VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOPHYSICAL ASSESSMENT REPORT

(Event Number 5461627)

on

TENURE 1011890

of the

Desmond Property

Kamloops Mining Division
NTS 092I.047

Centre of Work
5590630N, 665604E

Author and Consultant

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SUMMARY

Victory Resources Corporation owns the 20 unit Tenure 1011890 designated as the Desmond Property located within 26 kilometres east of the productive Highland Valley copper-moly porphyry deposits where mineralization was first discovered in 1899. Presently, the Highland Valley Copper Mine is one of the largest copper mining and concentrating operations in the world which, with the Lornex Mine, has measured and indicated ore reserves of 761 million tonnes of 0.408 per cent copper and 0.0072 molybdenum.

The Highland Valley copper/molybdenum deposit lies within the Guichon Creek batholith in the Bethsaida Phase of porphyritic quartz monzonite and granodiorite. The most prominent structural features are the north trending, west dipping Lornex fault and the east trending Highland Valley fault. At the Lornex deposit, mineralization is controlled by the distribution and density of fracture sets.

The Desmond Property is located within the Nicola volcanics within ten kilometres east of the Nicola Volcanic/Guichon Batholith is underlain by a narrow northwesterly trending belt of the Central Volcanic Facies of the Nicola volcanic rocks fringed by the Western and the Eastern Volcanic Facies. Occasional granitic plugs and sills hosted by the Volcanics in the area are possibly associated with the Guichon Batholith.

Mineral occurrences within the Nicola volcanics east of the Guichon Batholith were likely generated from an underlying intrusive source perhaps exposed as stocks on the surface as at the SA mineral showing. This commonly sparse mineralization frequently associated with fractures and/or breccias could be an indication of a potential economic mineral zone to depth.

The structural analysis of the Desmond Property indicated three cross-structures between easterly and northerly trending dominant structures. As all three locations are concentrated within a 750 metre area indicating a potential porphyritic zone of fractures and brecciation which could accommodate any mineralized hydrothermal fluids that may be tapped by the cross-structural depth penetration.

Other Minfile descriptions of surface mineralization hosted by volcanics are at the Rhyolite mineral showing where porphyry mineralization related to a basalt host and a shear zone, or at the Bertha-Molly past producer where mineralization is also structurally controlled. Surficial indications of other potential mineral deposits in the area are described in the Minfile mineral descriptions copied herein from the BC Government Minfile records with locations shown on Figure 4.

Mineral exploration on the Desmond Property should be focused on the area encircled on Figure 5 which includes the three cross-structural locations. Prospecting, rock and soil sampling followed by a two line, three dimensional Induced Potential survey should provide sufficient results on which to initiate a diamond drill program to test for a mineralized porphyry system.

INTRODUCTION

During the month of June 2013 a Structural Analysis was completed on Tenure 1011890 referred to as the Desmond Property ("Property"). The purpose of the program was to delineate structures which may be integral in geological controls to potentially economic mineral zones that may occur on Tenure 1011890.

Information for this report was obtained from sources as cited under Selected References, from the completion of the Desmond Property structural analysis, and exploration work and/or supervision of exploration programs performed in the area by the author.

Figure 1. **Location Map**
(from MapPlace)

PROPERTY DESCRIPTION & LOCATION

The property consists of one 20 unit claim covering an area of 514.4745 hectares. Particulars are as follows:

Table I. Tenure of the Desmond Property

Tenure Number	Type	Claim Name	Good Until*	Area (ha)
1011890	Mineral	V880	20160808	514.4745

*Upon the approval of this assessment report.

The property is located between the Coquihalla Highway and the Meadow Creek or Logan Lake-Highway 97D to the north within BCGS NTS 092I.047 in the Kamloops Mining Division. The major copper-molybdenum porphyry deposits of the Highland Valley are 20 to 27 km west, the formerly productive Afton mine is 26 km north-northeast, and the formerly productive Ajax mine 26 kilometres north-northeast.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY & WATER

Access

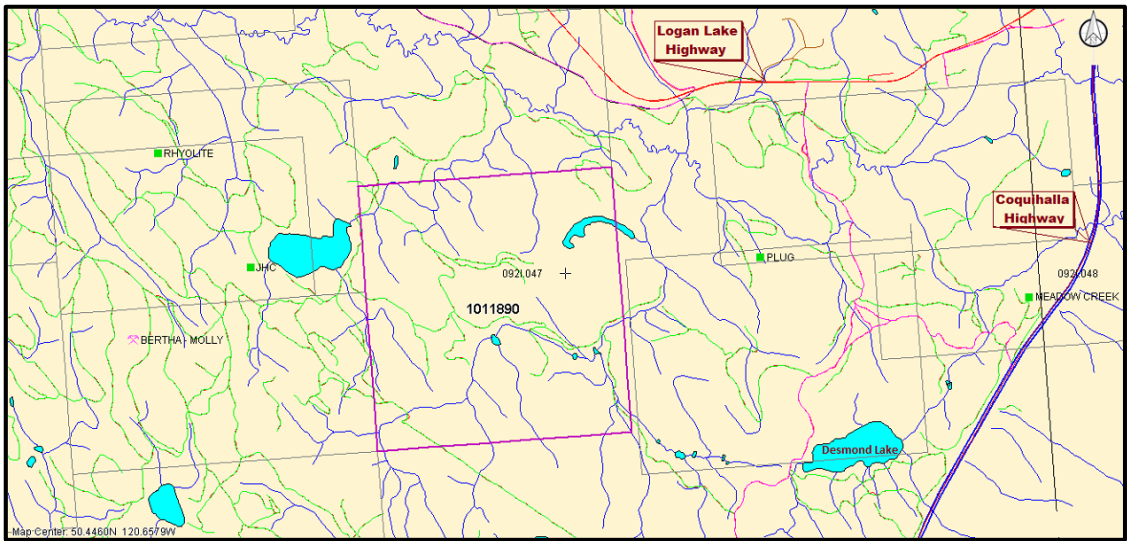
Access to the property is from the Coquihalla No.5 highway for approximately 25 kilometres east of Merritt to a junction with the Meadow Creek highway 97D near Walloper Lake. This highway is taken for approximately seven km westward to the graveled Summit Lake road, thence southward past Desmond Lake at four kilometres and a junction with a poor secondary at five kilometres which is taken for 1.5 kilometres to the southeast corner of Tenure 1011890.

