

BC Geological Survey
Assessment Report
31175

VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL ASSESSMENT REPORT

(Event 4317048)

on a

LINEAMENT ARRAY ANALYSIS

Work done on

Tenure 589854

of the 14 Tenure

Toni 589854 Claim Group

of the

TONI PROPERTY

**Nicola Mining Division
BCGS Map 092H.088/98**

**Centre of Work
5531500N, 678000E**

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SUMMARY

The fourteen claim Toni 589854 claim group of the TONI property covers an area of 7165 hectares located 230 kilometres northeast of Vancouver, 35 kilometres southwest of Merritt, and seven kilometres west of the past productive Elk/Siwash property in south-central British Columbia.

Production from the Elk/Siwash property, located within a Middle Jurassic intrusive peripheral to the Nicola volcanic contact, 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 Toni 589854 property is underlain predominantly by the upper Triassic Nicola Group of basaltic volcanic rocks (uTrNE). A succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (UTrNsf) infringes into the Property from the north and from the south. An intrusive stock of late Triassic to early Jurassic granodiorite (uTrJgd) is partly covered by the Property along the western-central side.

The lineament array analysis on Tenure 589584 of the Toni 589584 Victory Resources property (Property) indicates dominant northerly, with subordinate northwesterly, trending structures which could be primary mineral controlling structures in this general area.

The Property area structures may be influenced by the major north trending Kentucky-Alleyne fault system to the west where numerous mineral prospects are hosted by northerly trending structures as opposed to the mineral controlling easterly trending structures east of the property possibly influenced by the intrusive (mJgr) seven kilometres to the east.

Excluding other variable geological conditions, the structures are essential in the localization of potentially economic quartz vein hosted mineralization within the Nicola volcanics on the Property. Other mineral deposit types such as skarn or porphyry mineralization are evident from the prospects as indicated by the Minfile reports included herein.

INTRODUCTION

In May, 2009 a Lineament Array Analysis was completed Tenure 589854 of the 14 claim Toni 589854 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 Tenure 589854 or other claims of the Toni 589854 property.

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

PROPERTY DESCRIPTION AND LOCATION

The Property is comprised of 14 claims covering an area of 7165.8308 ha. Particulars are as follows:

<u>Tenure Number</u>	<u>Type</u>	<u>Claim Name</u>	<u>Good Until</u>	<u>Area (ha)</u>
589852	Mineral	TONI 3	20091120	520.307
589854	Mineral	TONI 5	20091120	520.1873
589855	Mineral	TONI 6	20100120	520.4448
589858	Mineral	TONI 7	20100120	520.72
589859	Mineral	TONI 8	20100120	520.5291
589861	Mineral	TONI 9	20100120	520.7518
589862	Mineral	TONI 10	20091120	520.9741
589864	Mineral	TONI 11	20091120	521.1766
589869	Mineral	TONI 12	20100120	521.1597
589872	Mineral	TONI 13	20100120	521.151
589875	Mineral	TONI 14	20091120	521.0765
589876	Mineral	TONI 15	20100120	520.9397
589877	Mineral	TONI 16	20100120	520.7974
589878	Mineral	TONI 17	20100120	395.6158

Total Area: 7165.8308 ha

*Upon the approval of the assessment work filing, Event Number 4317048.

The Property is located within BCGS Map 092H.088/98 of the Nicola Mining Division, 230 direct kilometres from Vancouver, 35 direct kilometres from Merritt and seven kilometres from the ELK (Siwash) past productive deposit of Fairfield Minerals Ltd. The centre of the work area is at 5531500N, 678000E (NAD 83).

