

# VICTORY RESOURCES CORPORATION

(Owner & Operator)

## GEOLOGICAL ASSESSMENT REPORT

(Event 5338832)  
on a

BC Geological Survey  
Assessment Report  
33166

## STRUCTURAL ANALYSIS

Work done between May 10, 2012 to May 12 2012

on

**Tenure 589849**

of the 7 Tenure

**Toni 589849 Claim Group**

of the

### TONI PROPERTY

**Nicola/Similkameen Mining Divisions**

BCGS Map 092H.088/098

**Centre of Work**

5,523,200N, 683,100E

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## **SUMMARY**

The seven claim Toni 589849 Claim Group of the TONI property (“Property”) covers an area of 3,204 hectares located 202 kilometres northeast of Vancouver, 31 kilometres southwest of Merritt, and 11 kilometres northwest of the past productive Elk Mine in south-central British Columbia.

Minfile reports that production from the Elk past producer, is 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.

Gold Mountain Mining Corporation, the present owner of the Elk property reports (2012 Corporate Presentation) on recent information at the Elk Property; past gold production at 51,460 ounces at 97 g/t (>3 opt) and an existing gold resource of 301,000 ounces gold in a measured and indicated category with 263,000 ounces of gold in an inferred category. 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. The structural controls to the eight generally northerly aligned mineralized zones of the Elk property are indicated as controlled by the major northerly Elk (Siwash) fault and by a transverse easterly to northeasterly fault set (*Figure 5*).

As indicated by the BC government supported MapPlace geological maps, the Toni 589849 Claim Group is predominantly underlain by the upper Triassic Nicola Group of basaltic volcanic rocks (*uTrNE*) with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (*UTrNs*) within the north-central portion of the Property. In the southwestern most portion of the Property, a late Triassic granodioritic intrusive (*LTrJgd*) occurs in contact with the Nicola Group.

The Structural analysis on Tenure 589849 of the Toni 589849 claim group indicates predominant northerly and northeasterly trending structures. These two structural trends are significant in the area as mineral controlling structures to the Elk mineral zones, the Pot 1, and the Brew mineral showings. A dominant structure is also indicated as trending northwesterly which is a mineral controlling structure such as at the Brew showing.

The Kentucky-Alleyne fault system has associated numerous mineral prospects and showings, four of which (Paycinci; Bunker Hill; Thalia; Daisy) copied herein from the Minfile records report mineralization related to north-northwesterly structures.

Based on the results of the Tenure 589849 Structural Analysis, there are three localized areas of dominant structural intersections that are prospective areas to explore for surficial geological indicators of a potential sub-surface mineral resource. The 12 designated Minfile mineral showings, prospects, or past producers included in this report are a reference to potential mineral resource indicators that could occur on Tenure 589849.

## INTRODUCTION

In May, 2012 a Structural Analysis was completed on Tenure 589849 of the seven claim Toni 589849 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 589849 or other claims of the Toni property.

Information for this report was obtained from sources as cited under Selected References and from work the author has performed on the Toni Property since 2006.

*Figure 1. Location Map*



## PROPERTY DESCRIPTION AND LOCATION

The Property is comprised of seven contiguous claims covering an area of 3204 hectares and located within BCGS Map 092H.088/.098 of the Nicola Mining Division, 202 direct kilometres northeast of Vancouver, 31 direct kilometres southwest of Merritt and 87 direct kilometres south of Kamloops.

The centre of the work area is at 5,523,200N, 683,100E (NAD 83). Particulars of the individual claims of the Toni 589849 Claim Group are as follows:

