROPERTY & AREA (cont'd)

ELK Past Producer (cont'd)

Surface diamond drilling totaling 1413.96 metres in 12 holes was completed on the Siwash Mining lease during 2000 testing the B, WD and Gold Creek West (GCW) zones. A trenching program was carried out in 2001 in the Siwash East Area consisting of six trenches totaling 202 meters. Almaden Resources and Fairfield Minerals Ltd. merged into Almaden Minerals Ltd. in February, 2002.

In 2002, Almaden undertook a 26 hole surface diamond drill program for a total of 4995.67 metres testing the B, WD, GCW and Bullion Creek zones. During the 2003 field season a 6570 metre, 30 hole, diamond drill program was carried out by Almaden in the Siwash North area testing the WD zone. The WD vein system is located approximately 100 metres north of the Siwash B zone vein and has been tested over a strike length of 610m and down dip for 380m.

By the end of May 2004, a total of eight mineralized veins had been discovered on the property. Four vein systems had been drilled in the Siwash area: the B system with a strike length of 900 m has been tested down dip to 320 m; the WD zone with a strike length of 650 m has been tested to 370 m down dip; the GCW zone with a strike length of 300 m has been tested to 130 m down dip and the Bullion Creek (BC) zone which has been tested with two holes to a depth of 75 m. A new 43-101 compliant resource was calculated using drill data for the Siwash B and WD veins, just two of eight known mesothermal vein structures on the property.

Global (bulk-tonnage and underground mineable) measured and indicated resources were reported to total 668,300 tonnes grading 9.66 grams per tonne gold (207,600 ounces) plus an additional 1,317,200 tonnes grading 4.91 grams per tonne gold (207,800 ounces) in the inferred category (News Release, Almaden Minerals Limited, May 28, 2004).

Included in the global figures is a higher grade, underground-mineable resource totaling 164,000 tonnes grading 33.69 g/t gold in the measured and indicated category, plus another 195 200 tonnes grading 16.38 g/t gold in the inferred category.

In 2004 a diamond drill program consisting of 10,265 meters of NQ drilling in 44 holes was completed. As reported by Almaden in 2001, a possible extension to the B and WD vein systems was found roughly two kilometres along strike to the east, on the other side of an area of overburden cover and no outcrop, as part of a trenching program. Grab samples of the vein material taken at surface returned averaged analyses of 31.6 grams per tonne gold and 104.4 grams per tonne silver (News Release, Almaden Minerals Limited, March 4, 2005. This discovery added about two kilometres of prospective, unexplored strike length to the high-grade vein system.

MINERALIZATION: PROPERTY & AREA (cont'd)

AU-WEN prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au)

MINFILE 092HNE144

One kilometre west

Pyrite, pyrrhotite, chalcopyrite and arsenopyrite are disseminated sporadically in the tuffaceous rocks and argillite, up to about 1 per cent, and also occur in fractures (Assessment Reports 11241, 16008). Native gold is associated with the sulphides in narrow quartz-filled fractures in these rocks (Assessment Report 16008). Minor malachite occurs in volcanics. The overall extent of the mineralization has not been determined, although diamond drilling has demonstrated that minor pyrite, pyrrhotite and chalcopyrite, disseminated or associated with quartz or calcite fracture veinlets, does persist below the surface (Assessment Reports 11241, 16008).

Gold values in the area are generally low, but high values have been obtained from trench sampling and drill core at the main showing. Significant gold assays in chip samples range from 6.8 grams per tonne over 5.1 metres to 10.8 grams per tonne over 4.9 metres (Assessment Report 16008). Grab and select samples assayed between 14.4 and 91 grams per tonne gold (Assessment Reports 5766, 16008). The best drill core intersection assayed 4.97 grams per tonne gold over 1.5 metres (Assessment Report 16008).

Copper is associated with the gold mineralization; one rock sample from the main trench yielded 0.29 per cent copper (Assessment Report 7293). Another sample yielded 26 grams per tonne silver and 0.14 per cent lead (Assessment Report 7293). Silver in diamond drill core is generally under1 gram per tonne (Assessment Report 11241).

CONE showing (Volcanic redbed Cu)

MINFILE 092HNE146

One kilometre northwest

Mineralization at the showing consists of chalcopyrite, pyrite and malachite (Preliminary Map 15; Assessment Report 925). The nature of the mineralization is not specified but in other showings in the area minerals are characteristically disseminated or hosted in quartz veinlets.

SHRIMPTON CREEK PLACER past producer (Surficial placers)

MINFILE 092HNE180

Eight kilometres south

Particles of flat, well-worn, flaky gold, 1.5 to 3 millimetres in diameter, were recovered from unsorted glacial material. Most of the gold was found near surface. Material lying on or near bedrock was found to be barren of gold.