Figure 1. Location Map



**ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE
AND PHYSIOGRAPHY**

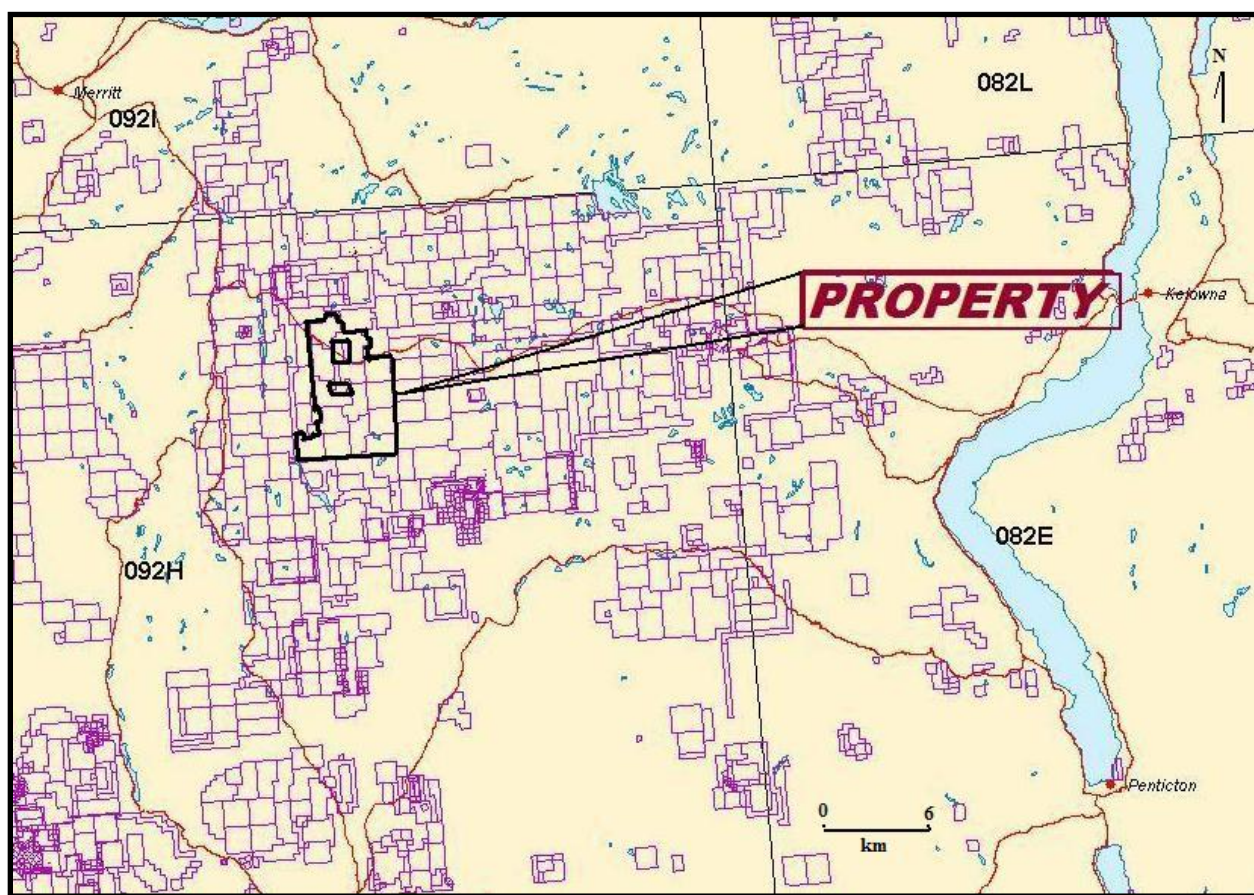
Access to the Property is southward and eastward from Merritt via Highway 97C or the Coquihalla connector Highway for 52 kilometres to the Brew mineral showing which is located on the southernmost Tenure of the Toni 589854 claim Group. From this general location forestry roads provide access to most portions of the Property which is mostly located north of the Highway. Southward, forestry roads provide access to the former Elk (Siwash) productive deposits of Fairfield Minerals Ltd. located within two kilometres south of the Property.

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 Property 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.

Figure 2. Claim Location



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

Merritt, and/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

1988: Kerr Addison Mines completed geological and geochemical surveys over an area covering the Brew and Annie Oakley Minfile mineral showings exposed on Tenure 572419 along the Okanagan Connector Highway. Two major strongly altered fault zones with quartz and quartz-calcite stringers as well as quartz blebs occur sporadically through the zone in addition to massive marcasite/pyrite veins along various fracture sets. Three spot Au anomalies were outlined (AR 18,041).

1991: Kingsvale Resources Ltd. completed a geochemical survey over an area including the King Minfile mineral showings along the Okanagan Connector Highway 14 kilometres east of the Property. Soil values returned up to 130 ppb Au. Selected rock samples returned up to 24,100 ppb Au, 30.51 oz/t Ag, and 1.71% As (AR 21,922).

1993: Cominco Ltd. completed an I.P./Resistivity survey ten kilometres north of the Okanagan Connector Highway over an area an airborne magnetometer anomaly and potential Cu/Mo porphyry mineralization in a quartz monzonite. Anomalous chargeability highs of up to 30-40 msec associated with moderately high resistivities of approximately 2000 ohm metres over 700 metres were delineated (AR 23,509). This survey was centred on Tenure 589918 of the Toni property.

1995: Fairfield Minerals Ltd. completed a geochemical survey over the Wave property which included the Minfile Brew, Annie Oakley, and Elk showings. Rowe (1996) reports that the two Wave claims were staked in 1991 as a result of:

“Fairfield conducted reconnaissance prospecting and stream sediment sampling in the property area between 1986 and 1991 which indicated spotty anomalies of gold, silver and copper. Follow-up prospecting in 1991 revealed an area of quartz vein float from which several samples were taken. These gave a number of significant results up to 8230 ppb (0.240 oz/ton) Au, 249.3 ppm (7.27 oz/ton) Ag, 844 ppm Cu and 4091 ppm Pb. A second area of quartz float discovered 3.5 km to the south returned sample analyses of up to 25.7 ppm ((0.75 oz/ton) Ag, 1732 ppm Pb and 2107 ppm Zn, but only 9 ppb Au.” (AR 24,253).

History: Property & Area (cont'd)

Area

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on and peripheral to the Property (Figure 3) are reported as follows

