

VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL ASSESSMENT REPORT

(Event 4454270)
on a

STRUCTURAL ANALYSIS

Work done from January 7, 2010 to January 11, 2010 on

Tenure 589878

of the 12 Tenure

Toni 589878 Claim Group

of the

TONI PROPERTY

Nicola Mining Division

BCGS Map 092H.088/.089

Centre of Work

5,527,800N, 682,500E

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BC Geological Survey
Assessment Report
31592

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SUMMARY

The 12 claim Toni 589878 claim group of the TONI property covers an area of 6020 hectares located 200 kilometres northeast of Vancouver, 30 kilometres southwest of Merritt, six kilometres west of the past productive Elk/Siwash (*MINFILE 092HNE096*) property, and eight kilometres southeast of the past productive Big Sioux and in south-central British Columbia.

Production from the Elk/Siwash, 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 Big Sioux is hosted by north striking tilted fault block units of the Nicola Group which were subjected to extensive fracturing, shearing, and faulting.

As indicated by the BC government supported MapPlace geological maps, the Toni 589878 property is predominantly underlain by the upper Triassic Nicola Group of basaltic volcanic rocks (*uTrNE*) in contact with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (*UTrNsf*) which infringes into the Property in the southeast. An intrusive stock of late Triassic to early Jurassic granodiorite (*uTrJgd*) infringes into the Property along the central southwest.

The lineament array analysis on Tenure 589878 of the Toni 589878 property indicates predominant northerly structures, with subordinate east-west, northwest, and northeast structures which could be primary controlling structures to mineralization in this general area.

The northerly 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 east-west structures of the HN-WEN, and the northeasterly structures of the Elk hosted by structures possibly influenced by intrusives.

Thus, in general principles, any of the directional structures on Tenure 589878 are potentially favorable hosts to mineralized zones giving due consideration to the time of structural generation, access of mineralizing fluids to structures, pre or post mineral structures, and other pertinent structural/mineral fluid features which would be a study in itself.

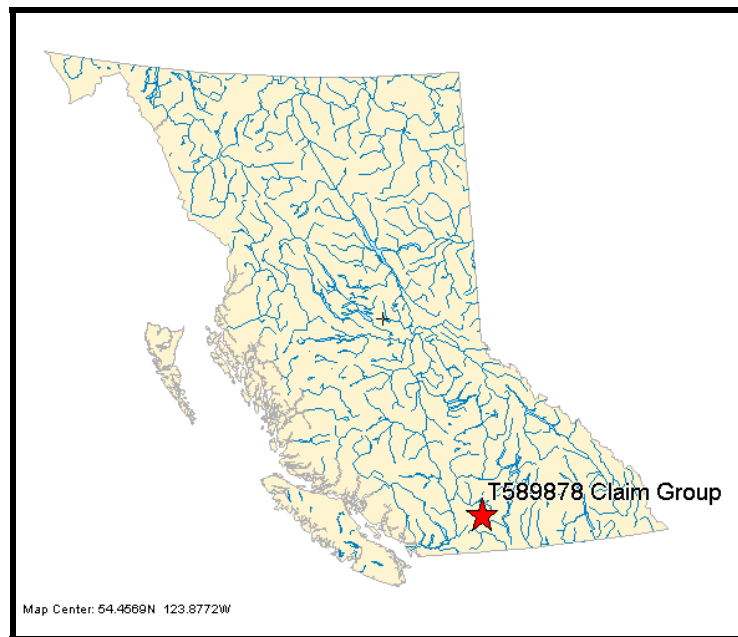
On Tenure 589878 the three prime exploration locations designated as areas to explore for indications of sub-surface mineralization (Figure 4), are specific areas of major or principal structural intersections; structures which are of a magnitude, or of a proximal mineral source, that may have tapped and provide surface access, "surface seepage" from a deep rooted source.

INTRODUCTION

In January, 2010 a Lineament Array Analysis was completed Tenure 589878 of the 12 claim Toni 589878 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 589878 or other claims of the Toni 589878 claim group.

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

Figure 1. Location Map



PROPERTY DESCRIPTION AND LOCATION

The Property is comprised of 12 claims covering an area of 6020.2195 hectares. Particulars are as follows:

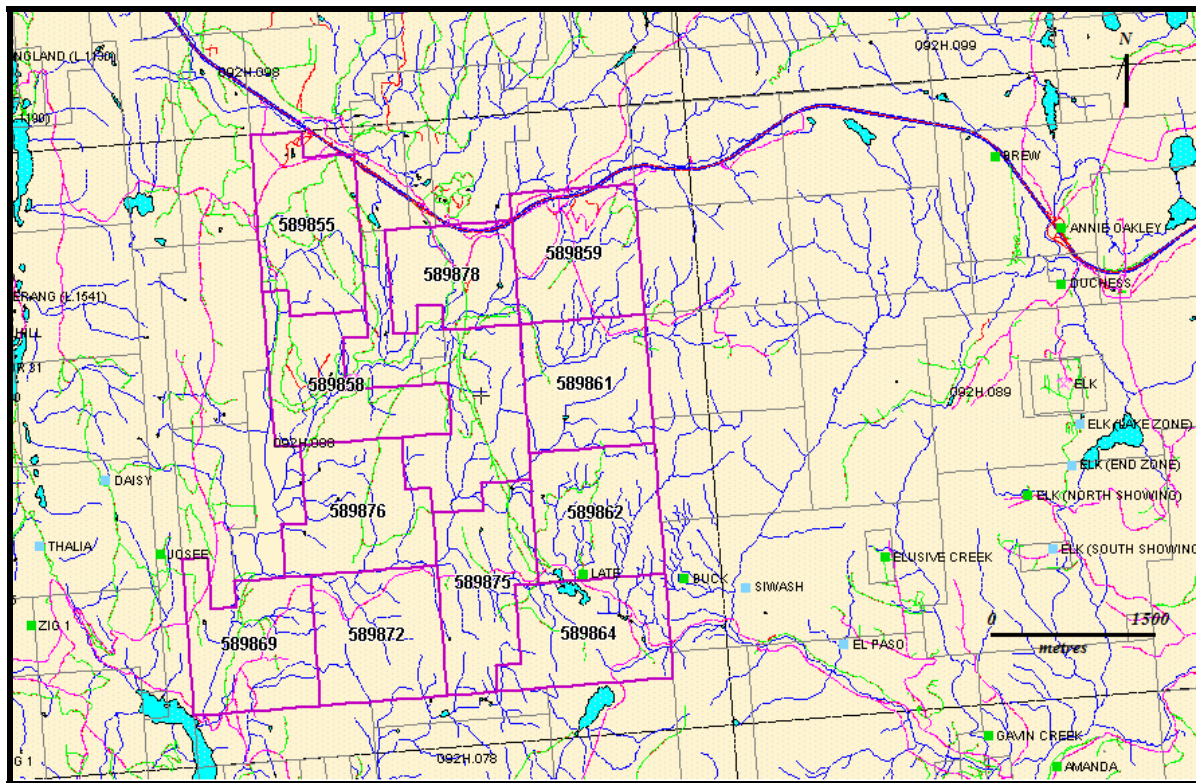
<u>Tenure Number</u>	<u>Type</u>	<u>Claim Name</u>	<u>Good Until</u>	<u>Area (ha)</u>
587877	Mineral	A20	20090709	415.6804
589878	Mineral	TONI 6	20120705	520.4448
589858	Mineral	TONI 7	20120705	520.72
589859	Mineral	TONI 8	20120705	520.5291
589861	Mineral	TONI 9	20120705	520.7518
589862	Mineral	TONI 10	20120705	520.9741
589864	Mineral	TONI 11	20120705	521.1766
589869	Mineral	TONI 12	20120705	521.1597
589872	Mineral	TONI 13	20120705	521.151
589875	Mineral	TONI 14	20120705	521.0765
589876	Mineral	TONI 15	20120705	520.9397
589878	Mineral	TONI 17	20120705	395.6158

Total Area: 6020.2195 ha

*Upon the approval of the assessment work filing, Event Number 4454270.

The Property is located within BCGS Map 092H.098 of the Nicola Mining Division, 200 direct kilometres from Vancouver, 30 direct kilometres from Merritt and seven kilometres east-northwest of the ELK (Siwash) past productive deposit of Fairfield Minerals Ltd. The centre of the work area is at 5,527,800N, 682,500E (NAD 83).

Figure 2. Claim 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 30 kilometres to the northern portion of the Property.

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.

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 three hours distant by road and less than one hour by air from Kamloops.

HISTORY: PROPERTY & AREA

The MINFILE descriptions as reported on herein were selected for potential geology and mineralization as may occur on the Toni 5898878 claim group (Property).

The history on some of the more significant mineral *MINFILE* reported showings, prospects, and past producers on the Property and peripheral to the Property (Figure 3) are reported as follows. The distance from the Property is relative to the claim, Tenure 589878, which is the subject of the structural analysis.

Property

LATE showing (Volcanic redbed Cu)

MINFILE 092HNE133

On Tenure 589878 Property; 7.5 kilometres south of Tenure 589878

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.

Area

MAL prospect (Cu skarn; Fe skarn; Au skarn)

MINFILE 092HNE002

Six kilometres north

Initial work consisted of diamond drilling and trenching in the early 1960s on the main showing (Malachite 1, 2 and Chalcocite 1, 2 claims), on which the occurrence is centred.

HN-WEN prospect (Volcanic redbed Cu)

MINFILE 092HNE058

Four kilometres north

Adits and trenches were initially cut around 1900; later work included diamond drilling and trenching in the 1960s and 1970s.