MINERALIZATION: PROPERTY & AREA (cont'd)

POT 1 showing (Volcanic redbed Cu)

MINFILE 092HNE204

Two kilometres south

Mineralization comprises erratically disseminated chalcopyrite, malachite, azurite and pyrite (Preliminary Map 15; Assessment Report 13714). The copper minerals occur in narrow zones striking southwest, transverse to the regional strike but parallel to a fault 1 kilometre to the northwest (Bulletin 69).

Individual rock samples from the showing were analysed at up to 0.95 gram per tonne gold and 4.8 grams per tonne silver (Assessment Report 13714). A composite chip sample across the showing was analysed at 2.55 grams per tonne gold and 1.9 grams per tonne silver over 130 metres (Assessment Report 13714, Drawing No. 2, sample W301). Gold and silver values appear to be proportional to the degree of alteration and copper mineralization (Assessment Report 13714).

MALACHITE 7 showing (Cu Skarn; Volcanic redbed Cu)

MINFILE 092HNE269

On Property

Chalcopyrite occurs in a small zone of skarn alteration in dioritized volcanics of the Upper Triassic Nicola Group, near the contact with the Early Jurassic Pennask batholith to the northeast.

BREW showing (Alkalic porphyry Cu-Au; Subvolcanic Cu-Ag-Au; As-Sb)

MINFILE 092HNE275

Five kilometres southeast

The zone has been traced on surface for 400 metres and is 30 to 40 centimetres wide. It is comprised of strongly gossanous clay and fault gouge containing 1 to 2 per cent pyrite. Quartz and quartz-calcite stringers and quartz blebs occur sporadically throughout the zone. A sample of quartz vein material yielded 0.14 gram per tonne gold and 14.4 grams per tonne silver (Assessment Report, 18041, page 8, sample 239774).

SNOW showing (Porphyry Cu+/-Mo+/-Au; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE292

Six kilometres northeast

A sample of drill core from 28.0 metres depth contained fine-grained magnetite accompanied by fine-grained chalcocite or bornite along the margins of a zeolite vein. Copper mineralization also occurs along fractures and as disseminations in the granite. Two assays of a grab sample taken in the vicinity of the drillhole yielded less than 0.3 gram per tonne gold, 3.1 grams per tonne silver and 0.54 per cent copper, and 0.45 gram per tonne gold, 3.1 grams per tonne silver and 0.30 per cent copper, respectively (Assessment Report 3415, assay certificates).

MINERALIZATION: PROPERTY & AREA (cont'd)

ELK (LAKE ZONE) prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE295

Nine kilometres southeast

The veins vary from 5 to 34 centimetres wide and locally contain up to 75 per cent pyrite, 10 per cent chalcopyrite, 40 per cent galena and 10 per cent sphalerite. The surrounding altered intrusive is occasionally mineralized with pyrite and up to 15 per cent chalcopyrite. Higher gold values are accompanied by intense argillic alteration containing pyrite and maldonite (?). A sample of an argillic-altered pyritic dike assayed 12.69 grams per tonne gold over a true width of 0.86 metre (Assessment Report 19835, page 42, trench SL89-1). Gold is also associated with pyrite, chalcopyrite and locally high concentrations of galena and sphalerite. Tetrahedrite is also locally present. A sample of a 15-centimetre wide quartz vein with 15 per cent combined pyrite, chalcopyrite and galena assayed 59.93 grams per tonne gold (Assessment Report 21443, page 43, trench SL90-2).

Drilling yielded gold values of up to 2.43 grams per tonne over a true width of 2.0 metres (Assessment Report 21443, page 46). Silver values are higher here than in the Elk (Siwash North) deposit (092HNE096), possibly due to the higher galena content of the quartz veins. Silver values in drill core range up to 141.9 grams per tonne over 0.5 metre (Assessment Report 21443, core logs, hole 90-56, 37.3 to 37.8 metres).

The VMS mineralization comprises bedded massive pyrite, chalcopyrite, sphalerite, galena and tetrahedrite within mudstone of the Middle Jurassic Salmon River Formation, Hazelton Group. The massive sulphide portion of the discovery is up to 0.9 metres thick in outcrop. The massive sulphide and mudstone are within a wider band of rhyolite, intermediate volcanics and volcaniclastic sediments close to the contact with overlying basalt correlative with the Eskay rift volcanic-sedimentary succession. A chip sample across 0.9 metres yielded 0.62 per cent copper, 0.14 per cent lead, 4.32 per cent zinc and 159 grams per tonne silver.

SULPHIDE CREEK placer

MINFILE 104B227

Five kilometers north

In 1929, free gold was reported in river gravels at the junction of Sulphurets (Sulphide) Creek and Unuk River. The gold is described as flaky and considerably worn and fine colours were seen in every pan of material tested. Local irregularities were noted in the bedrock near the placer gravels.