Figure 2. **Claim Location**

(from MapPlace & Google)

Figure 3. **Claim Map**

(from MapPlace & Google)



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

Climate & Local Resources

The property is within the B.C. dry belt which experiences a continental climate characterized by cold winters and hot summers. Logan Lake is 20 km west of the property and provides the infrastructure for the Highland Valley mine. Kamloops an historic mining centre 30 km northeast of the property provided the infrastructure for the Afton Mine. Any of these centres could be a source of experienced and reliable exploration and mining personnel and a supply for most mining related equipment.

Infrastructure

Kamloops is serviced daily by commercial airline and is a hub for road and rail transportation. Vancouver, a port city on the southwest corner of, and the largest city in the Province of British Columbia, is four hours distant by road and less than one hour by air from Kamloops.

Physiography

The Property occupies an area characterized by gently sloping hills with elevations ranging from 1,215 to 1,350 metres above sea level. Open meadows alternate with a dense forest of pine, fir and spruce, with very little or no underbrush.

Water and Power

Sufficient water for all phases of the exploration program could be available from many steams and ponds within the confines of the property.
A 500 KV transmission line crosses the extreme southeast corner of the Property at 125 degrees.

HISTORY: DESMOND PROPERTY AREA

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to Tenure 101190 is reported as follows.

HIGHLAND VALLEY COPPER producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW012
Twenty six kilometres west

Highland Valley Copper was created in mid-1986 by bringing together the Highland Valley mining operations of Lornex Mining Corporation Ltd. and Cominco Ltd. into a new single entity, structured as a partnership.

On the south side of the valley was the Lornex mine which started mining in 1972. In 1981, the Lornex concentrator had been expanded to become one of the largest in the industry.

On the north side was Bethlehem Copper (092ISE001) which started mining in 1963. In 1981, this operation was absorbed by Cominco who already owned the Valley orebody (092ISW012) located west of the Lornex pit on the south side of the valley. Mining of the original Bethlehem Copper pits ceased in 1982.

Production from the Lornex mine (092ISW045) was combined with the Valley operations in 1987.

The Highmont mill on the south side of the valley was acquired in 1988 when Highmont Mining Company joined the partnership. This mill had been closed down in 1984 when the Highmont deposit (092ISE013) became uneconomical.

Lornex Mining Corporation Ltd. was wound up at the end of 1988 with the result that Rio Algom Limited, Teck Corporation and Highmont Mining Company obtained direct participation in the cash flow from the partnership. In 1995, with Explore B.C. Program support, Highland Valley Copper carried out 197 line kilometres of high-powered induced polarization surveys for very deep penetration, and drilled 1701 metres in 4 holes. This work was done on the Lornex SW Extension, Roscoe Lake and JA zones.

History: Desmond Property Area *(cont'd)*

Highland Valley Copper *producer (cont'd)*

No anomalies of merit were detected in Lornex SW Extension, and Roscoe Lake gave only limited encouragement. IP work on the JA zone detected an anomaly extending to the south, well beyond the limits of known mineralization, and another anomaly 2000 by 1500 metres in size at the east end of the grid. Both anomalies warrant drill testing (Explore B.C. Program 95/96 - M80).

At the end of 1996, mine plans called for another 200 metres in depth in the Valley pit to the 2008. In addition, the partnership may consider mining the remaining 120 million tonnes grading 0.33 per cent copper estimated to exist in the Lornex pit (Information Circular 1997-1, page 8).

Highland Valley Copper suspended mining on May 15, 1999; they resumed August 30, 1999.

In September 2005, Highland Valley announced that mine life would be extended by five years to 2013. Very late in the year, Teck Cominco also announced that it is considering building a modern hydrometallurgical refinery on site. Most ore comes from the Valley pit, augmented by a small amount from the Lornex pit. Following a successful 300,000 tonne bulk sample test, the Highmont East pit, closed since the mid-1980s, was re-opened in the fall of 2005 to take advantage of higher molybdenum prices. In addition, exploration drilling was conducted nearby in the Highmont South area and results are being evaluated.

BERTHA - MOLLY past producer (Stockwork)
MINFILE 092ISE012
Two kilometres west

In 1942, George Campbell did some surface-stripping on a copper showing, about 457 metres west of an old shaft. Production from this occurrence, known as the Lost group, was 31 tonnes, yielding 218 grams of silver and 626 kilograms of copper.

RHYOLITE showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE021
Two kilometres west

Trenches, 1.25 kilometres north-northwest of Homfray Lake, 8.5 kilometres south-southeast from Logan Lake (Assessment Report 18048).

LORNEX producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW045
Twenty six kilometres west

On the south side of the valley was the Lornex mine which started mining in 1972. In 1981, the Lornex concentrator had been expanded to become one of the largest in the industry.

Lornex Mining Corporation Ltd. was wound up at the end of 1988 with the result that Rio Algom Limited, Teck Corporation and Highmont Mining Company obtained direct participation in the cash flow from the partnership.

MEADOW CREEK **(PLUG)** showing (Volcanogenic)
MINFILE 092ISE155
Seven kilometres east

In 1986 through 1988, Western Resources Technologies completed programs of geological mapping, prospecting, soil geochemical sampling and geophysical (VLF-EM and magnetometer) surveys. In 1992, G.F. Crooker completed a program of magnetometer and VLF-EM surveys on the JB claims.