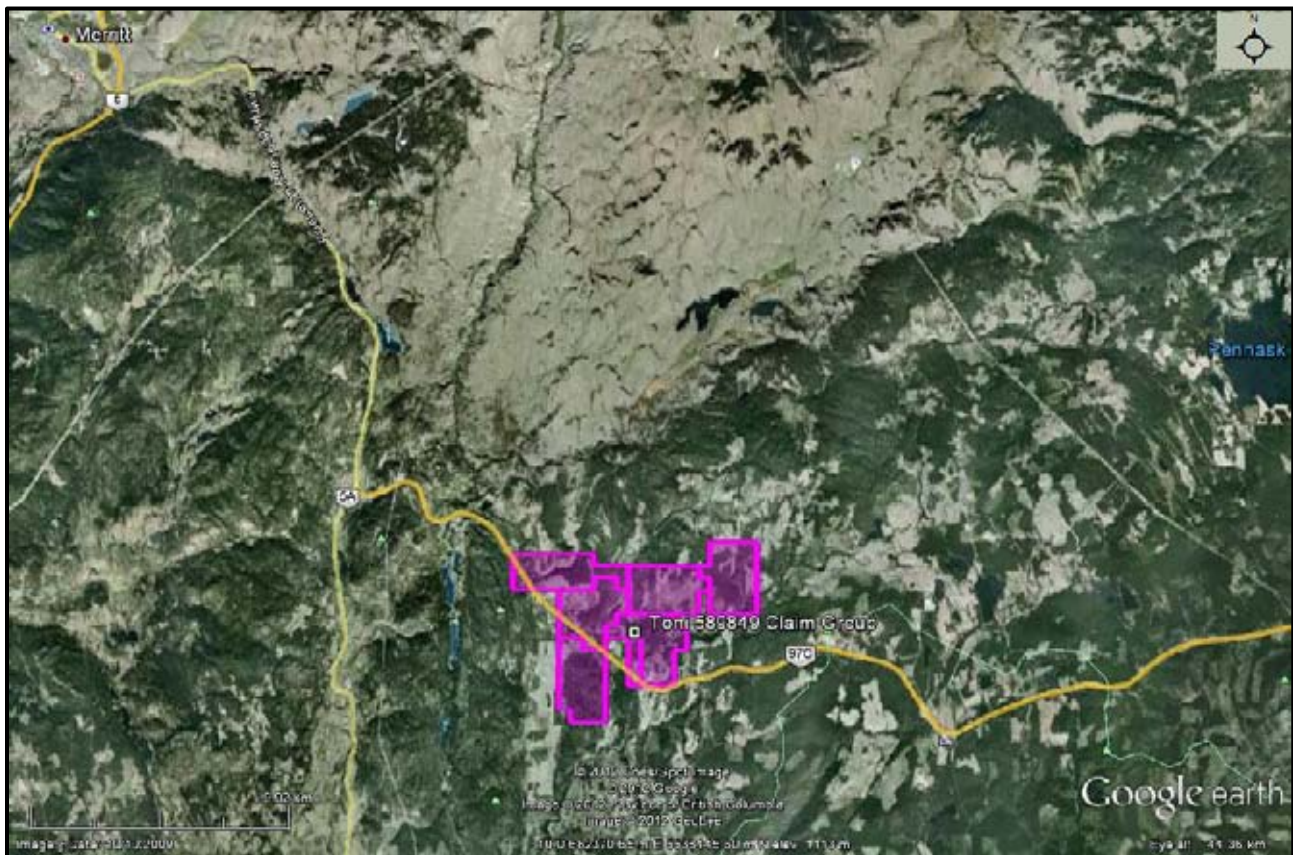
**Table 1. Tenure Report**  
(From MapPlace)

Tenure Number	Type	Claim Name	Good Until	Area (ha)
<a href="#">589847</a>	Mineral	TONI	20130420	520.0585
<a href="#">589849</a>	Mineral	TONI 1	20130420	520.1029
<a href="#">589852</a>	Mineral	TONI 3	20130420	520.307
<a href="#">589853</a>	Mineral	TONI 4	20130420	520.0423
<a href="#">589854</a>	Mineral	TONI 5	20130420	520.1873
<a href="#">589855</a>	Mineral	TONI 6	20130420	520.4448
<a href="#">855788</a>	Mineral	TONI 526	20130420	83.2594

Total Area: 3204.4022 ha

\*Upon the approval of the assessment work filing, Event Number 5338832

**Figure 2. Claim Location**  
(From MapPlace & Google)



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

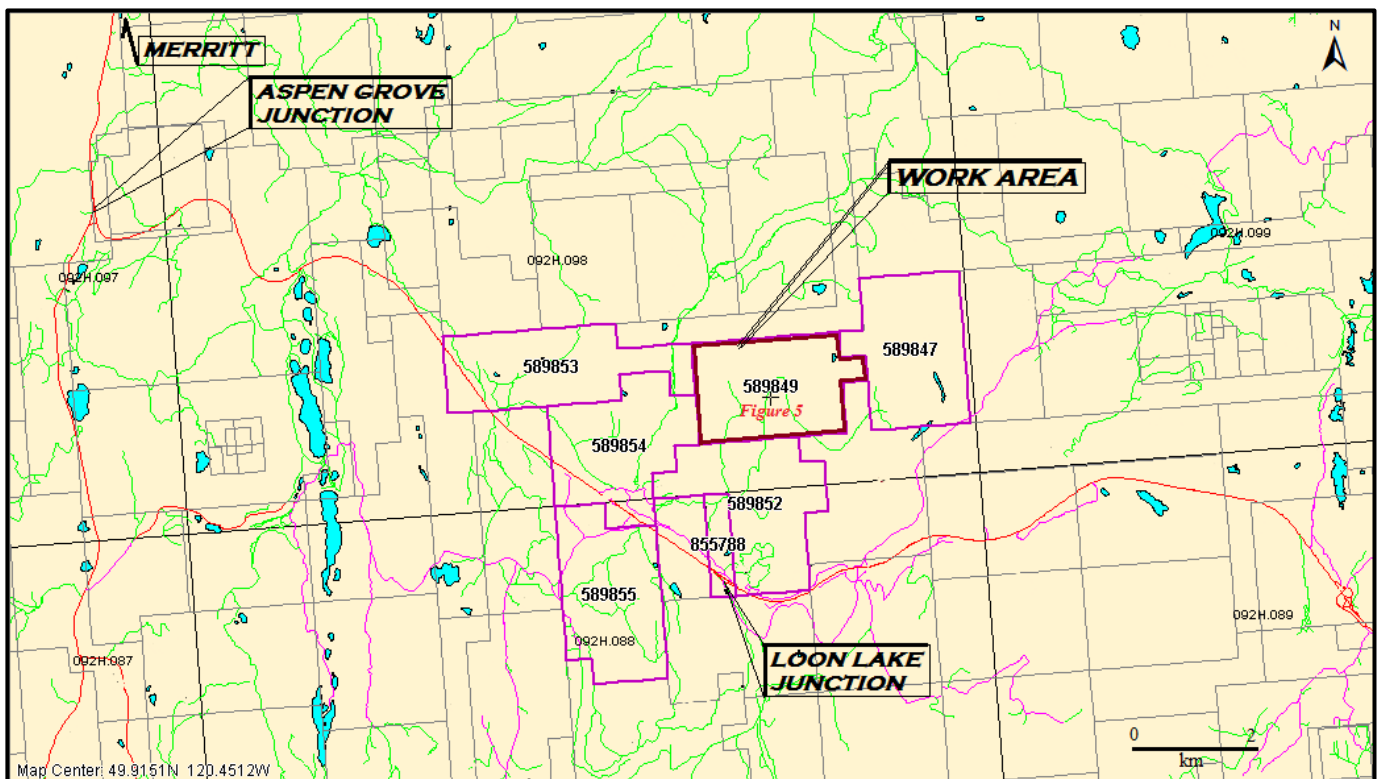
Access to the Property is southward from Merritt via Highway 5A/97C for 26 kilometres to the Aspen Grove junction thence eastward from via Highway 97C or the Coquihalla connector Highway for eight kilometres to the northwestern corner of Tenure 589853 of the Property. Access to Tenure 589848 is from the Loon Lake Junction, 17 kilometres eastward from via Highway 97C or the Coquihalla connector Highway.