BIG SIOUX past producer (Volcanic redbed Cu; Alkalic porphyry Cu-Au)

MINFILE 092HNE073

Eight kilometres northwest

This deposit was one of the first showings to be explored in the Aspen Grove copper camp. It was staked in 1899, and investigated periodically by H.H. Schmidt up to 1914. One shaft, 10 metres deep, an adit, 46 metres long, and numerous pits and trenches were excavated during this time. Forty-four tonnes of ore were shipped in 1918 grading 9.78 per cent copper and 67.9 grams per tonne silver. David Minerals Ltd., Amax Exploration Inc. and Norranco Mining and Refining completed soil and rock geochemical and geophysical surveys over the deposit between 1968 and 1978. The occurrence was restaked in 1989 after copper mineralization was exposed in a roadcut along the north side of the recently completed Coquihalla Highway (Phase 3 - Okanagan Connector). The deposit was subsequently mapped and sampled by Amex Exploration Services Ltd. in 1990, Northair Mines Ltd. in 1991 and Placer Dome Inc. in 1992.

Christopher James Gold Corp. drilled the area, including the Big Kidd (092HNE074) in 1997.

History: Property & Area (cont'd)**Area (cont'd)****BIG KIDD prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)***MINFILE 092HNE074**Seven kilometres northwest*

This occurrence was first explored by H.H. Schmidt, with the excavation of several trenches and one adit, 69 metres long, between 1900 and 1915. An additional three adits, 12 to 90 metres long, were excavated some time between 1916 and the 1950s. The deposit was trenched and drilled by Noranda Mines Ltd. in 1956 after completing geological and geophysical surveys. Additional geophysical and soil geochemical surveys were carried out by Norranco Mining and Refining in 1969 and Amax Exploration Inc. in 1971. Amax also mapped and drilled the deposit in 1972. David Minerals Ltd. conducted geological and self potential surveys, trenching and 112 metres of diamond drilling in three holes between 1975 and 1980. The deposit was sampled by Northair Mines Ltd. in 1991 and Placer Dome Inc. in 1992. Drilling by Placer intersected 71 metres averaging 0.75 gram per tonne gold and 0.2 per cent copper in the north zone of the Big Kidd breccia.

Christopher James Gold Corp. drilled 10 holes, totalling 2074 metres in 1997. A 116-metre intersection graded 0.801 grams per tonne gold and 0.124 per cent copper, including a higher grade section of 19.46 metres grading 3.09 grams per tonne gold and 0.113 per cent copper (Exploration in B.C. 1997, page 38). This intersection is from the North zone. The Southwest zone, 350 metres to the south, and the Northeast zone also contained mineralization.

The next program by Christopher James Gold was a 2 staged drilling program completed during the fall in 1999. This program drilled a fan of three holes to the southwest and one parallel hole along the Big Kidd Breccia north contact. All four 1999 holes intersected significant lengths of gold-copper mineralized intrusion breccia with late porphyritic monzonite dyke and potassic (K-feldspar) alteration zones.

In 2003, Christopher James Gold Corp. drilled 9 holes and dug three trenches to test alkalic porphyry hosted by the Big Kidd breccia. Broad intervals of low-grade mineralization were encountered.

PAYCINCI prospect (Volcanic redbed Cu)*MINFILE 092HNE084**Six kilometres west-northwest*

The Cincinnatti deposit was first explored by the Bates brothers in the early 1900s. A number of trenches, and one adit 120 metres long, were excavated between 1899 and 1913. Payco Mines Ltd. and Alscope Consolidated Ltd. conducted geological and geophysical surveys, trenching and diamond and percussion drilling between 1963 and 1967. An additional 15 holes totalling 1000 metres were drilled by Gold River Mines and Enterprises Ltd. in 1973 and Sienna Developments Ltd. in 1979. The deposit was most recently sampled by Pacific Copperfields Ltd. in 1992.

In 1998, Christopher James Gold Corp. optioned the property. Reserves are estimated at 1.8 million tonnes grading 1 per cent copper (Tom Schroeter, 1998).

TOMCAT prospect (Volcanic redbed-Cu; Subvolcanic-Cu-Ag-Au (As-Sb); Porphyry Mo (Low F-type)*MINFILE 092HNE086**Six kilometres west*

The occurrence was initially prospected and trenched by W. Murray between 1906 and 1913. Pyramid Mining Company Ltd. drilled 13 holes totalling 1042 metres in 1965.

History: Property & Area (cont'd)**Area (cont'd)****DAISY prospect (Volcanic redbed-Cu)***MINFILE 092HNE091**Four kilometres southwest*

This deposit was first explored in 1915, when several trenches and a 3-metre long adit were excavated. Cominco conducted diamond drilling and trenching in 1979. One intersection returned 0.14 per cent copper over 32 metres. J.M. Murphy completed soil and geological surveys in 1983 and 1984. Unuk Gold Corp. worked the property in 1997.

ELK past producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn*+/-Au; Au-quartz veins)**MINFILE 092HNE096**Six kilometres east-northeast*

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.

BUCK showing (Volcanic redbed Cu; Porphyry Cu +/- Mo +/- Au)*MINFILE 092HNE134**Four kilometres southeast*

The showing was explored by Great Plains Development Company of Canada Ltd. in 1972 and 1973.