In 1935, a composite sample, taken from sand bars at the mouth of Sulphurets Creek, which contained abundant alluvial pyrite assayed 1.03 grams per tonne gold, trace silver, trace copper (Annual Report 1935, page B10).

VICTORY RESOURCES CORPORATION

Events 4284496 & 4304648

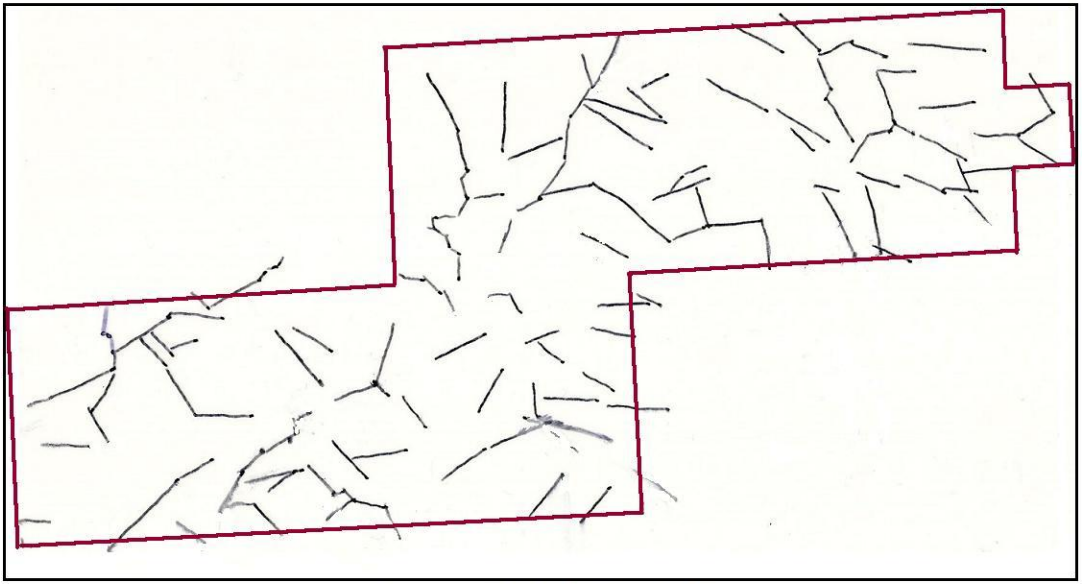

Figure 6. LINEAMENTS

2009 LINEAMENT ARRAY ANALYSIS

Orthophoto maps obtained from MaPlace were utilized as the base map for the lineament array analysis. The analysis on Tenures 567126 & 589947 was accomplished using a stereographic projection viewing of the maps and marking the lineaments on an overlay. A total of 123 lineaments were marked (Figure 6), compiled into a 10 degree class interval, and plotted on a rose diagram (Figure 7).

The Lineament Array Analysis indicated predominant northwesterly trending and east-west structures with complementary or subordinate east-northeast and vari-oriented splay structures.

INTERPRETATION

The 2009 Lineament Array Analysis on two of the eight claim Victory Property indicated predominant northwesterly trending and east-west structures with complementary or subordinate east-northeast and vari-oriented splay structures.

The mineralized subordinate and splay structure "stockwork" zones displayed in the Lower Adit peripheral to the 2008 drill intersected Adit Vein and in the drill-hole of the 1996 mineralized vein (HN-WEN) may indicate that other stockwork mineralization in the area may be associated with a "major" mineralized quartz vein. Should this be the case, the mineralized stockwork zone at the AU-WEN with significant gold values, which may have resulted from the contained native gold associated with the sulphides in narrow quartz-filled fractures, should be explored for a major potentially economic native gold bearing, east-west trending quartz vein.

The dominant east-westerly trending structures substantiate that this is the prime structural trend for other major quartz veins that may host potentially economic gold mineralization as by the HN-WEN mineralized quartz veins on the Victory property. This prime directional structural trend may also be "regional" as indicated by the productive ELK property (Siwash) mineralized quartz veins some nine kilometres distant.