History: Desmond Property Area *(cont'd)*

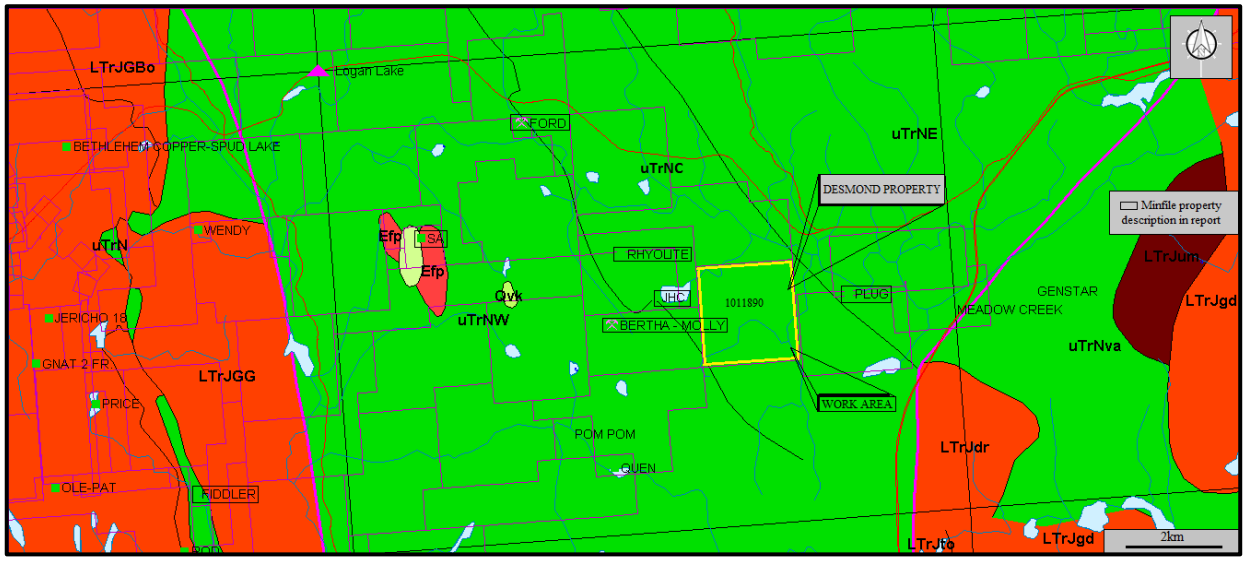
Meadow Creek (Plug) *showing (cont'd)*

In 1995, Goldcliff Resource acquired the property as the S 1 to 48 claims and completed programs of prospecting, geochemical sampling, geophysical surveys, trenching and drilling through 2006.

In 1997, trench-03 gave an average of 0.53 gram per tonne gold and 76.9 grams per tonne silver over a strike length of 31.99 metres and a width of 0.94 metres; including 2.24 grams per tonne gold and 400.6 grams per tonne silver over 4.44 metres, and 6.14 grams per tonne gold and 1715.0 grams per tonne silver over 0.36 metre. The same year, percussion drilling (PDH-01) tested trench-03 returned an average of 0.08 gram per tonne gold and 27.8 grams per tonne silver over a length of 47.25 metres (Assessment Report 25405).

Commerce Resource Corporation reports a best mineralized drill intersection of 3.5 metres containing 2.83 grams per tonne gold and 37.7 grams per tonne silver (Press Release June 14, 2002).

Figure 4. **Geology, Claim, Minfile, & Index Map**



LEGEND

Qvk
Pleistocene to Holocene
Unnamed alkaline volcanic rocks

Efp
Eocene-Kamloops Group
Unnamed feldspar porphyritic intrusive rocks

Upper Triassic-Nicola Group

uTrNW
Western Volcanic Facies
undivided volcanic rocks

uTrNc
Central Volcanic Facies
undivided volcanic rocks

uTrNE
Eastern Volcanic Facies
basaltic volcanic rocks

uTrNva
andesitic volcanic rocks

Late Triassic to Early Jurassic

LTrJGB
GUICHON CREEK BATHOLITH

LTrJGG – Gump Lake Phase
granodioritic intrusive rocks

LTrJGBo – Border Phase
quartz dioritic intrusive rocks

GEOLOGY: REGIONAL

The Desmond Property is located on the southern Intermontane Belt of British Columbia on the southern extent of the Quesnel Trench. The central geological features of this region are the Late Triassic island-arc volcanic rocks of the Nicola Group, and Late Triassic mudstone, siltstone and shale clastic sedimentary rocks located to the east, and intrusive granodioritic rocks of the Late Triassic to early Jurassic. The Nicola Group is a succession of Late Triassic island-arc volcanic rocks. The Nicola Group volcanic rocks form part of a 30km to 60km wide northwest-trending belt extending from southern B.C. into the southern Yukon. This belt is enclosed by older rocks and intruded by batholiths and smaller intrusive rocks. Major batholiths in the area of the Desmond Property include the Guichon Creek Batholith to the west, the Wild Horse Batholith to the east, and the Iron Mask Batholith to the north northeast.

The Guichon Creek batholith is a large, composite intrusion with a surface area of about 1,000 square kilometers. A cluster of nine major porphyry copper deposits lie within a 15 square kilometer zone in the center of the batholith. The Desmond Property is situated within the Nicola volcanics some 10 kilometres east of the Guichon/Nicola contact.

The batholith is a semi-concordant composite intrusive that is elliptical and elongated slightly west of north. A central, steeply plunging root or feeder zone is inferred under Highland Valley, and the major deposits lie around the projection of the feeder zone to the surface.

The batholith has intruded and metamorphosed island-arc volcanic and associated sedimentary rocks of the Nicola Group, and a metamorphic halo up to 500 meters wide is developed adjacent to the contact. Rocks along the edge of the batholith are older and more mafic, and successive phases moving inward toward the core are younger and more felsic.

Although contacts can be sharp, they are generally gradational and chilled contacts are not common. Variations in the batholiths geochemistry indicate local areas of assimilated country rock in the border zone and roof pendants in the intrusion. Outcrop areas have inclusions of amphibolite and “granitized” metamorphic rocks and compositional variations.

GEOLOGY: DESMOND PROPERTY AREA

The geology on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to Tenure 101190 (Desmond Property) is reported as follows.

FORD past producer (Stockwork, Vein)
MINFILE 09ISE009
Six kilometres northwest

The Ford occurrence occupies the area north of Meadow Creek, which is underlain by dark grey to purplish red porphyritic amygdaloidal flows of the Upper Triassic Nicola Group. The lavas are typically amygdaloidal and vary in composition from olivine basalt to augite andesitic basalt. Alteration consists of albitization of plagioclase and propylitization of pyroxene to epidote, zoisite and calcite, with or without chlorite. The rock is locally shot through with sericite and epidote. Flows averaging 1.8 metres thick strike 050 degrees and dip 30 degrees northeast.