SHRIMPTON CREEK PLACER past producer (Surficial placers)*MINFILE 092HNE180**Adjacent to Property*

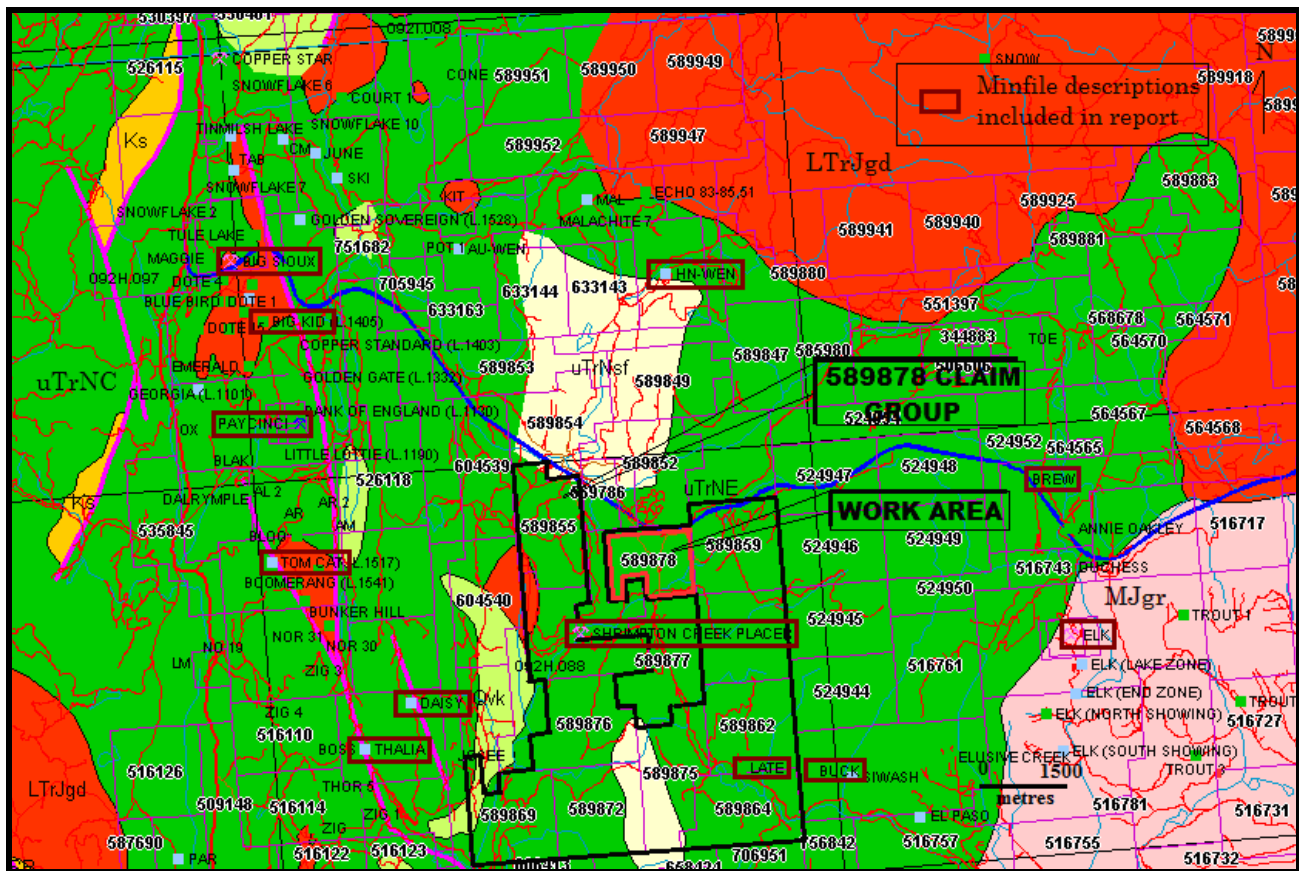
The creek was worked by F. Keeling in 1939, between 6.4 and 8 kilometres above Missezula Lake.

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 the 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.

Figure 3. Property, Index, Geology, & Minfile



GEOLOGY: PROPERTY

The Property is situated within the eastern belt of the Nicola Group which is in a fault contact with the central belt of the Nicola Group. The fault is the northerly striking Kentucky-Alleyne fault zone and is within five kilometres west of the 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*) in contact with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (*UTrNsF*) which infringes into the Property from the south. An intrusive stock of late Triassic to early Jurassic granodiorite (*uTrJgd*) infringes into the Property along the central-west Property boundary.

GEOLOGY MAP LEGEND

Pleistocene to Recent

PIRa1

Unnamed alluvial till

PIRvk

Unnamed alkalic volcanic rocks

Upper Triassic

Eastern Volcanic Facie

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

GEOLOGY: PROPERTY & AREA

The MINFILE descriptions as reported on herein were selected for potential geology and mineralization as may occur on the Toni 5898878 claim group (Property).

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:

The MINFILE descriptions as reported on herein were selected for potential geology and mineralization as may occur on the Toni 5898878 claim group (Property).

GEOLOGY: PROPERTY & AREA**Property**

LATE showing (Volcanic redbed Cu)

MINFILE 092HNE133

On Tenure 589878 Property; 7.5 kilometres south of Tenure 589878

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.

Area

MAL prospect (Cu skarn; Fe skarn; Au skarn)

MINFILE 092HNE002

Six kilometres north

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 volcanoclastic 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).