A northern branch from the Loon Lake road, one kilometre west of the Junction, is taken northward for three kilometres to Tenure 589849 located within the northeast corner 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 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 3. Claim & Index Map  
(Base Map from MapPlace)*



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

The physiography of Tenure 589849 is of moderate north-south trending valleys with cross-cutting depressions. Elevations range from 1190 metres along the western boundary to 1525 metres on local knolls along the eastern border.

**HISTORY: PROPERTY AREA**

The history on some of the more selected significant mineral *MINFILE* reported showings, prospects, and past producers in the area of the 589849 Claim Group (*Figure 4*) are reported as follows. The distance from the Property is relative to the Tenure 589849 claim, which is the subject of the structural analysis.

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

*MINFILE 092HNE002*

*Four 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. This is located on access road number 5116, 1 kilometre south of Quilchena Creek, 11.5 kilometres east-northeast of the community of Aspen Grove. A second showing, smaller and less significant but with the same characteristics, is located 1 kilometre to the southwest (Malachite 7, 092HNE269).

**HN-WEN** *prospect (Volcanic redbed Cu)*

*MINFILE 092HNE058*

*Two kilometres north*

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

**ECHO** *showing (Volcanic redbed Cu)*

*MINFILE 092HNE059*

*Four kilometres north*

The Echo occurrence refers to a group of minor copper showings in an area east of the historical Aspen Grove copper camp, between Merritt and Princeton. The occurrence is centred on the northernmost of three showings which were worked on in the 1960s, in a small area (less than 0.5 square kilometre) located southeast of Quilchena Creek, 8.5 kilometres west-northwest of Boot Lake, and 13 kilometres east of the community of Aspen Grove (Assessment Report 1586).

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

*MINFILE 092HNE073*

*Ten kilometres west-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.



**History: Property Area (cont'd)****BIG SIOUX** *past producer (cont'd)*

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.

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

MINFILE 092HNE074

Ten kilometres west

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 Noranco Mining and Refining in 1969 and Amex Exploration Inc. in 1971. Amex 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

Twelve kilometres 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.

**History: Property Area (cont'd)****PAYCINCI** prospect (cont'd)

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.

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).

**ELK** past producer (*Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins*)

MINFILE 092HNE096

Eleven kilometres southeast

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.

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**History: Property Area (cont'd)****SHRIMPTON CREEK PLACER** *past producer (Surficial placers)**MINFILE 092HNE180**Five kilometres south*

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

**KIT** *showing (Alkalic porphyry Cu-Au; Porphyry Mo (Low F-type))**MINFILE 092HNE270**Six kilometres northwest*

The intrusive was first prospected for molybdenum by J.E. Bate in 1915. Marengo Mines Ltd. excavated one trench, 60 metres long, and drilled two holes in 1967.

**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.

**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 two 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*) with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (*UTrNsf*) within the north-central portion of the Property. In the southwestern tip of the Property, a late Triassic granodioritic intrusive (*LTrJgd*) occurs in contact with the Nicola Group.

**GEOLOGY: PROPERTY AREA**

The geology on some of the more selected significant mineral *MINFILE* reported showings, prospects, and past producers peripheral to the Property (*Figure 4*) are reported as follows. The distance from the Property is relative to the Tenure 589849 claim, which is the subject of the structural analysis.

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

**Geology: Property Area (cont'd)**

**MAL prospect (cont'd)**

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.