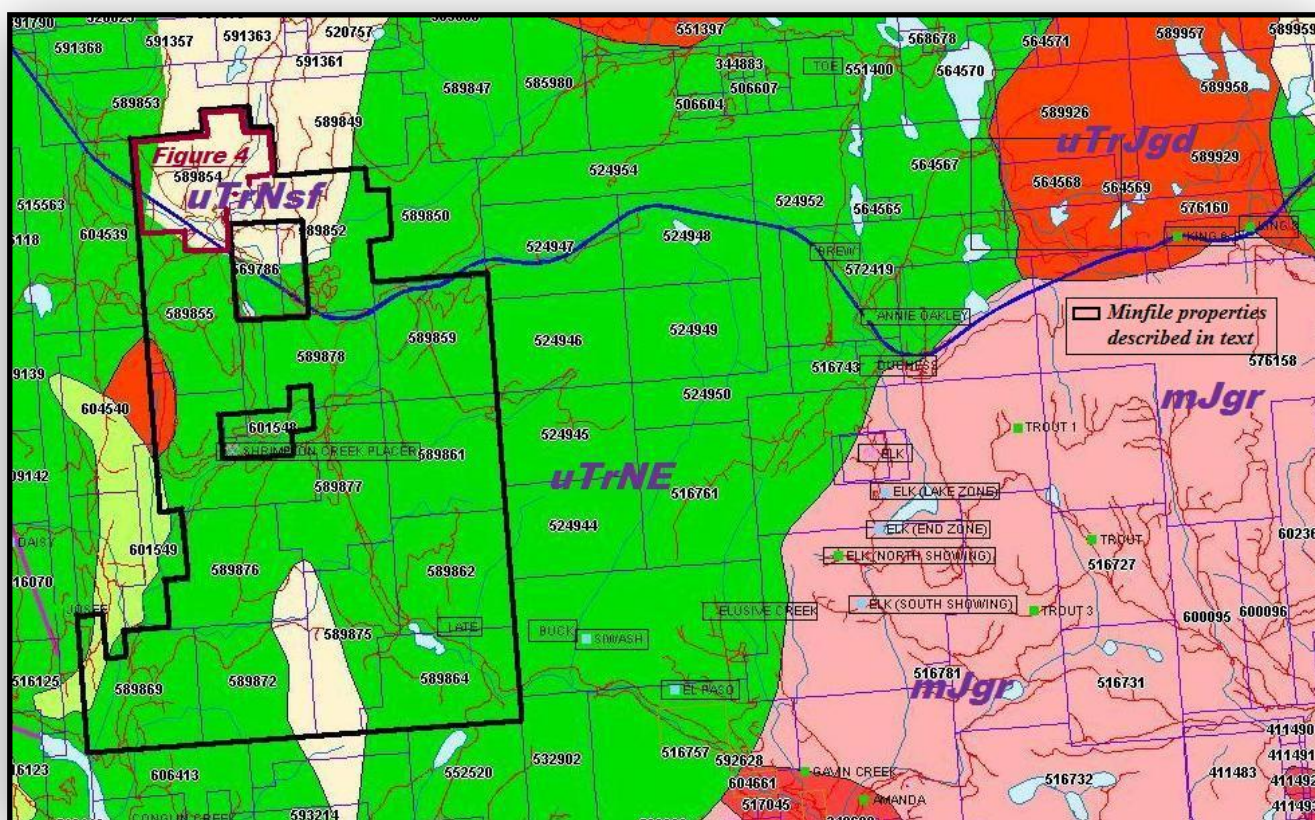
ELK (END ZONE) prospect (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE041

Six kilometres east

This prospect was discovered by Placer Dome Inc. in 1990 after trenching soil and geophysical anomalies outlined by Fairfield Minerals Ltd. in 1987 and 1989. Fairfield Minerals conducted additional trenching and sampling in 1991.

Figure 3. Claim, Index, Geology, & Minfile



SIWASH prospect (Alkalic porphyry Cu-Au; Cu skarn)

MINFILE 092HNE111

Two kilometres east

This occurrence was geologically mapped, soil sampled and geophysically surveyed by Phelps Dodge Corporation, Utah Mines Ltd. and Brenda Mines Ltd. between 1972 and 1980.

History: Property & Area (cont'd)

Area (cont'd)

LATE showing (Volcanic redbed Cu)

MINFILE 092HNE133

Within the Property

Great Plains Development Company of Canada Ltd. and Inter- Continental Energy Corporation completed various geological, geophysical and soil geochemical surveys over the showing in 1973, 1980 and 1981.

SHRIMPTON CREEK PLACER past producer (Surficial placers)

MINFILE 092HNE180

Within the Property

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

ELK (SOUTH SHOWING) prospect (Au-quartz veins; Polymetallic veins Ag-Pb-Zn+/- Au)

MINFILE 092HNE261

Seven kilometres east

The showing was initially uncovered in a series of hand trenches excavated by Fairfield Minerals Ltd. in 1986. The company conducted various geophysical, geological and soil geochemical surveys in 1987, in addition to 975 metres of trenching. Placer Dome Inc. completed additional geophysical surveys and excavated eight trenches totalling 481 metres in 1989.

ELK (NORTH SHOWING) prospect (Intrusion-related Au pyrrhotite veins; Au-quartz veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE281

Six kilometres east

The showing was discovered by Fairfield Minerals Ltd. in 1986 after hand trenching in an area of abundant quartz float. The company conducted various geophysical, geological and soil geochemical surveys in 1987, in addition to 553 metres of trenching. Additional geophysical surveys were completed over the showing by Placer Dome Inc. in 1989.

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

MINFILE 092HNE295

Seven kilometres east

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.

GEOLOGY MAP LEGEND

Pleistocene to Recent

PIRa1

Unnamed alluvial till

PIRvk

Unnamed alkalic volcanic rocks

Upper Triassic

Eastern Volcanic Facies

uTrNE

lower amphibolite/kyanite grade metamorphic rocks

uTtNsf

mudstone, siltstone, shale, fine clastic sedimentary rocks

uTrNMI

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

History: Property & Area (cont'd)

Area (cont'd)

ELUSIVE showing (Intrusion-related Au pyrrhotite veins; Au-quartz veins)

MINFILE 092HNE293

Four kilometres east

The showing was initially trenched by Fairfield Minerals Ltd. in 1988 after detecting a gold soil anomaly over the occurrence in 1987. The trenches were resampled by Placer Dome Inc. in 1989.

KING 6, KING showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE297

12 kilometres east

The showing was sampled by Kingsvale Resources Inc. in 1991.

History: Property & Area (cont'd)

KING 8, KING showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE298

13 kilometres east

The showing was sampled by Kingsvale Resources Inc. in 1991.

KING, KING 8 showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE299

12 kilometres east

The showing was sampled by Kingsvale Resources Inc. in 1991.