GEOLOGY: PROPERTY & AREA (cont'd)**HN-WEN prospect** (Volcanic redbed Cu)

MINFILE 092HNE058

Four kilometres north

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).

BIG SIOUX past producer (Volcanic redbed Cu; Alkalic porphyry Cu-Au)

MINFILE 092HNE073

Eight kilometres northwest

The Fairweather Hills region is underlain by the Central volcanic facies of the Upper Triassic Nicola Group, comprising intermediate, feldspar and feldspar augite porphyritic pyroclastics and flows, and associated alkaline intrusions. The intrusions vary from diorite to monzonite in composition and are thought to be comagmatic with the Nicola Group, ranging in age from Late Triassic to Early Jurassic.

Locally, the area is underlain by red and green laharic breccias, augite andesite porphyry and minor sediments of the Nicola Group (Central belt, Bulletin 69). The units generally strike north-northwest and dip east. This sequence is broken up into a series of tilted fault blocks trending north.

The occurrence is hosted in variably amphibole, augite and feldspar porphyritic basaltic andesite, subjected to extensive fracturing, shearing and faulting. Alteration minerals include abundant epidote, and minor silica and chlorite. Some microdiorite and diorite are also present.

BIG KIDD prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)

MINFILE 092HNE074

Seven kilometres northwest

The deposit is located along the northern margin of an area of hilly upland situated in the centre of the Aspen Grove copper camp, known as the Fairweather Hills. The Fairweather Hills region is underlain by the Central volcanic facies of the Upper Triassic Nicola Group, comprising intermediate, feldspar and feldspar augite porphyritic ash flows, and associated alkaline intrusions. The intrusions vary from diorite to monzonite in composition and are thought to be comagmatic with the Nicola Group, ranging in age from Late Triassic to Early Jurassic.

Locally, the area is underlain by red and green laharic breccias, augite andesite porphyry and minor sediments of the Nicola Group (Central belt, Bulletin 69). The units generally strike north-northwest and dip east. This sequence is broken up into a series of tilted fault blocks trending north.

A vertical or subvertical breccia pipe, nearly circular in outline and about 300 metres wide, is developed in a body of fine-grained diorite, which may in part be recrystallized volcanics. The pipe consists of angular to subrounded clasts of volcanics, fine-grained diorite (microdiorite) and pinkish grey monzonite and syenomonzonite porphyry in a matrix of altered diorite intrusive material and finely comminuted rock. The fragments are 1 centimetre to several metres in diameter. Parts of the breccia, especially on the north and east sides of the pipe, show extensive late magmatic and/or hydrothermal alteration and recrystallization. Breccia clasts in these areas have pronounced grey and pinkish grey alteration rims, and the matrix is extensively replaced by epidote, chlorite and calcite.

GEOLOGY: PROPERTY & AREA (cont'd)**Area** (cont'd)**PAYCINCI** prospect (Volcanic redbed Cu)

MINFILE 092HNE084

Six kilometres west-northwest

The deposit is located in the southern portion of an area of hilly upland situated in the centre of the Aspen Grove copper camp, known as the Fairweather Hills. The Fairweather Hills region is underlain by the Central volcanic facies of the Upper Triassic Nicola Group, comprising intermediate, feldspar and feldspar augite porphyritic pyroclastics and flows, and associated alkaline intrusions. The intrusions vary from diorite to monzonite in composition and are thought to be comagmatic with the Nicola Group, ranging in age from Late Triassic to Early Jurassic.

Locally, the area is underlain by red and green laharic breccias, augite andesite porphyry and minor sediments of the Nicola Group (Central belt, Bulletin 69). The units generally strike north-northwest and dip east. This sequence is broken up into a series of tilted fault blocks trending north.

Hypogene and supergene copper mineralization occurs in green laharic breccia, near the contact with red laharic breccia to the east. This mineralization consists primarily of disseminated and fracture controlled chalcocite and native copper, accompanied by lesser malachite and azurite, and minor chalcopyrite, bornite, cuprite and pyrite. Drilling indicates chalcopyrite becomes more abundant at depth at the expense of chalcocite. This mineralization is exposed along the crest and east flank of a small northerly trending ridge, over a north-south distance of 400 metres.

TOMCAT prospect (Volcanic redbed-Cu; Subvolcanic-Cu-Ag-Au (As-Sb); Porphyry Mo (Low F-type))

MINFILE 092HNE086

Six kilometres west

This deposit is hosted in green laharic breccia or basaltic flow breccia near the contact with red laharic breccia of the Upper Triassic Nicola Group (Central belt, Bulletin 69). The unit strikes north-northwest and dips 60 degrees east. Massive basaltic flows outcrop to the northeast. Alteration of the breccia consists of some chloritization of olivine and pyroxene, and sericitization of feldspar.

DAISY prospect (Volcanic redbed-Cu)

MINFILE 092HNE091

Four kilometres southwest

A shear zone 20 to 30 metres wide, striking north-northwest and dipping steeply west, cuts massive green andesite and underlying coarse red volcanic breccia (lahar (?)) of the Nicola Group (Central belt, Bulletin 69). The volcanics strike 140 degrees and dip 35 degrees northeast. An elongate body of diorite occurs along a splay of the north-striking Kentucky-Alleyne fault system to the southeast.