This is also suggested by Verley (1999) in that the Hodge vein of the AU-WEN prospect,

> *"... has some characteristics, which are similar to Fairfield Mineral's Siwash vein located approximately 10 kilometres to the southwest: namely high gold in an east-west striking structure. ...Assays of the vein range from 0.315 to 3.4 oz/ton Au. The Hodge vein as exposed in trenches may represent the upper "horse-tailing" extremities of a larger, more persistent vein at depth."*

VICTORY RESOURCES CORPORATION

Events 4284496 & 4304648

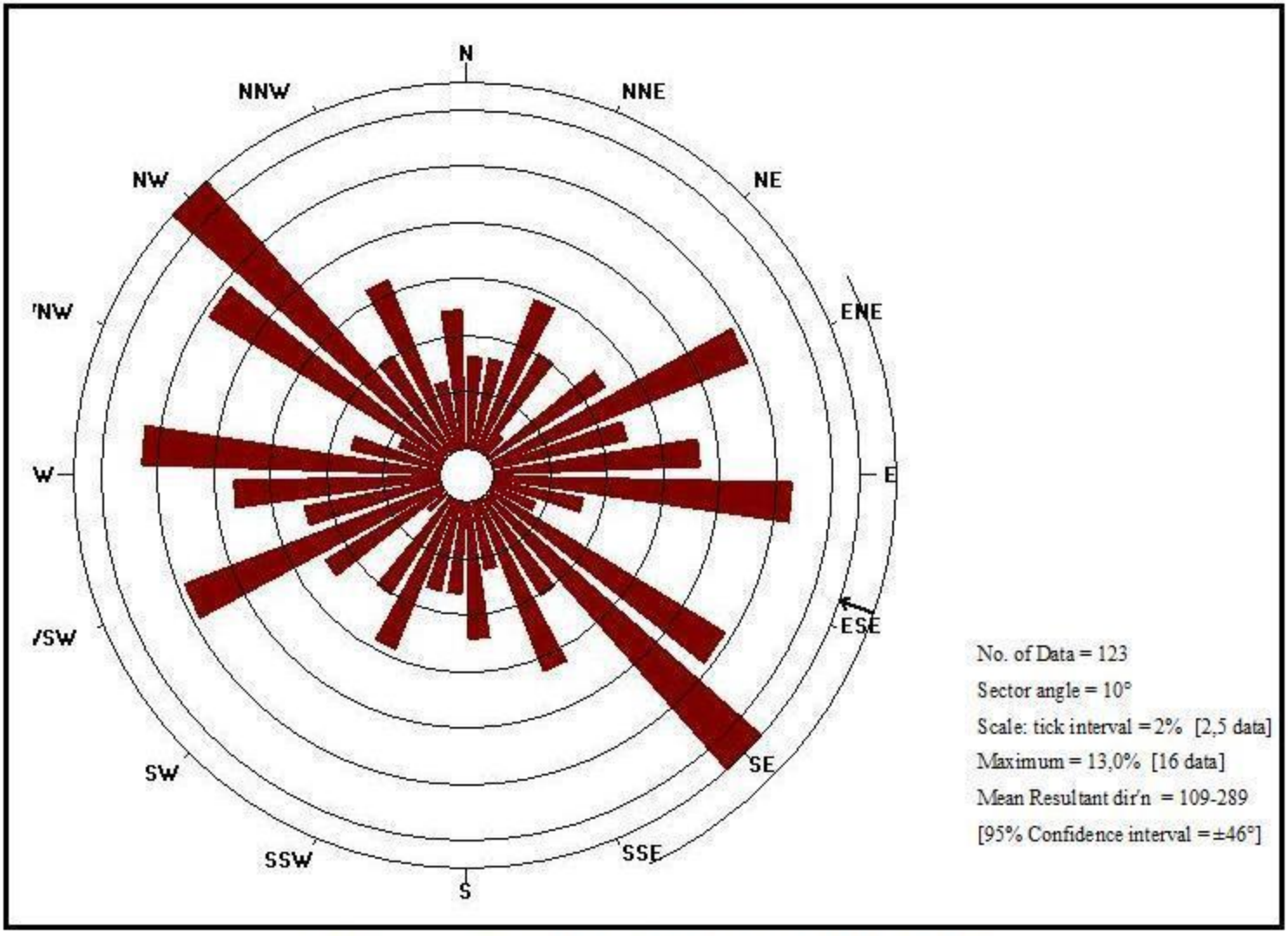

Figure 7. ROSE DIAGRAM

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, P.Eng.

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STATEMENT OF COSTS

Lineament Array Analysis ----------	1,500.00
Maps ----------	1,500.00
Report ----------	3,500.00
	$6,500.00
	========

CERTIFICATE

I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist and principal of Sookochoff Consultants Inc. with an address at 120 125A-1030 Denman Street, Vancouver, BC V6G 2M6.

I, Laurence Sookochoff, further certify that:

1) I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology.

2) I have been practicing my profession for the past forty-two years.

3) I am registered and in good standing with the Association of Professional Engineers and Geoscientists of British Columbia.

4) The information for this report is based on information as itemized in the Selected Reference section of this report and from work the author has performed on the Property since 2006.

5) I have no interest in the Property claim as described herein.

6) I am a director of Victory Resources Corporation.

Laurence Sookochoff, P. Eng.