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

HIGHLAND VALLEY COPPER producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW012
Twenty six kilometres west

The Valley deposit lies within the Late Triassic to Early Jurassic Guichon Creek batholith and is hosted by Bethsaida phase porphyritic quartz monzonite and granodiorite.

Feldspar porphyry and quartz feldspar porphyry dykes 0.6 to 35 metres wide dip steeply eastward in the western and central areas, and northward in the southern area of the deposit. These dykes are cut by mineralized fractures and quartz veinlets, and have been dated at 204 Ma +/- 4 Ma.

The Bethsaida granodiorite is also intruded by aplite dykes up to 30 centimetres wide, tan-coloured felsite dykes up to 4.5 metres wide, and three types of lamprophyre dykes (spessartite, hornblende vogesite, vogesite).

The most prominent structural features are the north trending, west dipping Lornex fault and the east trending Highland Valley fault. Faults and fractures in the deposit comprise four main sets. Quartz veinlets are subparallel to two of the earlier formed fault and fracture sets.

Silicic, potassic, phyllic, argillic and propylitic alteration are intimately associated. Stockworks of quartz veinlets 1 to 2 centimetres in width are common. Vuggy veinlets have envelopes of medium-grained sericite and/or potassic feldspar, and contain minor amounts of sericite, plagioclase, potassium feldspar, calcite, hematite, bornite, chalcopyrite, molybdenite, digenite and covellite. These veinlets are moderately abundant within the 0.3 per cent copper isopleth. An area of well-developed barren quartz veinlets, generally 0.5 to 1.3 millimetres wide, without alteration envelopes, occurs in the southeastern part of the deposit.

In the west-central part of the deposit, potassium feldspar is associated with vein sericite in some replacement zones, as veinlet envelopes along fractures, and disseminated in quartz veinlets. Hydrothermal biotite occurs in small amounts. Flaky sericite and quartz, both as replacement zones and as envelopes around quartz veinlets, constitute the most common type of alteration associated with copper mineralization. Strong phyllic alteration coincides with the 0.5 per cent copper isopleth. Phyllic alteration is closely associated with pervasive argillization, which is strongest where fractures are most closely-spaced. Feldspars are altered to sericite, kaolinite, quartz and calcite. The phyllic-argillic zone grades outward to a peripheral zone of weak to moderate propylitization, characterized by clay, sericite, epidote, clinozoisite and calcite replacing plagioclase, and chlorite and epidote replacing biotite. The age of hydrothermal alteration is approximately 191 Ma.

At the Valley deposit, gypsum is interpreted to be secondary and post-ore. It is commonly fibrous and white to orange but locally it forms large platy crystals or may be massive. Anhydrite, which is also present, provides indirect evidence for the secondary nature of the gypsum. It is apparently the same age as and associated with sericitic and potassic alteration. Quartz-gypsum veins and quartz-potash feldspar veins in which gypsum fills interstices provide more direct evidence for its secondary nature. Gypsum is believed to have formed at the expense of anhydrite which was deposited from the ore-forming fluids. Gypsum veins are common in the lower portion of the orebody (Open File 1991-15).

Sulphides occur chiefly as disseminations in quartz veinlets, and in phyllic (bornite) and potassic (chalcopyrite) alteration zones. Mineralization includes bornite and chalcopyrite, with minor digenite, covellite, pyrite, pyrrhotite, molybdenite, sphalerite and galena. The oxide zone averages 4.5 metres in thickness, and contains limonite, malachite, pyrolusite, digenite, native copper, and tenorite(?).

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

BERTHA - MOLLY past producer (Stockwork)
MINFILE 092ISE012
Two kilometres west

The Dupont Lake area is underlain mainly by Upper Triassic Nicola Group intermediate volcanics and derivatives. Approximately 8 kilometres to the west, Nicola Group rocks are in contact with the Lower Jurassic Guichon Creek batholith. Quartz diorite outcrops southwest of Dupont Lake.

The Bertha-Molly showing is hosted by purplish amygdaloidal andesites with intercalated reddish tuffs. These rocks are strongly fractured and chloritized. The original shaft was sunk at a point where patches of cuprite occur in fractures. Small shipments were made.

RHYOLITE showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE021
Two kilometres west

The area straddles a northwest trending contact between two volcanic sequences of the Upper Triassic Nicola Group. To the west are plagioclase, plagioclase-augite intermediate pyroclastic and epiclastic breccia, conglomerate, tuff, sandstone, local shale and augite porphyry bodies.

The central portion to the east is underlain by aphanitic pillowed mafic flows. The contact between these two sequences hosts the Rhyolite occurrence.

The Rhyolite showing is underlain by grey, green or black amygdaloidal basalt of the Upper Triassic Nicola Group. Varicoloured calcite amygdules occur within an aphanitic groundmass. Several beds of maroon to green volcaniclastic breccia occur within the basalt and contain maroon, subrounded to subangular clasts ranging up to 30 by 15 centimetres. Two northwest trending, light grey-green, aphanitic, siliceous and pyritic felsic dykes, 3 to 4 metres wide, also occur.

LORNEX producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW045
Twenty six kilometres west

The Lornex deposit lies in the central core of the Late Triassic-Early Jurassic Guichon Creek batholith and occurs within Skeena variety granodiorite to quartz diorite. This rock is medium to coarse-grained and slightly porphyritic. The Lornex property straddles the north trending, west dipping Lornex fault which juxtaposes Skeena rocks on the east side with Bethsaida phase quartz monzonite on the west. A pre-mineral quartz porphyry dyke, probably related to the Bethsaida phase, trends northwest and pinches out in the Lornex deposit.

Mineralization is controlled by the distribution and density of fracture sets. Three major sets of copper-molybdenum veins strike north-northeast to east and dip moderately southeastward. There are two sets of post-mineral fault and fracture systems; one which roughly parallels the mineralized veins and another which offsets the first up to 2 metres. The most prominent structural feature is the Lornex fault which dips 55 degrees to the west in the southern part of the orebody, and steepens to nearly vertical in the north.

This fault truncates the northwestern part of the deposit. It is characterized by a 10 centimetre to 1.5-metre wide black gouge on the footwall and discontinuous mylonite pods 1 to 50 metres wide in the hanging wall.