ELK past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn

+/-Au; Au-quartz veins)

MINFILE 092HNE096

Seven kilometres east-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.

GEOLOGY: PROPERTY & AREA (cont'd)**Area** (cont'd)**BUCK** showing (Volcanic redbed Cu; Porphyry Cu+/- Mo+/- Au)

MINFILE 092HNE134

Four kilometres southeast

The Buck showing is hosted in altered volcanic breccias and flows of the Upper Triassic Nicola Group. Secondary minerals include pink feldspar, epidote and chlorite. The alteration is believed to be due to the emplacement of the nearby Middle Jurassic Osprey Lake batholith to the east (Assessment Report 4552).

SHRIMPTON CREEK PLACER past producer (Surficial placers)

MINFILE 092HNE180

Adjacent to 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.

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

MINFILE 092HNE275

Six kilometres east-northeast

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.

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 3 & 4) are reported as follows. The distance from the Property is relative to the claim, Tenure 589878, which was the subject of the structural analysis.

The *MINFILE* descriptions as reported on herein were selected for potential geology and mineralization as may occur on the Toni 5898878 claim group (Property).

LATE showing (Volcanic redbed Cu)***MINFILE 092HNE133***

On Tenure 589878 Property; 7.5 kilometres south of Tenure 589878

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).

Area***MAL prospect (Cu skarn; Fe skarn; Au skarn)******MINFILE 092HNE002***

Six kilometres north

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).

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).

Mineralization: Property Area (*cont'd*)**HN-WEN prospect** (*Volcanic redbed Cu*)*MINFILE 092HNE058**Four kilometres north*

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).

BIG SIOUX past producer (*Volcanic redbed Cu; Alkalic porphyry Cu-Au*)*MINFILE 092HNE073**Eight kilometres northwest*

Copper mineralization is exposed along a 300-metre long roadcut and in various old workings north of the roadcut, in an area 500 metres long and 300 metres wide. Mineralization consists primarily of pyrite and chalcopyrite, as disseminations, blebs, fracture fillings, and in calcite and epidote veins. Pyrite also forms thin bands, comprising up to 25 per cent of the hostrock. Malachite occurs along fractures in many surface exposures. Chalcocite forms fracture fillings in one prominent 1.8-metres wide shear zone, striking 075 degrees and dipping 75 degrees north. Minor bornite is also reported. One chip sample taken along the roadcut assayed 3.27 per cent copper, 14.45 grams per tonne gold and 34.1 grams per tonne silver over 10 metres (Assessment Report 20834, page 5). Channel sampling along a trench analysed 0.223 per cent copper, 0.106 gram per tonne gold and 1.26 grams per tonne silver over 27 metres (Assessment Report 7100, page 11, trench 4). A composite grab sample from the dump of a shaft, excavated in the chalcocite-bearing shear zone, assayed 12.6 per cent copper, 0.7 gram per tonne gold and 82 grams per tonne silver (Minister of Mines Annual Report 1901, page 1181).

Mineralization: Property Area (cont'd)**BIG KIDD** prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)

MINFILE 092HNE074

Seven kilometres northwest

Mineralization is erratic and consists of abundant magnetite, and pyrite, lesser chalcopyrite, and traces of bornite and chalcocite, as disseminations, lenses, scattered blebs and veinlets. Cuprite and native copper are also reported. This mineralization tends to favour the zones of alteration, but is not proportional to the intensity of alteration. The sulphides are in part controlled by zones of shearing and fracturing in the northeastern portion of the deposit. Limonite, malachite and azurite are present at or near surface. Pyrite occurs primarily as disseminations up to 5 millimetres in diameter. The mineral also occurs along fractures in association with chalcopyrite, orthoclase, quartz and/or carbonate. Chalcopyrite tends to be finely disseminated and is usually associated with magnetite, intimately associated with pyrite, and forms pseudomorphs after pyrite. Pyrite-chalcopyrite intergrowths are prevalent along fractures. Bornite is often found in magnetite-chalcopyrite blebs and veinlets, which often display epidote halos.

Copper content is quite variable, and precious metal values are low but anomalous. Channel sampling of an adit yielded 0.901 per cent copper, 0.141 gram per tonne gold and 13.66 grams per tonne silver over 14 metres (Assessment Report 7100, page 8, adit no. 1) Channel sampling of a trench, 90 to 190 metres west of the adit, yielded 0.237 per cent copper, 0.095 gram per tonne gold and 3.37 gram per tonne silver over 35 metres (Assessment Report 7100, page 9, trench no. 12). Trenching and sampling of the northern margin of the breccia pipe yielded gold values of up to 1.97 grams per tonne over 6 metres (Assessment Report 8743, Figure 3.)

