VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL ASSESSMENT REPORT

(Event 5486389)

on a

STRUCTURAL ANALYSIS

(Work done between January 3, 2014 and January 6, 2014)

on

Tenures 1015179 & 1015252

of the 13 Tenure

Toni 1015179 Claim Group

of the 81 claim 36,269 hectare

TONI PROPERTY

Nicola Mining Division

BCGS Map 092H.088/.098

Centre of Work
5,531,224N, 677,772E

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SUMMARY

The 13 claim Toni 1015179 Claim Group of the 81 claim 36.269 hectare TONI property covers an area of 4,204 hectares located 206 kilometres northeast of Vancouver, 27 kilometres southeast of Merritt, and 16 kilometres east-southeast of the past productive Elk/Siwash *(MINFILE 092HNE096)* property from which production between 1992 and 1995 was reported as 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver recovered between 1992 and 1995. In 2004 global (bulk-tonnage and underground mineable) measured and indicated resources were reported to total 668,300 tonnes grading 9.66 grams per tonne gold (207,600 ounces) plus an additional 1,317,200 tonnes grading 4.91 grams per tonne gold (207,800 ounces) in the inferred category. The property is currently in the re-exploration and development stage by Gold Mountain Mining Corporation.

The HN-WEN mineral prospect *(MINFILE 092H.058)*, located within two kilometres south of the Toni 1015179 Claim Group, was explored in 1996 by George Resources Ltd. resulting in one of 16 diamond drill holes, W96-1, reportedly intersecting a 6.55 metre quartz zone which returned assays of 16.578 gm/t Au, 0.75% Cu, and 12.901 gm/t Ag. (Verley, 1997). In a Victory Resources 2010 diamond drill program, a copper bearing zone reportedly resulted in the intersection of 5.50 metres assaying 2.62% Cu (Victory news release dated August 26, 2010).

As indicated by the BC government supported MapPlace geological maps, the Toni 1015179 Claim Group is predominantly underlain by the upper Triassic Nicola Group of basaltic volcanic rocks *(uTrNE)* in a northerly and easterly contact with the Pennask batholith in the northeast and with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks *(UTrNsf)* which infringes into the Property from the east covering approximately one-third of the Claim Group.

An intrusive stock of late Triassic to early Jurassic granodiorite (uTrJgd) is located in the central-west with the Kit mineral showing *(MINFILE 092H.270)* hosted by the volcanics and adjacent to the intrusive.

The structural analysis on Tenures 1015179 & 1015252 of the Toni 1015179 Victory Resources claim group (Property) revealed dominant northerly and northwesterly indicated major structures resulting in three mineral controlling cross-structural locations. The most effective mineral control may relate to fracture density associated with the cross structures where a structural intersection would extend to a greater depth to tap and provide a conduit for the potential mineralizing fluids to surface.

This is shown in two former producing mines in the vicinity of the Toni 1015179 Claim Group. At the BRENDA past producer *(Minfile 092HNE047*), the grade of the orebody is a function of fracture (vein) density and of the thickness and mineralogy of the filling material. Mineralization decreases outwardly from the most intensely fractured/mineralized rock and the centre of the main mineral zone. The centre well fractured zone could very well be the intersection of two major structures.

The northerly trending main Elk structure is intersected by numerous east-northeasterly trending faults where the cross-structural mineral controlling feature is obvious as the mineral zones are mostly adjacent to the Elk Fault and related to the cross fault intersections. Figure 8 shows this structural/mineral pattern

Thus, the three cross-structure locations determined in the structural analysis and indicated on Figures 5 & 7 would be prime locations to explore for surficial geological indicators of a potential economic deep-seated mineralized porphyry system. Examples of the surficially expressed mineral indicators are provided in the eleven Minfile mineral properties copied from the BC Government Minfile records and included in this report.

INTRODUCTION

In January 2014 a structural analysis was completed on Tenures 1015179 & 1015252 of the 13 claim Toni 1015179 claim group ("Property") of Victory's 81 claim, 36,000 hectare TONI property located in the historic Aspen Grove Mining Camp of south central British Columbia. 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 Tenures 1015179 & 1015252 or other claims of the Toni Property.

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

Figure 1. **Location Map**
(From: MapPlace)

PROPERTY DESCRIPTION AND LOCATION

Description

The Property is comprised of 13 contiguous mineral claims covering an area of 5009.2526 hectares. Particulars are as follows:

Table I. **Tenures of Toni 1015179 Claim Group**

Tenure Number	Type	Claim Name	Good Until*	Area (ha)
520759	Mineral	LUCKY GOLD	20140915	83.146
567126	Mineral	AU-WEN EAST	20140815	498.8479
585153	Mineral	NORTH 1	20140815	124.7025
589853	Mineral	TONI 4	20140915	520.0423
589947	Mineral	TONI 35	20140815	519.4985
589949	Mineral	TONI 37	20140815	519.3189
589950	Mineral	TONI 38	20140815	519.3196
589951	Mineral	TONI 39	20140815	519.3206
589952	Mineral	TONI 40	20140815	519.4972
633163	Mineral	WENC	20140815	270.3451
633183	Mineral	WEND	20140915	394.9934
1015179	Mineral	TC1282	20141130	332.941
1015252	Mineral	TC1211	20141130	187.2796