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 lithochemistry and by major fault systems. Variation from calc-alkaline to shoshonitic 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: PROPERTY

As indicated by the BC government supported MapPlace geological maps, the Property predominantly is underlain by the upper Triassic Nicola Group of basaltic volcanic rocks (uTrNE). A succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (UTrNsf) infringes into the Property from the north and from the south. An intrusive stock of late Triassic to early Jurassic granodiorite (uTrJgd) is partly covered by the Property along the western-central side.

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 3) are reported as follows.

ANNIE OAKLEY, WART showing (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE029

Seven kilometres east

This showing is hosted in variably silicified andesite of the Upper Triassic Nicola Group, 1.2 kilometres northwest of the Middle Jurassic Osprey Lake batholith.

The andesite is cut by a fault zone (Annie Oakley fault), striking 130 degrees and dipping 20 degrees south. This fault is possibly a splay off the Brew fault (see Brew, 092HNE275), 1.35 kilometres northwest. The zone is strongly clay altered and occasionally cut by quartz veins up to 6 centimetres wide. Trace to 1 per cent fine-grained pyrite is present within the fault.

EL PASO prospect (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE 030

Three kilometres east

Two adits expose a vein of banded quartz, 0.46 to 1.2 metres wide, in andesite of the Upper Triassic Nicola Group, 300 metres northwest of the contact with granite and granodiorite of the Middle Jurassic Osprey Lake batholith. The vein strikes 040 to 065 degrees and dips 40 to 65 degrees southeast. It has been traced in the two adits over a strike length of 24 metres and downdip for 34 metres.

ELK (END ZONE) prospect (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE041

Six kilometres east

The Elk (End Zone) prospect is hosted in the northwestern margin of the Middle Jurassic Osprey Lake batholith, about 1300 metres southeast of andesitic volcanics of the Upper Triassic Nicola Group. Near the occurrence the intrusion is cut by a few feldspar porphyritic dikes and plugs of the early Tertiary Otter intrusions.

Trenching uncovered two zones of quartz veining in weak propylitic-altered quartz monzonite. The southern vein system contains quartz veins 1 to 20 centimetres wide in a 2 to 3-metre wide zone of shearing and moderate to strong argillic and phyllic (sericitic (?)) alteration. The zone strikes northeast for 190 metres and dips approximately 55 degrees southeast. Attitudes of individual veins vary along the strike of the zone. To the east, veins strike 065 degrees and dip 80 degrees south. This attitude gradually changes along the zone to the west, where the veins strike 045 degrees and dip 65 degrees south. The main 20-centimetre wide vein is more or less continuous and has numerous splays along shears, especially to the east. The zone is cut by a 1.5-metre wide zone of intense argillic alteration and shearing, which displaces the western half northward by 3 metres. A 10 to 30-centimetre wide andesitic dike occurs 2 metres south of the mineralized structure, over part of its strike length.

Geology: Property Area (cont'd)

TOE prospect (Volcanic redbed Cu; Alkalic porphyry Cu-Au)

MINFILE 092HNE060

Seven kilometres east

The Toe occurrence consists of minor copper mineralization located sporadically in the area between Paradise and Boot lakes, 21 kilometres northeast of the community of Missezula Lake. This area lies 18 kilometres east of the historical Aspen Grove copper camp, between Merritt and Princeton.

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 volcanoclastic rocks and volcanic flows (Bulletin 69; Geological Survey of Canada Map 41-1989). Exposure is limited in the Paradise and Boot lakes 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.

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, carbonated 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)

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

MINFILE 092HNE096

Seven kilometres east

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.

SIWASH prospect (Alkalic porphyry Cu-Au; Cu skarn)

MINFILE 092HNE111

Two kilometres east

Two significant copper showings occur immediately north and south of an elongate, northwest-trending body of diorite up to 400 metres wide, in andesite of the Upper Triassic Nicola Group. This intrusion may be one of a number of monzonitic to dioritic bodies of Late Triassic to Early Jurassic age that are thought to be comagmatic with the Nicola Group.

LATE showing (Volcanic redbed Cu)

MINFILE 092HNE133

Enclosed by the Property

This occurrence is hosted in massive red andesitic breccia, near the contact with massive green andesitic breccia and lithic tuff of the Upper Triassic Nicola Group.

SHRIMPTON CREEK PLACER past producer (Surficial placers)

MINFILE 092HNE180

Enclosed by the Property

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.

ELUSIVE showing (Intrusion-related Au pyrrhotite veins; Au-quartz veins)

MINFILE 092HNE293

Four kilometres east

The Elusive Creek occurrence is hosted andesitic volcanics of the Upper Triassic Nicola Group (Eastern volcanic facies), about 250 metres west of the Middle Jurassic Osprey Lake batholith

Geology: Property & Area (cont'd)

DUCHESS showing (porphyry Cu +/-Mo+-Au)

MINFILE 092HNE137

Seven kilometres east

The Duchess 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 area of the Duchess occurrence straddles the contact between the Eastern belt or facies of the Nicola Group, which is characterized by submarine volcanoclastic rocks and volcanic flows, and the Osprey Lake batholith to the east (Bulletin 69; Geological Survey of Canada Map 41-1989). The volcanics generally consist of augite porphyritic andesitic or basaltic flows and lapilli tuffs, and are accompanied by diorite and minor argillaceous sedimentary rocks (Assessment Reports 4525, 18041, 20994). The Osprey Lake batholith is a large, composite, locally megacrystic granite to granodiorite intrusion of Middle Jurassic age (Geological Survey of Canada Paper 91-2, page 95).

The Duchess occurrence is on the northwestern margin of the batholith, which in this area consists of hornblende biotite granodiorite with a weak foliation parallel to its margin (Assessment Report 4525). The adjacent andesitic volcanics have been contact metamorphosed and hydrothermally epidotized, with minor secondary carbonate (Assessment Report 4525).