PAYCINCI prospect (Volcanic redbed Cu)

MINFILE 092HNE084

Six kilometres west-northwest

Hypogene and supergene copper mineralization occurs in green laharic breccia, near the contact with red laharic breccia to the east. This mineralization consists primarily of disseminated and fracture controlled chalcocite and native copper, accompanied by lesser malachite and azurite, and minor chalcopyrite, bornite, cuprite and pyrite. Drilling indicates chalcopyrite becomes more abundant at depth at the expense of chalcocite. This mineralization is exposed along the crest and east flank of a small northerly trending ridge, over a north-south distance of 400 metres.

Drill indicated reserves are 54,000 tonnes grading 0.876 per cent copper (Assessment Report 7654, page 1). Precious metal values are generally low. Six rock samples analysed 1.1 to 2.4 per cent copper, 0.005 to 0.010 gram per tonne gold and 1.3 to 5.7 grams per tonne silver (Assessment Report 14108, Figure 5, samples 2051 to 2056). One chip sample taken along a trench yielded 0.89 per cent copper over 49 metres (George Cross News Letter No. 90 (May 8), 1992).

TOMCAT prospect (Volcanic redbed-Cu; Subvolcanic-Cu-Ag-Au (As-Sb); Porphyry Mo (Low F-type)

MINFILE 092HNE086

Six kilometres west

The laharic breccia is erratically mineralized with chalcocite, magnetite, bornite, chalcopyrite, native copper and hematite, as disseminations and fracture coatings. Trenching and diamond drilling has intersected this mineralization over a width of 30 metres and a depth of at least 45 metres. One drillhole analysed 0.32 per cent copper over 45.7 metres (Minister of Mines Annual Report 1965, page 157, hole 1). Two chip samples assayed 2.4 and 1.6 per cent copper over 2.1 and 3.0 metres respectively (Minister of Mines Annual Report 1913, page 223).

Mineralization: Property Area (cont'd)**DAISY prospect** (Volcanic redbed-Cu)

MINFILE 092HNE091

Four kilometres southwest

The shear zone is erratically mineralized with minor bornite and chalcocite smeared along fractures, over a strike length of 350 metres. Malachite and azurite occur frequently along fractures. Hematite and magnetite are also reported. This mineralization is best developed in the andesite. An overlying bed of volcanic sandstone is barren, while only minor amounts of mineralization are found in the breccia. Two samples taken over 4 metres yielded up to 11 grams per tonne silver, 1.07 per cent copper and trace gold (Assessment Report 12351, page 6). An additional chip sample assayed trace gold, 3.4 grams per tonne silver and 0.8 per cent copper over 9.1 metres (Minister of Mines Annual Report 1928, page 222). A sample of sorted ore assayed trace gold, 61.7 grams per tonne silver and 7.8 per cent copper (Minister of Mines Annual Report 1915, page 224).

A second area of copper mineralization occurs 400 metres south-southeast, where copper carbonates and sulphides are developed along fractures.

ELK past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn

+/-Au; Au-quartz veins)

MINFILE 092HNE096

Seven kilometres east-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.

Mineralization: Property Area (cont'd)**ELK Past Producer** (cont'd)

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.

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.

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.

Mineralization: Property Area (cont'd)**ELK Past Producer** (cont'd)

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.

BUCK showing (Volcanic redbed Cu; Porphyry Cu+/- Mo+/- Au)

MINFILE 092HNE134

Four kilometres southeast

Sporadic chalcopyrite mineralization, occasionally accompanied by pyrite and magnetite, is localized along fractures in a northeast- trending zone, 840 metres long and up to 270 metres wide.

SHRIMPTON CREEK PLACER past producer (Surficial placers)

MINFILE 092HNE180

Adjacent to 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.

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

MINFILE 092HNE275

Six kilometres east-northeast

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).