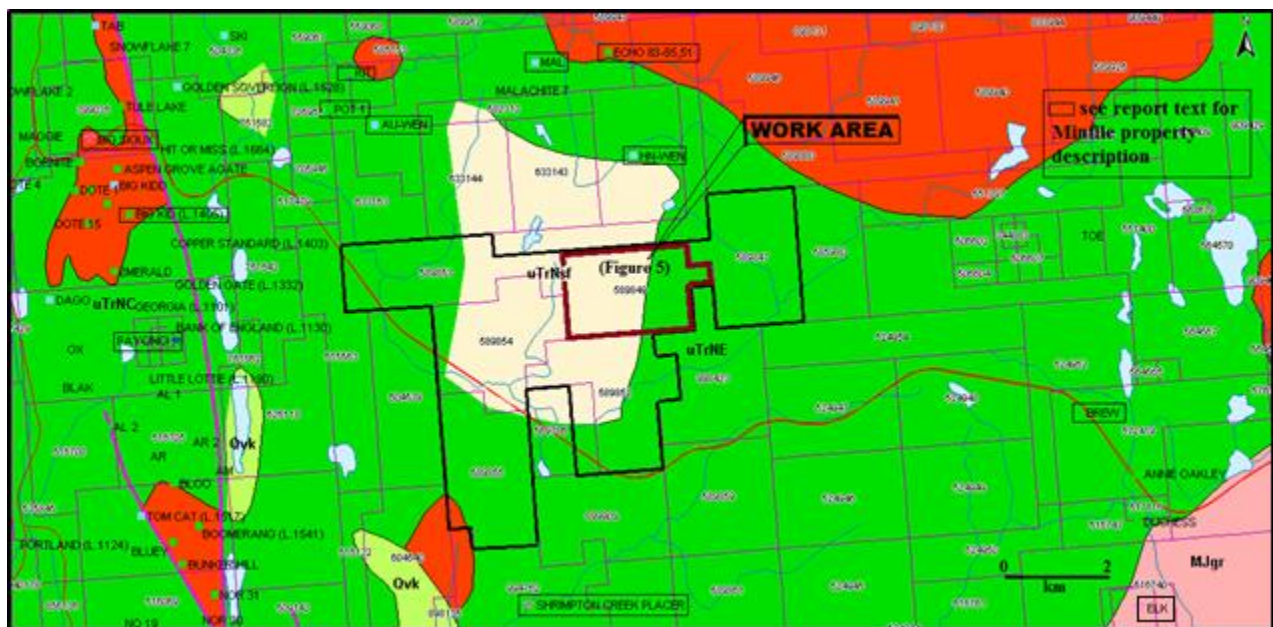
The main Aspen Grove copper camp lies several kilometres to the west in the Central belt, separated by the north-striking Kentucky-Alleyne fault system (Bulletin 69).

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).

*Figure 4. Property, Index, Geology, & Minfile  
(Base Map from MapPlace)*



## **GEOLOGY MAP LEGEND**

### **Pleistocene to Holocene**

Qvk

Unnamed alkalic  
volcanic rocks

### **Upper Triassic: Nicola Group**

#### **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

### **Geology: Property Area (cont'd)**

#### **HN-WEN prospect (Volcanic redbed Cu)**

MINFILE 092HNE058

Two 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).

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 occurrence is underlain by augite porphyritic volcanic flows of andesitic to basaltic composition, fragmental rocks including tuff and breccia, and argillites (Assessment Reports 1586, 4230). The argillites are dark grey to black, well bedded, and locally limy. They are somewhat carbonaceous and pyritic. Minor rock types present include feldspar porphyry and locally lenses of diorite. About 2.5 kilometres to the northeast is the contact with the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

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

**Geology: Property Area (cont'd)****ECHO** showing (Volcanic redbed Cu)

MINFILE 092HNE059

Four kilometres north

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

The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine 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 occurrence is underlain by augite porphyritic volcanic flows of andesitic to basaltic composition, and volcanic tuff and breccia (Assessment Report 1586; Geological Survey of Canada Map 41-1989). The volcanics may be affected by low grade propylitic and chloritic alteration. Less than 1 kilometre to the north of the occurrence is the east-striking contact of the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

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

MINFILE 092HNE073

Ten kilometres west-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 (Alkalic porphyry Cu-Au; Volcanic redbed Cu)

MINFILE 092HNE074

Ten kilometres west

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 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.

**Geology: Property Area (cont'd)****BIG KIDD prospect (cont'd)**

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.

**PAYCINCI prospect (Volcanic redbed Cu)**

MINFILE 092HNE084

Eleven 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.

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

+/-Au; Au-quartz veins)

MINFILE 092HNE096

Eleven kilometres southeast

The Elk property is underlain by Upper Triassic volcanics and sediments of the Nicola Group and by Middle Jurassic granites and granodiorites of the Osprey Lake batholith. The contact between these units trends northeasterly across the property. Early Tertiary feldspar porphyry stocks and dikes of the Otter intrusions occur throughout the property. The western property area is underlain by steeply west-dipping andesitic to basaltic flows, agglomerates, tuffs and minor siltstone and limestone units of the Nicola Group. The eastern half of the property is underlain by granitic rocks of the Osprey Lake batholith.