* Upon the approval of the assessment work filing, Event Number 5486389

Location

The Property is located within BCGS Map 092H.088/.098 of the Nicola Mining Division, 206 kilometres northeast of Vancouver, 80 kilometres south of Kamloops, and 27 kilometres southeast of Merritt.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

Access

From Merritt the Property is accessed southward via Highway 5A for 27 kilometres to the junction with Highway 97C, thence southeastward for eight kilometres to the western boundary of Tenure 589853 of the Toni 1015179 Claim Group.

Climate

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.

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

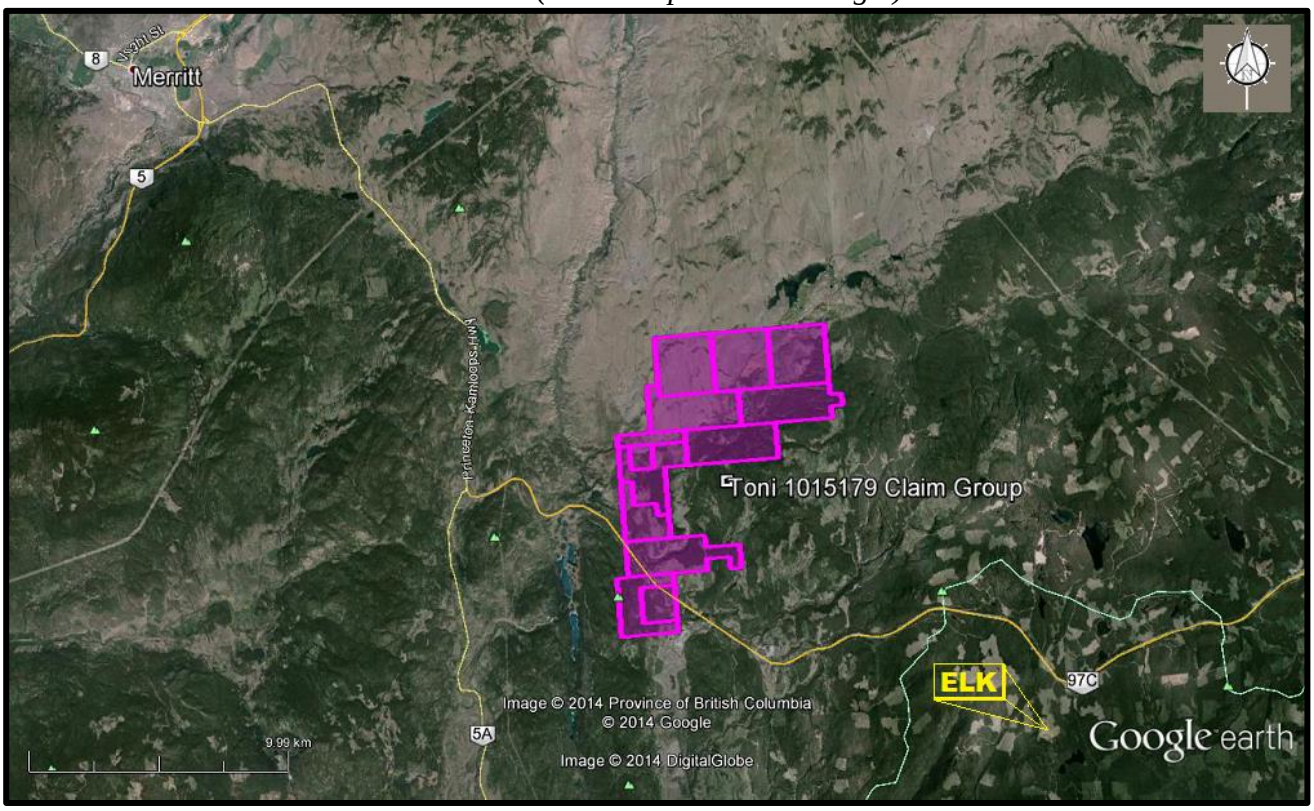
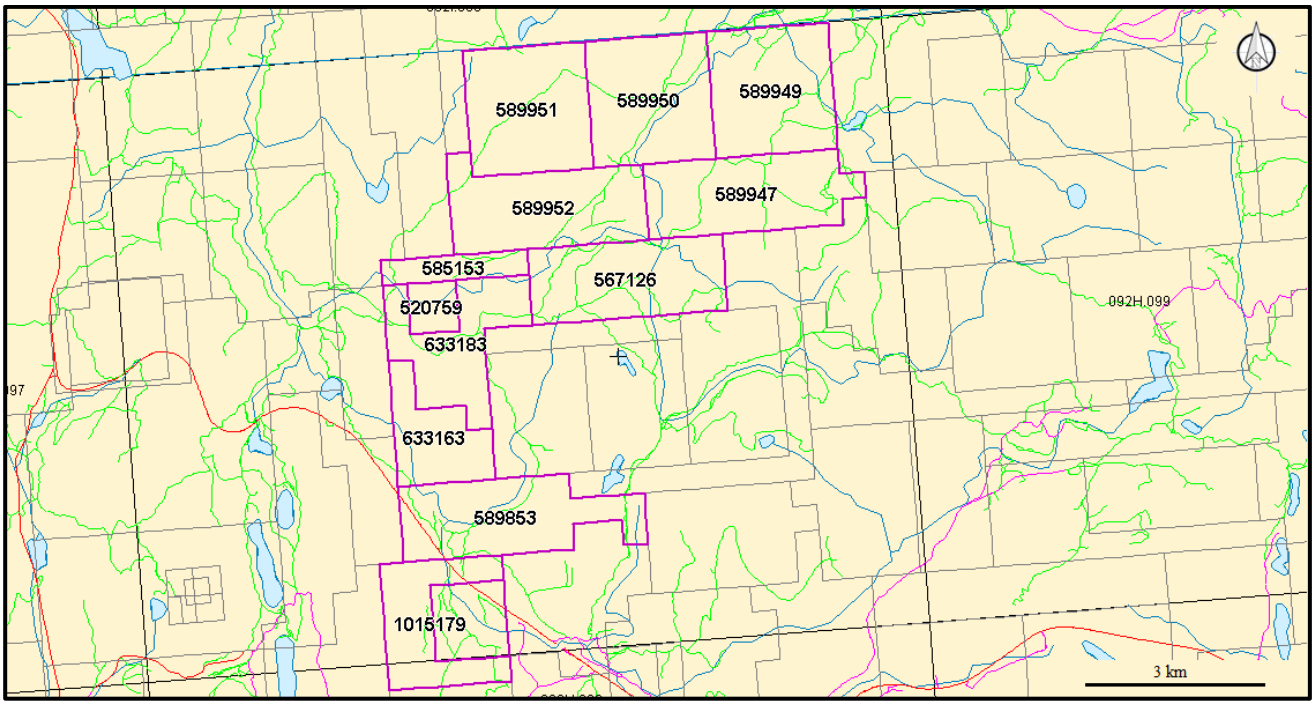