ELK (SOUTH SHOWING) prospect (Au-quartz veins; Polymetallic veins Ag-Pb-Zn+/-
Au)

MINFILE 092HNE261

Six kilometres east

The Elk (South Showing) is hosted in the northwestern margin of the Middle Jurassic Osprey Lake batholith, about 250 metres east of andesitic volcanics of the Upper Triassic Nicola Group. The intrusion is cut by andesitic dikes of Tertiary age (?) in the vicinity of the showing.

Trenching over an 800 by 300 metres area has intersected a zone of erratic quartz veining in altered granite, in association with breccia or intensely argillic-altered andesite dikes.

One prominent zone of mineralization consists of a breccia zone containing rounded fragments of granite and andesitic volcanics in a clay-altered matrix. The zone trends 060 degrees, similar to the andesite dikes. A series of quartz veins, 0.5 to 3 centimetres wide and striking 060 to 065 degrees, follows the northern contact of the breccia. The veins contain up to 10 per cent pyrite and variable (usually less than 1 per cent), chalcopyrite, sphalerite and galena. Panel sampling analyses indicates the breccia-hosted zone of veining averages 3.36 grams per tonne gold over a width of 12.0 metres for a strike length of 34 metres (Assessment Report 19835, page 41).

Additional quartz veining is evident in the area of trenching. The veins are typically accompanied by halos of weak to strong argillic alteration and yellow-orange iron sulphate (?) staining

Geology: Property & Area (cont'd)

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

MINFILE 092HNE275

Six kilometres east

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 (NORTH SHOWING) prospect (Intrusion-related Au pyrrhotite veins; Au-quartz veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE281

Six kilometres east

The Elk (North Showing) is hosted in the northwestern margin of the Middle Jurassic Osprey Lake batholith, about 200 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 showing.

Trenching has uncovered a quartz vein cutting granite and andesitic dikes. It strikes 055 degrees for 78 metres and averages 25 centimetres wide. Vein widths vary from 15 to 80 centimetres due to structural deformation.

Geology: Property & Area (cont'd)

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

MINFILE 092HNE295

Seven kilometres east

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.

KING 6, KING showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE297

12 kilometres east

A drusy quartz vein, 10 centimetres wide, cuts coarse-grained, feldspar megacrystic granite of the Middle Jurassic Osprey Lake batholith.

KING 8, KING showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE298

13 kilometres east

A shear zone, 70 centimetres wide, cuts coarse-grained, phyllic (sericitic (?))-altered granite of the Middle Jurassic Osprey Lake batholith, near an andesitic dike. The showing is approximately 100 metres south of the contact with andesitic ash and lapilli tuff of the Upper Triassic Whistle Creek Formation (Nicola Group).

KING, KING 8 showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE299

13 kilometres east

A quartz vein, 1 centimetre wide, cuts bleached, pyritic andesitic ash tuff of the Upper Triassic Whistle Creek Formation (Nicola Group).

MINERALIZATION: PROPERTY AREA

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

ANNIE OAKLEY, WART showing (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE029

Seven kilometres east

A sample of chips from a 2-centimetre wide drusy quartz vein, associated with a narrow clay shear, assayed 2.43 grams per tonne gold, 38.1 grams per tonne silver, 0.27 per cent copper and 1.71 per cent arsenic (Assessment Report 21922, page 9, Table 2, sample WART-R2). Two other samples of quartz vein material, containing scattered grains and bands of galena and sphalerite, assayed 1.17 to 2.23 grams per tonne gold, 264.7 to 1046 grams per tonne silver, 0.15 to 0.53 per cent lead, 0.92 per cent zinc and 0.38 to 0.82 per cent arsenic (Assessment Report 21922, page 9, Table 2, samples WART-R1, WART-R3). A bulk sample yielded 1.2 grams per tonne gold and 0.7 gram per tonne silver (Assessment Report 20994, page 10, sample 16961).

EL PASO prospect (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE 030

Three kilometres east

The wallrock is brecciated and carbonatized, and the vein itself is brecciated and healed with calcite veinlets. Mineralization consists of arsenopyrite, pyrite, sphalerite and galena.

Two parallel, vein-like zones of silicification and pyritization were intersected in one adit and a drillhole 30 metres south of the quartz vein. The two zones are 6 metres apart and 3 to 6 metres wide.

ELK (END ZONE) prospect (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE041

Four km south

Quartz veins of the southern zone are mineralized with pyrite (up to 20 per cent), galena (up to 10 per cent) and lesser sphalerite, chalcopyrite, tetrahedrite and arsenopyrite. The surrounding altered intrusive contains up to 5 per cent pyrite. Sulphides are lacking in the northern zone of quartz stringers. A section of the southern zone analysed 2.49 grams per tonne gold over a true width of 2.0 metres and a strike length of 40 metres, based on 32 panel and chip samples (Assessment Report 22368, page 39 trench SL91-4). Individual panel samples assayed up to 13.82 grams per tonne gold over a true width of 0.42 metre (Assessment Report 22368, page 4, trench SL91-4). Silver to gold ratios are elevated, similar to the Elk (Lake zone) occurrence to the north.

Mineralization: Property Area (cont'd)

TOE prospect (Volcanic redbed Cu; Alkalic porphyry Cu-Au)

MINFILE 092HNE060

Seven kilometres east

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

Seven 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.

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.

Mineralization: Property Area (cont'd)

ELK Past Producer (cont'd)

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.

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 down-dip. 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.