Five main types of hydrothermal alteration are related to quartz and sulphide mineralization. Pervasive silicification, consisting of close spaced quartz veins with associated quartz alteration, is hosted by the Skeena rocks. The quartz porphyry dyke is only weakly affected by hydrothermal alteration.

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

Lornex *producer (cont'd)*

Potassium feldspar veinlets and hydrothermal biotite are erratically distributed. Argillic alteration is pervasive throughout the ore zone and is characterized by quartz, sericite, kaolinite, montmorillonite and chlorite. Copper grades generally correspond to the intensity of argillization. Within the argillic zone, phyllic alteration consists of grey quartz-sericite envelopes on mineralized veins. Pervasive propylitization, consisting of epidote (zoisite), chlorite and carbonates (calcite), is peripheral to the argillic zone. There is also an irregular zone of late-stage gypsum.

The Lornex deposit is 1900 metres long, 500 metres wide and plunges northwest to a depth of at least 750 metres. Chalcopyrite, bornite and pyrite constitute 1.5 per cent of the ore zone and occur in three roughly concentric sulphide zones respectively. Sulphides occur mainly with quartz as fracture-fillings and coatings. Veins average 5 to 15 millimetres in width. Molybdenite occurs as thin laminae in banded quartz veins and less often as rosettes in vuggy quartz veins.

The oxide zone averages 3 to 30 metres in thickness and thins toward the east. Supergene minerals are malachite, limonite, pyrolusite, azurite, cuprite, chalcocite, covellite, and native copper.

JHC showing *(*Volcanic Red-bed Cu)
MINFILE 092ISE147
One kilometre west

The property lies west of Homfray Lake and is underlain by volcanic rocks of the Upper Triassic Nicola Group. The area straddles a northwest trending contact between two volcanic sequences. East of the contact zone are very fine-grained red flows with occasional feldspar (plagioclase?) phenocrysts. The matrix contains moderate amounts of hematite disseminations. To the west are grey volcanics with an aphanitic to fine-grained matrix and associated feldspar and/or augite phenocrysts. Alteration consists of epidote, chlorite and carbonate. The contact zone parallels the main northwest structural trend. Northeast and north trends are also evident. Drilling (1971) intersected disseminated chalcocite in porphyritic and amygdaloidal basalt.

WENDY prospect (Porphyry Cu +/- Mo +/- Au)
MINFILE 09ISE154
Twelve kilometres east

The Wendy showing is situated along the eastern edge of the Guichon Creek batholith where Lower Jurassic quartz diorites and granodiorites have intruded Upper Triassic Nicola Group intermediate volcanics and sediments. These rocks were subsequently intruded by Gump Lake phase granodiorite to quartz monzonite.

The eastern portion of the property is underlain by hornfels, hornfelsed schists and granitic gneisses which have a rough north trending foliation of variable dip. The metamorphosed rocks are intruded by leucocratic, fine to medium-grained granitic dykes which increase in abundance to the west until the hornfelsic units grade into granitic units. The southwestern part of the property is underlain by fine to medium-grained diorite or granodiorite and coarse grey granite. Alteration consists of weak sericitization along with disseminations and bands of pink potassium feldspar.

MEADOW CREEK **(PLUG)** showing (Volcanogenic)
MINFILE 092ISE155
Seven kilometres east

The area is underlain by volcanic rocks of the Upper Triassic Nicola Group which are cut by small granitic plugs and sills.

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

Meadow Creek (Plug) *showing (cont'd)*

Sparse outcroppings of Nicola Group rocks along Meadow Creek consist of altered andesite, lapilli tuff, amygdaloidal basalt and minor lenses of limy sediments which strike east to southeast and dip steeply to the north. Alteration minerals include chlorite, epidote, carbonate and hematite. A quartz-mariposite-carbonate rock outcrops along Meadow Creek and is in contact with a chlorite-mica-feldspar(?) schist that strikes 020 degrees and dips 65 to 90 degrees to the east. The schist and mafic dioritic to hornblende andesite sills form a southeastward plunging asymmetrical syncline.

SA showing (Stockwork, Disseminated)
MINFILE 092ISE167
Seven kilometres east

The property lies within the Upper Triassic Nicola Group approximately 3 kilometres east of the Lower Jurassic Guichon Creek batholith. Locally Tertiary volcanic flows and minor intrusives overlie the Triassic rocks. The area is underlain by a conformable succession of epiclastic rocks with subordinate interlayered lavas. The sedimentary sequence is best exposed at the main showing where the succession is about 90 metres thick. This unit is comprised of 50 to 100 metres of volcanic conglomerate composed of subangular to rounded red to green clasts of flow rocks cemented by a friable sandy matrix.

Weakly bedded, coarse-grained fossiliferous limestone overlies the conglomerate and is again overlain by at least 60 metres of conglomerate grading upward into massive volcanic breccia. An upper unit of poorly bedded, well sorted greywacke caps the succession. Amygdaloidal basalt and andesite outcrop to the east and south where they are interlayered with the epiclastic rocks. Vesicles are filled with carbonate, zeolite and chalcocite.

GEOLOGY: DESMOND PROPERTY

The Desmond Property claim is entirely underlain by the Central Volcanic Facies of undivided volcanic rocks enveloped and slightly infringed on the southwest corner by the Western Volcanic Facies of undivided volcanic rocks.

MINERALIZATION: DESMOND PROPERTY AREA

The mineralization on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to Tenure 101190 (Desmond Property) is reported as follows.

FORD past producer (Stockwork, Vein)
MINFILE 09ISE009
Six kilometres northwest

The original open cuts (pre-1915) expose copper carbonate ore with occasional flecks of bornite and chalcocite along fracture planes in amygdaloidal flows. The adit follows a mineralized shear zone striking 040 degrees and intersects an east trending set of faults.

Chalcocite (?), bornite and some malachite occur in amygdules and associated veins in flow tops. Gangue minerals include chlorite, sericite, clinozoisite, zeolite and calcite. Some mineralization also occurs in calcite veins, calcite-epidote-sericite veins, sericite-zoisite veins and chlorite veins. Carbonate-zeolite veins are barren.

Drill core assays range from 0.22 to 2.8 per cent copper over an interval of less than one metre (Minister of Mines Annual Report 1973).