**Geology: Property Area (cont'd)****AU-WEN prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)**  
**MINFILE 092HNE144**

Five kilometres northwest

The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcanoclastic rocks, ranging from tuffaceous volcanic siltstones characteristic of the lower part, to coarse volcanic conglomerate and laharic breccias in the upper part.

The AU occurrence is centred on the main gold showing, a small stripped, drilled and trenched area just off a gravel road south of Quilchena Creek (Assessment Reports 5766, 16008).

This and most of the surrounding area is underlain by andesitic to dacitic tuff, cherty tuff, black argillite, and volcanic sandstone and siltstone. The rocks are strongly fractured in a variety of orientations. Bedding in the tuff has been measured to strike 060 degrees and dip 54 degrees northwest, but it varies.

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

**SHRIMPTON CREEK PLACER past producer (Surficial placers)**

MINFILE 092HNE180

Five kilometres south

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.

**POT 1 showing (Volcanic redbed Cu)**

MINFILE 092HNE204

Six kilometres northwest

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

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



**Geology: Property Area (cont'd)****POT 1 showing (cont'd)**

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

**KIT showing (Alkalic porphyry Cu-Au; Porphyry Mo (Low F-type))**

MINFILE 092HNE270

Six kilometres northwest

A small body of granodiorite of Late Triassic to Early Jurassic age intrudes volcanics of the Upper Triassic Nicola Group. The granodiorite is cut by narrow, steeply-dipping shears striking north and northeast, near the faulted contact with slightly pyritic Nicola Group greenstone to the northwest. Some of the shears are graphitic and they locally contain quartz lenses 2.5 to 5 centimetres wide with minor disseminated molybdenite. The intrusive is also fractured to some extent, with one prominent set striking 055 to 070 degrees and dipping steeply southeast.

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

MINFILE 092HNE275

Nine kilometres east-southeast

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

A major fault zone, the Brew fault, striking 140 degrees and dipping steeply southwest, is exposed along the Coquihalla Highway for 600 metres.

The zone is approximately 40 metres wide. It is somewhat gossanous and exhibits carbonate and clay alteration and sporadic silicification. Some quartz +/- calcite stringers and blebs are present but not common. Pyrite is ubiquitous along the entire fault. Sections of the zone are strongly mineralized with massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite. Samples of pyritic clay-altered sections have yielded up to 0.280 gram per tonne gold and 0.445 per cent arsenic (Assessment Report, 18041, page 8, samples 128665, 44719)

A sample from a zone of quartz stringers analysed 0.600 gram per tonne gold (sample 239716).

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

## MINERALIZATION: PROPERTY AREA

The mineralization on some of the more selected significant mineral *MINFILE* reported showings, prospects, and past producers peripheral to the Property (Figure 3 & 4) are reported as follows. The distance from the Property is relative to the Tenure 589849 claim, which is the subject of the structural analysis.

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

*MINFILE 092HNE002*

*Four 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).

### **ECHO** showing (*Volcanic redbed Cu*)

*MINFILE 092HNE059*

*Four kilometres north*

Chalcopyrite and malachite are present in trenches and open cuts in volcanics over an area 1000 by 800 metres. Chalcopyrite is disseminated, or concentrated in quartz-calcite veins (Assessment Report 1586). The Echo occurrence lies directly along the strike of prominent fractures which host significant copper-silver mineralization at the HN-WEN occurrence (092HNE058), 2 kilometres to the south-southeast (Assessment Report 4230).

### **HN-WEN** prospect (*Volcanic redbed Cu*)

*MINFILE 092HNE058*

*Two 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.

**Mineralization: Property Area (cont'd)****HN-WEN prospect (cont'd)**

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 rebed Cu; Alkalic porphyry Cu-Au****MINFILE 092HNE073***Ten kilometres west-northwest*

Pyrite, pyrrhotite, chalcopyrite and arsenopyrite are disseminated sporadically in the tuffaceous rocks and argillite, up to about 1 per cent, and also occur in fractures (Assessment Reports 11241, 16008). Native gold is associated with the sulphides in narrow quartz-filled fractures in these rocks (Assessment Report 16008). Minor malachite occurs in volcanics.

The overall extent of the mineralization has not been determined, although diamond drilling has demonstrated that minor pyrite, pyrrhotite and chalcopyrite, disseminated or associated with quartz or calcite fracture veinlets, does persist below the surface (Assessment Reports 11241, 16008).

Gold values in the area are generally low, but high values have been obtained from trench sampling and drill core at the main showing. Significant gold assays in chip samples range from 6.8 grams per tonne over 5.1 metres to 10.8 grams per tonne over 4.9 metres (Assessment Report 16008).

**BIG KIDD prospect (Alkalic porphyry Cu-Au; Volcanic rebed Cu)****MINFILE 092HNE074***Ten kilometres west*

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.

**Mineralization: Property Area (cont'd)****BIG KIDD prospect (cont'd)**

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, samples 3413, 3414).

**PAYCINCI prospect (Volcanic redbed Cu)**

*MINFILE 092HNE084*

*Eleven kilometres north-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.

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).

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**Mineralization: Property Area (cont'd)**

**ELK** *past producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins)*

*MINFILE 092HNE096*

*Eleven 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 drill holes. 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 down dip 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.