Mineralization: Property & Area (cont'd)

ELK Past Producer (cont'd)

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	28,200 tonnes at
	50.2 g/t gold	26.6 g/t gold
Possible (undiluted)	50,260 tonnes at	66,400 tonnes at
	42.0 g/t gold	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 down dip 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).

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.

Mineralization: Property & Area (cont'd)

ELK Past Producer (cont'd)

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.

SIWASH prospect (Alkalic porphyry Cu-Au; Cu skarn)

MINFILE 092HNE111

Two kilometres east

The northernmost showing consists of chalcopyrite pods, veinlets and disseminations in skarn-altered andesite over an area 120 metres long and 50 metres wide. Some pyrite and malachite accompany this mineralization. Secondary minerals include epidote, albite, chlorite, garnet and actinolite. A channel sample assayed 0.42 per cent copper over 21.3 metres (Assessment Report 5547, page 8).

The second showing is 460 metres south-southwest, in albitized and slightly silicified andesite. Mineralization consists of chalcopyrite, mostly as disseminations, but also as veinlets, over a 36 by 20 metre area. The showing is intruded by a pinkish monzonite dike containing pyrite and sparse chalcopyrite. A channel sample assayed 0.43 per cent copper over 9.1 metres (Assessment Report 5547, page 8). A sample of a 0.3-metre section of black gouge in a northeast-striking shear zone assayed 0.4 per cent copper (Assessment Report 5547, page 9). Chalcocite and magnetite are reported to accompany mineralization in one or both showings.

Several other occurrences are found in the vicinity. Minor chalcopyrite is hosted in sheared andesite and is disseminated in weakly chloritized andesite.

Mineralization: Property & Area (cont'd)

LATE showing (Volcanic redbed Cu)

MINFILE 092HNE133

Enclosed by the Property

Chalcocite and rarer bornite occur in north-trending fracture zones, and less commonly as disseminations, over an area 240 metres long and 120 metres wide. Stringers of epidote, calcite and specular hematite are associated with the chalcocite and bornite. Malachite usually accompanies this mineralization. A sample with traces of chalcocite and malachite analysed 0.024 per cent copper, 0.2 gram per tonne silver and less than 0.001 gram per tonne gold over 1.0 metre (Assessment Report 10448, geology map, sample 1). A second grab sample from a pit excavated in a shear with malachite staining, 150 metres northwest of sample 1, analysed 0.0082 per cent copper, 2.4 grams per tonne silver and 0.001 gram per tonne gold (sample 2).

DUCHESS showing (Porphyry Cu+/-Mo+-Au)

MINFILE 092HNE137

Seven kilometres east

This alteration zone is mineralized with pyrrhotite and minor chalcopyrite, which are disseminated in the volcanics or localized in fractures. Locally pyrrhotite forms aggregates between 2 and 5 centimetres across. The chalcopyrite is erratic in its distribution and is generally weak. Pyrite was not recorded.

Strongly altered fault zones, with gold and silver mineralization, occur immediately north of the Duchess occurrence in the Wart claim group (see Annie Oakley (092HNE029) and Brew (092HNE275)).

SHRIMPTON CREEK PLACER past producer (Surficial placers)

MINFILE 092HNE180

Enclosed by the Property

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.

ELK (SOUTH SHOWING) prospect (Au-quartz veins; Polymetallic veins Ag-Pb-Zn+/- Au)

MINFILE 092HNE261

Six kilometres east

One chip sample taken across a stockwork of quartz veins with 1 to 10 per cent disseminated pyrite and minor arsenopyrite and galena assayed 36.3 grams per tonne gold and 18.5 grams per tonne silver across 2.8 metres (Property File - Fairfield Minerals Ltd., 1987).

The granite itself hosts zones of strong, blue, clay alteration containing fine disseminated pyrite. A chip sample taken across one such zone assayed 5.93 grams per tonne gold and 12.8 grams per tonne silver over 1.7 metres (Assessment Report 16644, page 13).

Mineralization: Property & Area (cont'd)

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

MINFILE 092HNE275

Six kilometres east

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).

ELK (NORTH SHOWING) prospect (Intrusion-related Au pyrrhotite veins; Au-quartz veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE281

Six kilometres east

The vein is comprised of medium to light grey quartz containing up to 20 per cent disseminated pyrite, and minor chalcopyrite and galena. A grab sample of quartz float with extensive pyrite boxworks assayed 297 grams per tonne gold and 489 grams per tonne silver (Assessment Report 16644, page 14). A chip sample assayed 8.71 grams per tonne gold and 43.9 grams per tonne silver across 1.10 metres (Assessment Report 16644, page 14). A few gold-bearing quartz stringers occur in the vicinity of the vein.

ELUSIVE showing (Intrusion-related Au pyrrhotite veins; Au-quartz veins)

MINFILE 092HNE293

Four kilometres east

Trenching immediately west of Elusive Creek, over an east-west distance of 230 metres, has uncovered a zone of granite and quartz monzonite dikes striking east-northeast, cutting porphyritic andesite. The dikes are silicified and show moderate epidote and potassic alteration. Andesitic dikes are also present.

Anomalous precious metal values have been detected in the granitic dikes. Best results have come from quartz veined or hematite-stained granite. Quartz veins are infrequent. Most strike southeast and average 2 centimetres thick. A chip sample taken across 0.8 metre of granite with a 1-centimetre wide quartz vein assayed 1.29 grams per tonne gold (Assessment Report 18511, page 25). A second sample taken across a small quartz mass in granite assayed 5.90 grams per tonne gold over 0.5 metre (Assessment Report 18511, page 17).

Elevated gold values are also present where the granite is strongly fractured and locally argillic altered. A sample of such granite assayed 2.83 grams per tonne gold over 1.0 metre (Assessment Report 18511, page 24).