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

HIGHLAND VALLEY COPPER producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW012
Twenty six kilometres west

Highland Valley Copper operates two distinct mines, the Valley mine and the Lornex mine, and between the two has measured and indicated ore reserves of 761 million tonnes of 0.408 per cent copper and 0.0072 molybdenum. The ore reserves of each mine are: Valley mine - 627 million tonnes at 0.418 per cent copper and 0.0056 per cent molybdenum; Lornex mine - 135 million tonnes at 0.364 per cent copper and 0.0144 per cent molybdenum. The individual mine reserves are calculated at an equivalent cutoff grade of 0.25 per cent copper using a molybdenum multiplying factor of 3.5 (CIM Bulletin July/August 1992, pages 73,74).

BERTHA - MOLLY past producer (Stockwork)
MINFILE 092ISE012
Two kilometres west

Recent development has exposed malachite, azurite, chalcopyrite, cuprite and pyrite hosted by shears and fracture-fillings in vesicular volcanics and red tuffs. Mineralization is structurally controlled with an apparent north trend. A common alteration is calcite and epidote with silicification becoming stronger at depth.

RHYOLITE showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE021
Two kilometres west

Mineralization occurs in amygdaloidal basalt near the flow-volcaniclastic contact and is related to narrow quartz-carbonate veinlets within shears. Several old trenches indicate the shear zone strikes approximately 335 to 345 degrees and dips steeply west. Pyrite is present with minor chalcopyrite, azurite, malachite and sphalerite. Rock samples from this zone assayed up to 0.377 per cent copper, 0.218 per cent zinc and are weakly anomalous in gold and silver values (Assessment Report 18048).

LORNEX producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW045
Twenty six kilometres west

Published reserves at January 1, 1995 were 539.7 million tonnes grading 0.42 per cent copper and 0.0073 per cent molybdenum. The mine life is estimated to be about fourteen more years (Information Circular 1995-9, page 6).

Mineralization is controlled by the distribution and density of fracture sets. Three major sets of copper-molybdenum veins strike north-northeast to east and dip moderately southeastward. There are two sets of post-mineral fault and fracture systems; one which roughly parallels the mineralized veins and another which offsets the first up to 2 metres.

The most prominent structural feature is the Lornex fault which dips 55 degrees to the west in the southern part of the orebody, and steepens to nearly vertical in the north. This fault truncates the northwestern part of the deposit. It is characterized by a 10 centimetre to 1.5-metre wide black gouge on the footwall and discontinuous mylonite pods 1 to 50 metres wide in the hanging wall.

JHC showing *(*Volcanic Red-bed Cu)
MINFILE 092ISE147
One kilometre west
Fracturing and narrow shears in amygdaloidal andesite contain epidote, carbonate, quartz, malachite and chalcopyrite. A chip sample assayed 4.27 per cent copper and 14.2 grams per tonne silver (Assessment Report 17337).

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

WENDY prospect (Porphyry Cu +/- Mo +/- Au)
MINFILE 09ISE154
Twelve kilometres east

Minor chalcopyrite and malachite occur as narrow veins or along joint planes and as fine disseminations in the intrusive rocks.

MEADOW CREEK **(PLUG)** showing (Volcanogenic)
MINFILE 092ISE155
Seven kilometres east

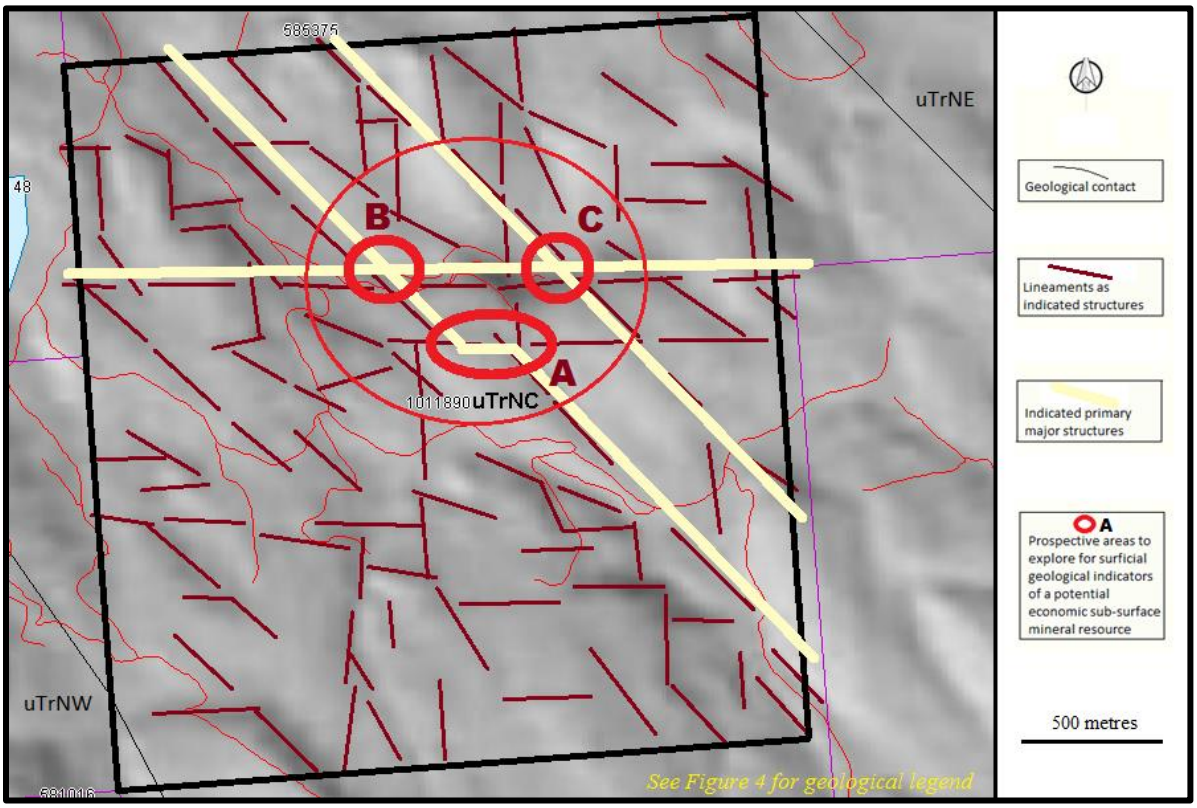
Locally, an alteration zone contains gold and silver mineralization and is exposed over a surface area of 32 metres long by 2 metres wide. The alteration zone consists of chlorite-mica (fuchsite) feldspar schist containing a quartz vein stockwork that is accompanied by pyrite, galena, sphalerite and chalcopyrite.