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.

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**Mineralization: Property Area (cont'd)****ELK past producer (cont'd)**

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 downdip. All veining intercepts have been adjusted for true width and assays diluted to 2-metre mining widths (George Cross News Letter No. 223 (November), 1991).

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

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

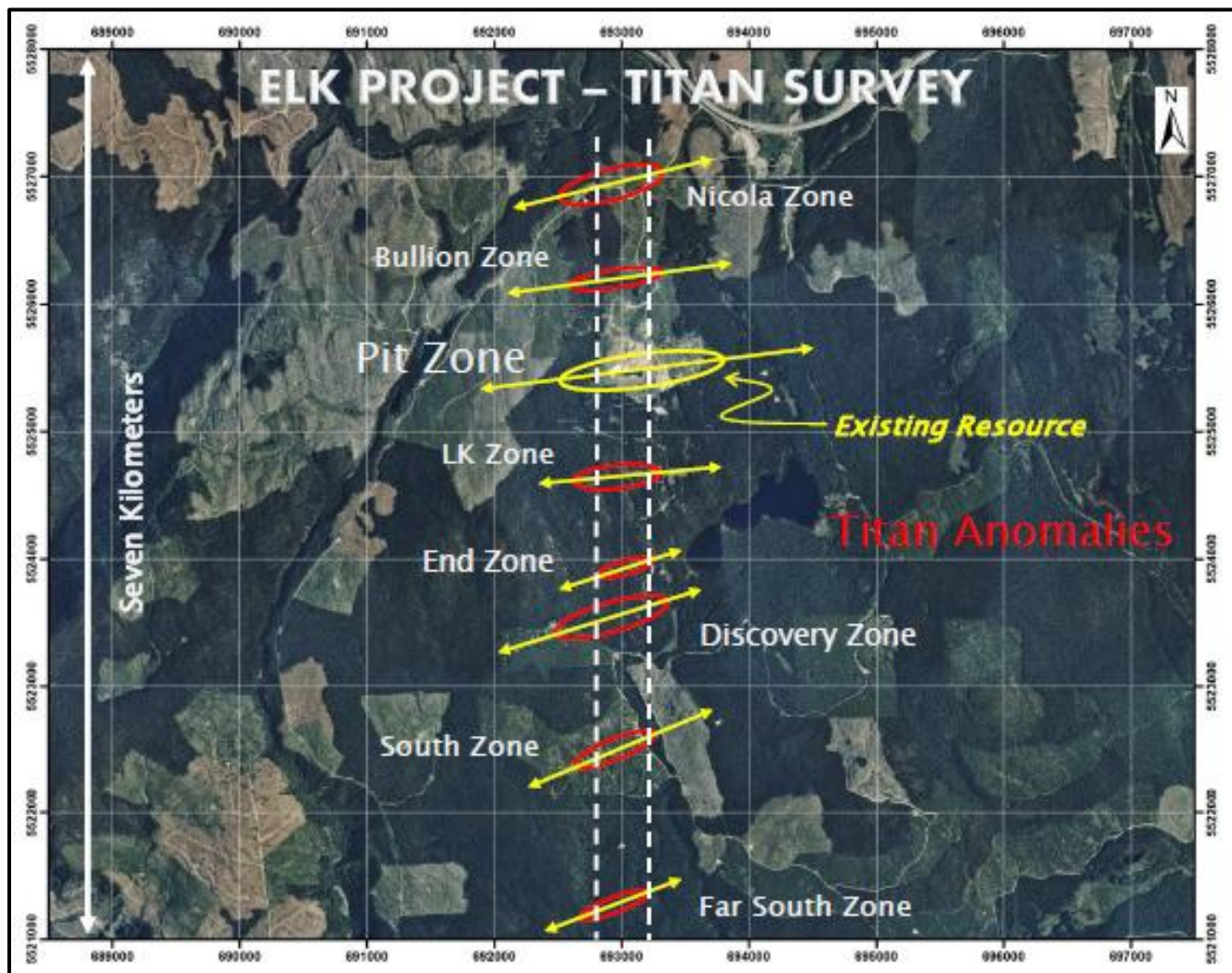
The 1996 exploration program consisted of 6873 metres of drilling in 91 holes. The Siwash zone has been traced along a 914 metre strike length and downdip to 245 metres.

Reserves estimated by the company at January 1, 1996 were 121,350 tonnes grading 25.4 grams per tonne gold and 35.3 grams per tonne silver.

These include a diluted, probable open-pit resource of 11,340 tonnes grading 58.97 grams per tonne gold, an underground probable resource below the open pit of 20,225 tonnes grading 26.74 grams per tonne gold, and a further possible underground resource of 89,790 tonnes grading 23.66 grams per tonne gold (Information Circular 1997-1, page 21).

**Figure 5. Elk Mineral Zones showing the indicated localized association to structural intersections of the major north trending Elk or Siwash fault and a subsidiary set of easterly to northeasterly trending faults.**

*(Map from Gold Mountain Mining Corporation January 2012 Corporate Presentation)*



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.

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**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.