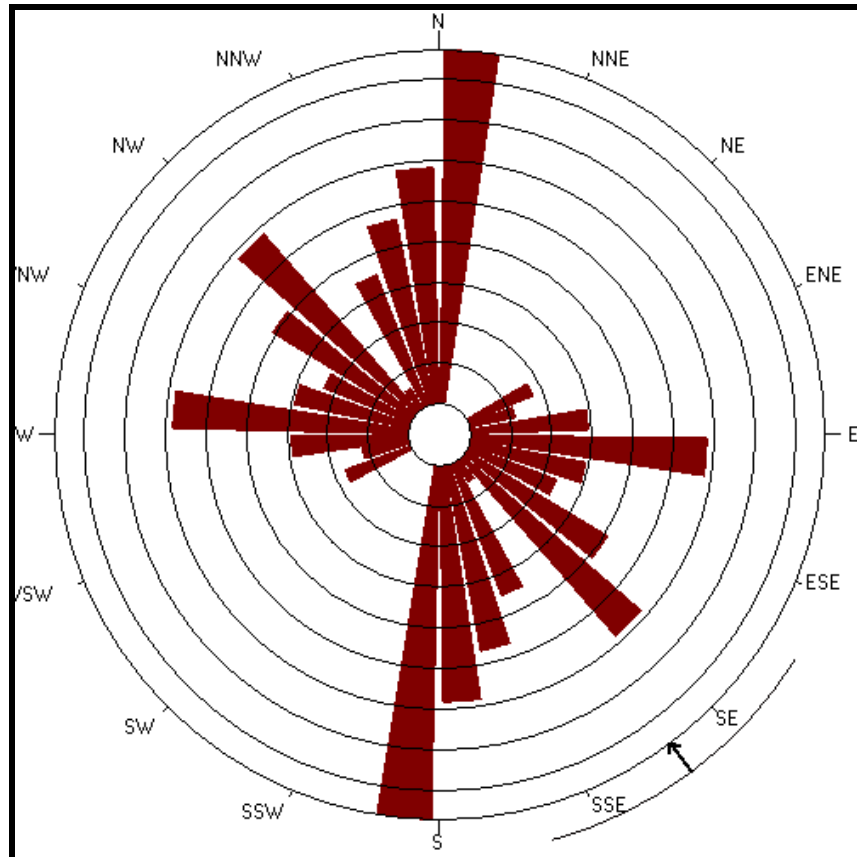
2010 STRUCTURAL ANALYSIS

Orthophoto maps obtained from MapPlace were utilized as the base map for the Structural Analysis on Tenure 589878. The analysis was accomplished using a stereographic projection viewing of the maps and marking the lineaments on an overlay. A total of 86 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 Structures on Tenure 589878



Figure 5. **Rose Diagram** from lineaments of Figure 4.



Axial (non-polar) data
 No. of Data = 86
 Sector angle = 10°
 Scale: tick interval = 2% [1.7 data]
 Maximum = 17.4% [15 data]
 Mean Resultant dir'n = 143-323
 [Approx. 95% Confidence interval = ±21.1°]
 (valid only for unimodal data)

INTERPRETATION

The Structural Analysis on Tenure 589878 of the Toni 589878 Victory Resources property (Property) indicates predominant northerly structures, with subordinate east-west, northwest, and northeast structures.

The primary north-south structures are sympathetic to the major north trending Kentucky-Alleyne fault system five km to the west where numerous mineral prospects are hosted by northerly trending, or associated, the more significant being the Big Sioux past producer (MINFILE 092HNE073) where the Nicola Group rocks are broken up into a series of tilted fault blocks trending north and where one prominent shear zone strikes northeast (075) and hosts chalcocite in fracture fillings.

The northeasterly trending structures may also be the mineral controls that may host potentially mineralized quartz veins such as at the Elk/Siwash past producer (MINFILE 092HNE096) where mineralized quartz veins are hosted by altered pyritic granitic and less frequently, volcanic (Nicola) rocks. The mineralized zone trends east-northeast. However, the original structures that host the Elk veins may have originated from the intruding process of the granitic pluton with subsequent dynamic readjustments.

The east-west structures on Tenure 589878 may reflect the structural trend as at on the HN-WEN showing (MINFILE 092HNE058), where Victory recently completed a diamond drilling program which resulted in the delineation of the Adit 1 east-west trending quartz vein with a true width of up to 3.0 metres. Although the quartz vein returned relatively low gold values, the high upper level mineral associated mercury values of the quartz vein may indicate increased gold values to depth.

The significance of the Adit 1 vein is that it occurs within the Nicola volcanics 50 metres north of a 1996 drill hole which intersected a mineral hosting quartz vein which returned core sample assays averaging 16.578 gm/t Au, 18.185 gm/t Ag, and 0.75% Cu over 6.55 metres of core or 3.81 metres of 28.43 g/t Au and 0.98% Cu.

In addition, the potential for economic mineral zones within Nicola volcanic structures is indicated in the Brew showing (MINFILE 092HNE275) where a 40 metre wide northwest striking fault hosts sections of strongly mineralized massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite and samples of pyritic clay-altered sections that have yielded up to 0.280 gram per tonne gold and 0.445 per cent arsenic.

Thus, in general principles, any of the directional structures on Tenure 589878 are potentially favorable hosts to mineralized zones giving due consideration to the time of structural generation, access of mineralizing fluids to structures, pre or post mineral structures, and other pertinent structural/mineral fluid features which would be a study in itself.

On Tenure 589878 the three prime exploration locations designated as areas to explore for indications of sub-surface mineralization, are specific areas of major or principal structural intersections; structures which are of a magnitude, or of a proximal mineral source, that may have tapped and provide surface access, "surface seepage" from a deep rooted source.

Excluding other variable geological conditions, the structures are deemed essential in the localization of potentially economic mineralization within the Nicola volcanics on the Property or to indications of potentially economic sub-surface mineralization. Other mineral deposit types such as skarn, epithermal, or porphyry mineralization are evident from the MINFILE showings, prospects, and past producers within the area, as indicated by the Minfile reports included herein, are evidence for these deposit types on the Toni 589878 property.

Respectfully submitted

Sookochoff Consultants Inc.



Laurence Sookochoff, PEng

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STATEMENT OF COSTS

The Structural Analysis was completed from January 7, 2010 to January 11, 2010 to the value as follows:

Laurence Sookochoff, P.Eng. two days time @ \$ 750.00 -----	\$ 1,500.00
Maps -----	1,500.00
Report -----	<u>4,250.00</u>
	\$ 7,250.00
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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-four 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.