Two grab samples of quartz carbonate mariposite schist with galena and sphalerite yielded 605 and 482 parts per billion gold and 165.1 and 258.4 parts per million silver (Assessment Report 28815).

SA showing (Stockwork, Disseminated)
MINFILE 092ISE167
Seven kilometres east

On the SA showing, highly fractured, malachite stained, rusty weathering limestone (?) is exposed for 45.7 metres along the east side of an old logging access road. Stringers and disseminated grains of chalcocite, bornite and rarely chalcopyrite are visible on freshly broken surfaces. Much of the rock is strongly oxidized to a soft, rusty gossan locally rich in malachite.

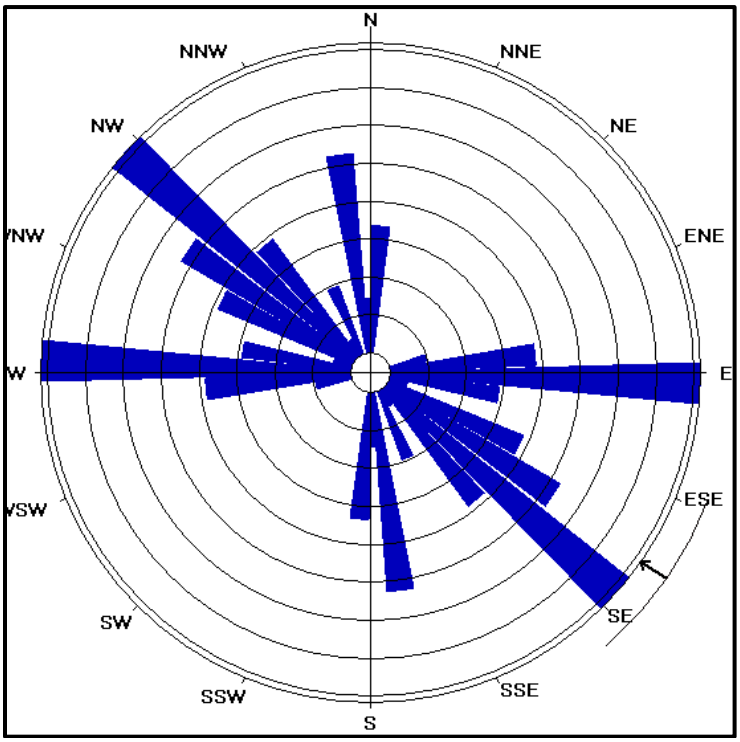
Figure 5. **Indicated Lineaments on Tenure 1011890**
(Base map: MapPlace & Google)



STRUCTURAL ANALYSIS

The Structural Analysis was accomplished marking the observed lineaments on a DEM Hillside Shade map of Tenure 1011890. A total of 104 lineaments were indicated as shown on Figure 5. A Georient 32v9 software program was used to create a Rose Diagram reflecting the grouping of the 104 lineaments into an individual 10 degree class sector angle interval as shown on Figure 6.

Figure 6. **Rose Diagram of Figure 5 Indicated Structures**



STATISTICS

Axial (non-polar) data
No. of Data = 104
Sector angle = 8°
Scale: tick interval = 2% [2.1 data]
Maximum = 16.3% [17 data]
Mean Resultant dir'n = 125-305
[Approx. 95% Confidence interval = ±14.3°]
(valid only for unimodal data)
Mean Resultant dir'n = 124.9 - 304.9
Circ.Median = 001.0 - 181.0
Circ.Mean Dev.about median = 52.0°
Circ. Variance = 0.16
Circular Std.Dev. = 33.67°
Circ. Dispersion = 1.65
Circ.Std Error = 0.126
Circ.Skewness = -2.63
Circ.Kurtosis = -21.27
kappa = 1.15
(von Mises concentration param. estimate)
Resultant length = 52.13
Mean Resultant length = 0.5012
'Mean' Moments: Cbar = -0.1734; Sbar = -0.4703
'Full' trig. sums: SumCos = -18.0326; Sbar = -48.9101
Mean resultant of doubled angles = 0.1697
Mean direction of doubled angles = 019
(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'

Figure 7. **Cross structural locations** *(Figure 5)* **on Google Earth**
(Base Map from MapPlace and Google Earth)