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

MINFILE 092HNE144

Five kilometres northwest

Pyrite, pyrrhotite, chalcopyrite and arsenopyrite are disseminated sporadically in the tuffaceous rocks and argillite, up to about 1 per cent, and also occur in fractures (Assessment Reports 11241, 16008). Native gold is associated with the sulphides in narrow quartz-filled fractures in these rocks (Assessment Report 16008). Minor malachite occurs in volcanics.

The overall extent of the mineralization has not been determined, although diamond drilling has demonstrated that minor pyrite, pyrrhotite and chalcopyrite, disseminated or associated with quartz or calcite fracture veinlets, does persist below the surface (Assessment Reports 11241, 16008).

Gold values in the area are generally low, but high values have been obtained from trench sampling and drill core at the main showing. Significant gold assays in chip samples range from 6.8 grams per tonne over 5.1 metres to 10.8 grams per tonne over 4.9 metres (Assessment Report 16008).

Grab and select samples assayed between 14.4 and 91 grams per tonne gold (Assessment Reports 5766, 16008). The best drill core intersection assayed 4.97 grams per tonne gold over 1.5 metres (Assessment Report 16008).

Copper is associated with the gold mineralization; one rock sample from the main trench yielded 0.29 per cent copper (Assessment Report 7293). Another sample yielded 26 grams per tonne silver and 0.14 per cent lead (Assessment Report 7293). Silver in diamond drill core is generally under 1 gram per tonne (Assessment Report 11241).



**SHRIMPTON CREEK PLACER** *past producer (Surficial placers)*

MINFILE 092HNE180

*Five kilometres south*

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

**POT 1** *showing (Volcanic redbed Cu)*

MINFILE 092HNE204

*Six kilometres northwest*

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

Individual rock samples from the showing were analysed at up to 0.95 gram per tonne gold and 4.8 grams per tonne silver (Assessment Report 13714). A composite chip sample across the showing was analysed at 2.55 grams per tonne gold and 1.9 grams per tonne silver over 130 metres (Assessment Report 13714, Drawing No. 2, sample W301). Gold and silver values appear to be proportional to the degree of alteration and copper mineralization (Assessment Report 13714). Mineralization comprises erratically disseminated chalcopyrite, malachite, azurite and pyrite (Preliminary Map 15; Assessment Report 13714).

**Mineralization: Property Area** *(cont'd)***KIT** *showing (Alkalic porphyry Cu-Au; Porphyry Mo (Low F-type))*

MINFILE 092HNE270

*Six kilometres northwest*

Some of the shears are graphitic and they locally contain quartz lenses 2.5 to 5 centimetres wide with minor disseminated molybdenite. The intrusive is also fractured to some extent, with one prominent set striking 055 to 070 degrees and dipping steeply southeast. Some of the fractures contain quartz with minor chalcopyrite, malachite and molybdenite.

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

MINFILE 092HNE275

*Nine kilometres east-southeast*

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

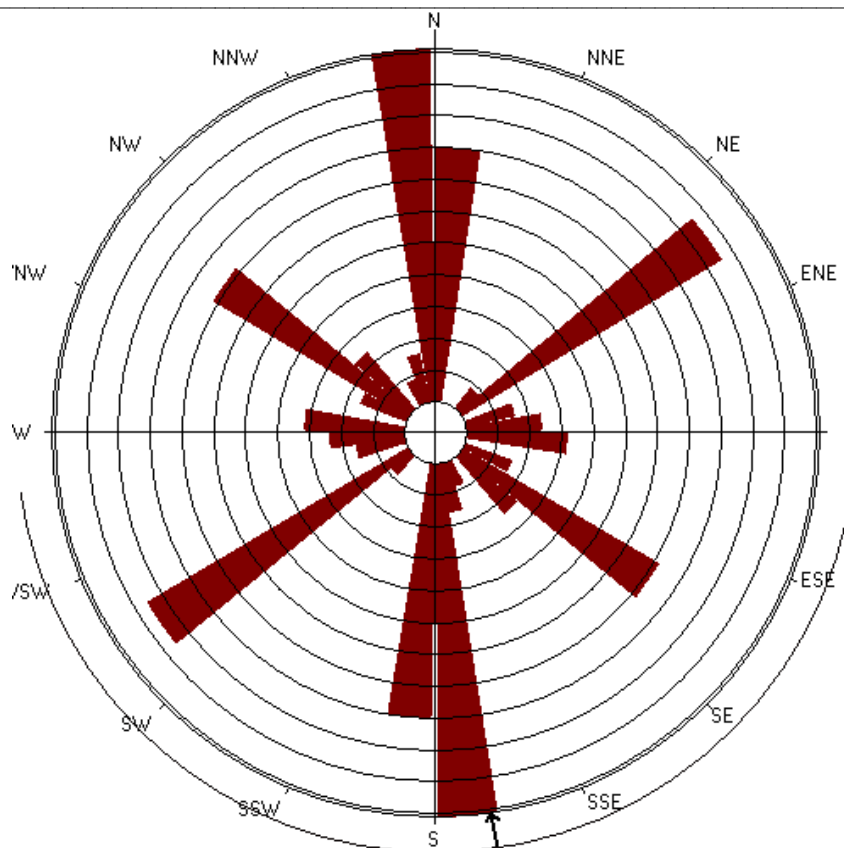
### 2012 STRUCTURAL ANALYSIS

The structural analysis was performed on a MapPlace hillside shade map of Tenure 589849 by viewing of the map and marking the lineaments, or indicated structures, thereon. A total of 63 lineaments were marked (Figure 5), compiled into a 10 degree class interval, and plotted as a Rose Diagram as indicated on Figure 6.