Generally low gold values are present in the surrounding andesite. A sample of chlorite-altered andesite with trace chalcopyrite and magnetite assayed 0.93 gram per tonne gold over 0.5 metre (Assessment Report 18511, page 25).

Mineralization: Property & Area (cont'd)

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

MINFILE 092HNE295

Seven kilometres east

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).

KING 6, KING showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE297

12 kilometres east

The vein is mineralized with scattered blebs of chalcopyrite. A selected sample analysed 0.41 gram per tonne gold and 7.8 grams per tonne silver (Assessment Report 21922, page 9, Table 2, sample Q1b-R3).

KING 8, KING showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE298

13 kilometres east

A pyritic quartz-calcite vein/breccia is associated with the shear zone. A series of selected chips from the vein yielded 0.44 gram per tonne gold and 10.6 grams per tonne silver (Assessment Report 21922, page 9, Table 2, sample Q17-R2A).

KING, KING 8 showing (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE299

13 kilometres east

A sample of selected chips analysed 0.68 gram per tonne gold (Assessment Report 21922, page 9, Table 2, sample L89-R1D).

2009 LINEAMENT ARRAY ANALYSIS

Orthophoto maps obtained from MaPlace were utilized as the base map for the lineament array analysis on Tenure 589854. The analysis was accomplished using a stereographic projection viewing of the maps and marking the lineaments on an overlay. A total of 198 lineaments were marked (Figure 4), compiled into a 10 degree class interval, and plotted as a rose diagram as indicated on Figure 5.

Figure 4. Indicated Lineaments on Tenure 589584

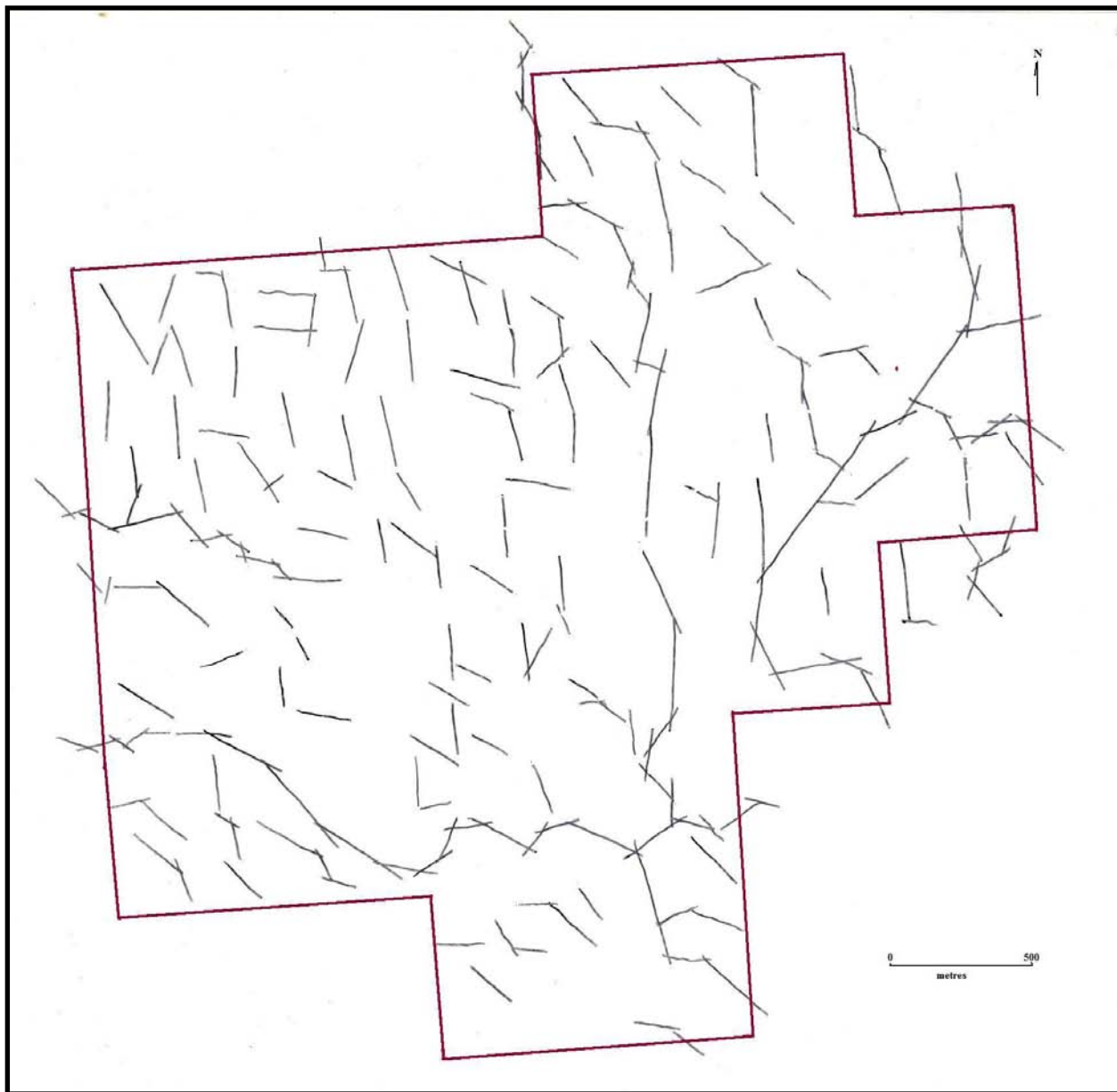
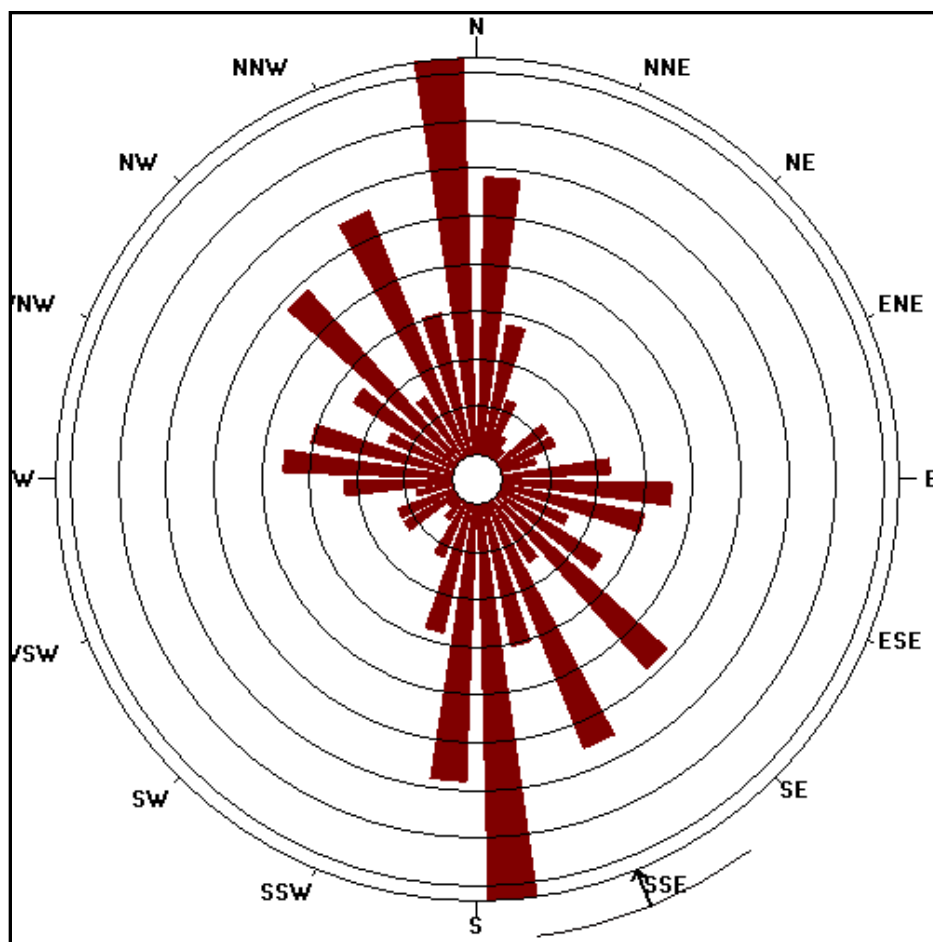