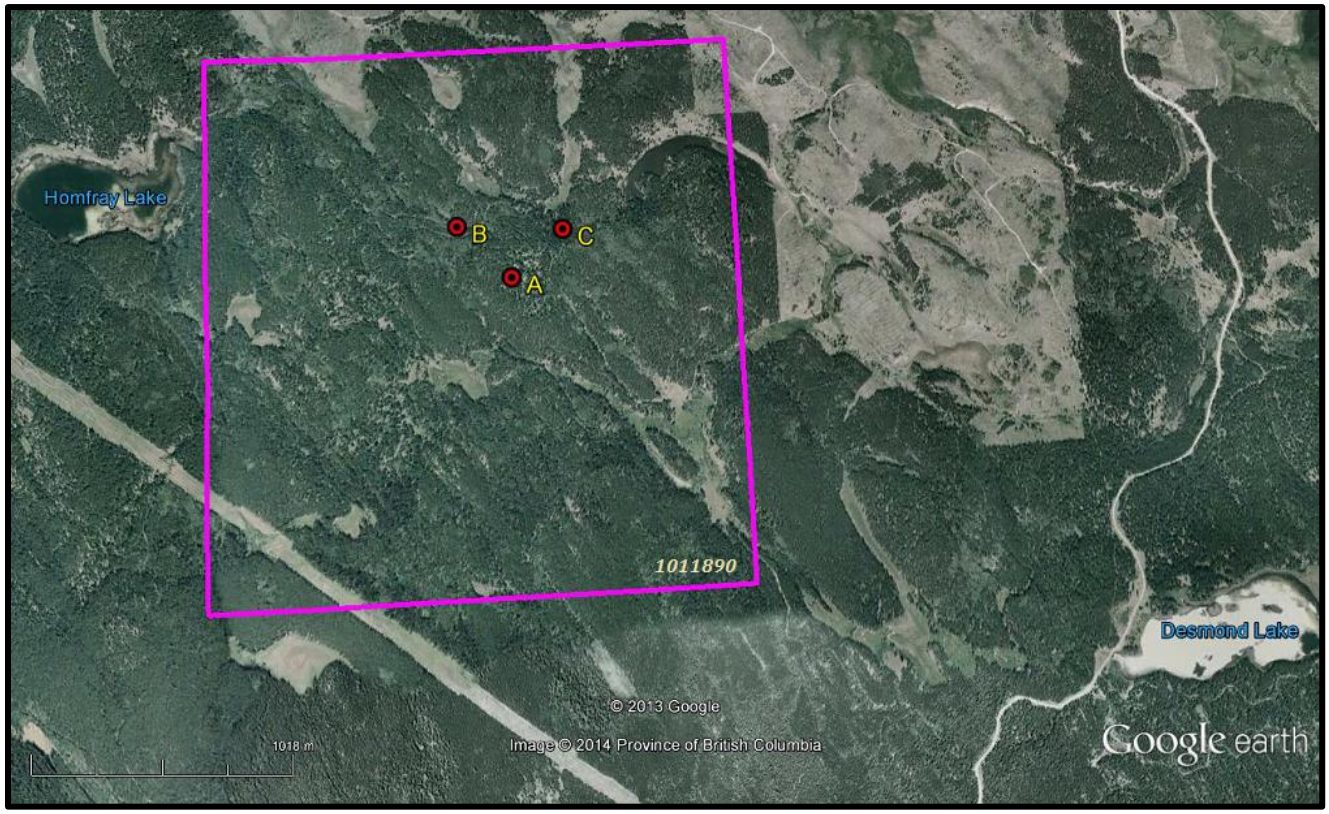


Table II. **Approximate UTM locations of Figure 5 cross-structures**
(UTM-NAD 83)

Location	UTM East	UTM North	Elevation
A	665,817	5,590,723	1,305
B	665,581	5,590,954	1,250
C	666,029	5,590,935	1,252

INTERPRETATION & CONCLUSIONS

Three cross-structural locations between easterly and northerly trending dominant structures. Any cross structure location is significant in that it creates an expansive fractured zone of increased depth penetration to tap any source of hydrothermal fluids at depth, providing a preferred and less restrictive migration of the fluids to surface, and etch their geological features in the host rock to be interpreted by the explorationist.

As all three locations are concentrated within a 750 metre area, the area of potentially economic mineralization is substantially enhanced. As fracture density is an important single factor in influencing ore grades of a porphyritic mineral deposit, the Highland Valley and the Lornex Faults intersections might be attributed to the greater fracture density over an enlarged area and thus the significant mineral resource developed at the Highland Valley/Lornex mineral deposit.

Interpretation & Conclusions *(cont'd)*

Mineral occurrences within the Nicola volcanics east of the Guichon Batholith, the location of the Desmond Property, were likely generated from an underlying intrusive source perhaps exposed as stocks on the surface as at the SA mineral showing. This commonly sparse mineralization frequently associated with fractures and/or breccias could be an indication of a potential economic mineral zone to depth.

Other Minfile descriptions of surface mineralization hosted by volcanics are at the Rhyolite mineral showing where porphyry mineralization related to a basalt host and a shear zone, or at the Bertha-Molly past producer where mineralization is also structurally controlled. Surficial indications of other potential mineral deposits in the area are described in the Minfile mineral descriptions copied herein from the BC Government Minfile records with locations shown on Figure 4.

RECOMMENDATIONS

Mineral exploration on the Desmond Property should be focused on the area encircled on Figure 5 which includes the three cross-structural locations. Prospecting, rock and soil sampling followed by a two line, three dimensional Induced Potential survey should provide sufficient results on which to initiate a diamond drill program. The drilling would be comprised of on drill hole to a 500 metre depth to test for a mineralized porphyry system.

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, PEng

STATEMENT OF COSTS

Work on Tenure 1011890 was done from June 26, 2013 to June 29, 2013 to the value as follows:

Laurence Sookochoff, P Eng. 3 days @ $ 1,000.00/day -----	$ 3,000.00
Maps ----------	750.00
Report ----------	3,500.00
	$ 7,250.00
	========

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Cochrane, D.R. et al – Geophysical Report on an Induced Polarization Survey of the Plug Claims on behalf of Texada Mines Ltd. October 24, 1972. AR 4,041.

Crooker, G.F. – Geological, Geochemical and Geophysical Report on the WRT 1 to 6 and 9 to 15 Claims for Western Resource Technologies Inc. November, 1988. AR 18,048.

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DeLeen, J. et al – Magnetometer and Geochemical Report on the Plug Claims on behalf of Texada Mines Ltd. December 8, 1972. AR 4,041.

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Hollister, V.F. – Geology of the Porphyry Copper Deposits of the Western Hemisphere. Society of Mining Engineers of the American Institute of Mining, Metallurgical, and Petroleum Engineers, Inc. New York, New York. 1978.

MapPlace – MapPlace downloads

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

MtOnline - MINFILE downloads.

092ISE009 – FORD
092ISW012 – HIGHLAND VALLEY COPPER
092ISE012 – BERTHA – MOLLY
092ISE021 – RHYOLITE
092ISW045 – LORNEX
092ISE147 – JHC
092ISE154 – WENDY
092ISE155 – MEADOW CREEK
092ISE167 – SA

Sookochoff, L., Zhonghua, P. **–** Dansey Project Technical Report for Logan Copper Inc. January 16, 2010.

Sookochoff, L. – Geophysical Assessment Report on the Tenure 1011890 for Balto Resources Ltd. June 25, 2012. AR 33,127.

Sookochoff, L. – Geological Assessment Report for Guy and Christopher Delorme on Tenure 581016 of the ten claim Bertha 581016 Claim Group. November 8, 2013.

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. and state 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-seven 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, the work on the structural analysis of Tenure 1011890, and from exploration work the author has performed in the general area.

Laurence Sookochoff, P. Eng.

Vancouver, BC