Figure 6. Lineaments as Indicated Structures on Tenure 589849



Figure 7. Rose Diagram from indicated structures (lineaments) of Figure 5.



### **STATISTICS**

Axial (non-polar) data  
 No. of Data = 63  
 Sector angle = 10°  
 Scale: tick interval = 2% [1.3 data]  
 Maximum = 22.2% [14 data]  
 Mean Resultant dir'n = 172-352  
 [Approx. 95% Confidence interval = ±90.0°]  
 (valid only for unimodal data)

Mean Resultant dir'n = 171.6 - 351.6  
 Circ. Median = 175.0 - 355.0  
 Circ. Mean Dev. about median = 37.5°  
 Circ. Variance = 0.38  
 Circular Std. Dev. = 55.64°  
 Circ. Dispersion = 17.83  
 Circ. Std Error = 0.532  
 Circ. Skewness = 0.07  
 Circ. Kurtosis = 0.19

kappa = 0.31  
 (von Mises concentration param. estimate)

Resultant length = 9.56  
 Mean Resultant length = 0.1517

'Mean' Moments: Cbar = 0.1453; Sbar = -0.0436  
 'Full' trig. sums: SumCos = 9.1539; Sbar = -2.7476

Mean resultant of doubled angles = 0.1792  
 Mean direction of doubled angles = 166

(Usage references: Mardia & Jupp, 'Directional Statistics', 1999, Wiley; Fisher, 'Statistical Analysis of Circular Data', 1993, Cambridge University Press)  
 Note: The 95% confidence calculation uses Fisher's (1993) 'large-sample method'

## INTERPRETATION and CONCLUSIONS

The Structural analysis on Tenure 589849 of the Toni 589849 claim group indicated two dominant structural trends: northerly and southwesterly. These dominant structural directions are evident in the area as:

1. the predominant major north trending Kentucky-Alleyne fault system eight kilometres to the west which is the regional structure of the area producing numerous subordinate numerous “en-echelon” parallel structures of variable degrees to the east and to the west;
2. the northerly trending Elk fault eight kilometres to the west which appears to be the controlling structure to the past producer Elk mineral deposit and related mineral showings;
3. The northeasterly-southwesterly regional structures evident on the MapPlace Hillside Shade images occur as an “en echelon” set of structures indicated as structural intersection mineral controls at the ELK property where the principal resource and seven related mineral showings are located along a six kilometre northerly trend (Figure 5).
4. At the POT 1 showing structural intersections are indicated as mineral controls. Minfile reports that copper minerals occur in narrow zones striking southwest, transverse to the regional strike but parallel to a fault one kilometre to the northwest.

The northerly and southwesterly structures, as indicated by the mineral controlling structures at the ELK mineral trend including the Brew showing (Minfile 092HNE275); reveal the importance of structural intersections to mineral controls.

From the results of the Tenure 589849 Structural Analysis there are three delineated areas that are prospective areas to explore for surficial geological indicators of a potential sub-surface mineral resource.

The 12 Minfile mineral showings, prospects, or past producers included in this report are a reference to potential mineral resource indicators that could occur at the designated areas of Tenure 589849.

Respectfully submitted  
Sookochoff Consultants Inc.



Laurence Sookochoff, PEng

## ***SELECTED REFERENCES***

**Gold Mining Corporation** – 2012 Corporate Presentation

**MapPlace** – Map Data downloads

**Marshak, S., Mitra, G.** – Basic Methods of Structural Geology. pp 258-259, 264\* .Prentice-Hall Inc. 1988

**McInnis, M.D.**, 1973: Property Report on the Buck Group for Great Plains Development Company Ltd. **AR 04552**.

**MtOnline** - MINFILE downloads.

**Rowe, J.D.**, 1995 Geochemical Report on the Wave Property for Fairfield Minerals Ltd. **AR 24,253**.

**Sookchoff, L.** – Structural Analysis on Tenure 589862 of the 20 Tenure 589862 Claim Group of the Toni Property for Victory Resources Corporation. May 2, 2010. **AR 31532**.

**Sookchoff, L.** – Structural Analysis on Tenure 589852 of the 9 Tenure 589852 Claim Group of the Toni Property for Victory Resources Corporation. February 5, 2012. **AR 32705**.

***STATEMENT OF COSTS***

The structural analysis on Tenure 589849 was completed from May 10, 2012 to May 12, 2012 to the value as follows.

Laurence Sookochoff, P.Eng.: 2.5 days @ \$1,000. /day -----	\$ 2,500.00
Maps -----	1,500.00
Report -----	<u>3,100.00</u>
	\$ 7,100.00
	<u><u>=====</u></u>

***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-six 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.