Figure 5. Rose Diagram from lineaments of Figure 4.



No. of Data = 198

Sector angle = 10°

Scale: tick interval = 3% [5.9 data]

Maximum = 16.7% [33 data]

Mean Resultant dir'n = 158-338

[95% Confidence interval = $\pm 14^{\circ}$]

INTERPRETATION

The lineament array analysis on Tenure 589584 of the Toni 589584 Victory Resources property (Property) indicates dominant northerly, with subordinate northwesterly, trending structures which could be primary mineral controlling structures in this general area.

The Property area structures may be influenced by the major north trending Kentucky-Alleyne fault system to the west where numerous mineral prospects are hosted by northerly trending structures as opposed to the mineral controlling easterly trending structures east of the property hosted by easterly trending structures possibly influenced by the intrusive (mJgr) seven kilometres to the east.

Excluding other variable geological conditions, the structures are essential in the localization of potentially economic quartz vein hosted mineralization within the Nicola volcanics on the Property. Other mineral deposit types such as skarn or porphyry mineralization are evident from the prospects as indicated by the Minfile reports included herein.

Respectfully submitted
Sookochoff Consultants Inc.



Laurence Sookochoff, P.Eng

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MtOnline - MINFILE downloads.

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STATEMENT OF COSTS

Lineament Array Analysis: L.Sookochoff, 2 days @ \$750./day	1,500.00
Maps -----	1,500.00
Report -----	<u>3,500.00</u>
	\$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-three 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 Toni Property since 2006.
- 5) I have no interest in the Property as described herein.
- 6) I am a director of Victory Resources Corporation.



Laurence Sookochoff, P. Eng.

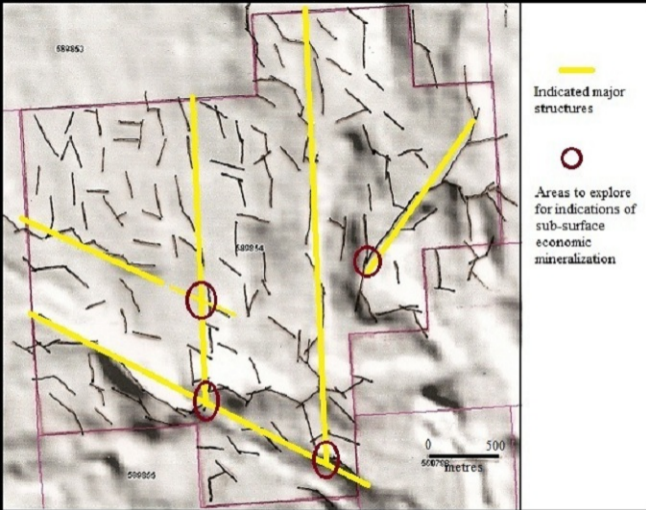


Figure 6. INDICATED MAJOR STRUCTURES