Figure 3. **Claims Map**
(From MapPlace)



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

Local Resources & Infrastructure

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.

Physiography

The topography is of gentle to moderate forested slopes with localized logged areas. Relief is in the order of 250 metres with elevations ranging from 1,225 metres in the west southwest corner to 1,475 metres at the north corner

WATER & POWER

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

HISTORY: PROPERTY AREA

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on and peripheral to the Tenures 1015179 & 1015252 Claim Group (Figures 3 & 4) are reported as follows. The distance from the Toni 1015179 Claim Group is relative to Tenures 1015179 & 1015252, which is the subject of the structural analysis.

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
Six kilometres northeast

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

PAYCINCI prospect (Volcanic redbed Cu)
MINFILE 092HNE084
Five kilometres west

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
Sixteen kilometres east-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.

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Sixteen kilometres northeast

The Pine showing is 500 metres south of Quilchena Creek and 4.8 kilometres north-northeast of the north end of Boot Lake.

HISTORY: PROPERTY

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on the Tenure 1015179 Claim Group are reported as follows.

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE002
Within Tenure 567126

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).

ECHO *showing (Volcanic redbed Cu)*
MINFILE 092HNE059
Within Tenure 567126

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

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

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

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

MINFILE No 092HNE144
Within Tenure 633183

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

This prospect includes the Au claims and the FLIM and FLAM. The area was prospected in the 1930's for gold (Balon, 1994). McGoran (1979) reported that two prospectors, M. Bresnick and J. Kohler were able to pan colours from test pits although they failed to determine the source of the gold. Harry Nesbitt of Merritt staked the AU claims in 1969 and on his discovery of free gold in trenches prompted an option agreement with New Pyramid Gold Mines who in 1974 conducted further trenching followed by the completion of seven diamond drill holes. No details of the results of the drilling are available.

The claims reverted back to Nesbitt who in 1978 sold them to Invex Resources Ltd. A program of soil sampling and trenching by Invex delineated a copper-gold-silver anomaly extending some 700m northwards of the original Nesbitt showing. The combined soil and rock sampling however indicated, that the copper and gold anomalies were more pronounced in the rock sampling where gold values ranged up to 740ppb and copper values to 2,900ppm. McGoran (1979) observed, "the gold mineralization appears to be confined to one or more microdiorite dykes".

Invex merged with Imperial Metals Corp. who continued exploring the claims and in 1983 drilled 2 holes near the Nesbitt zone. The drilling returned anomalous gold values ranging up to 650ppb. In 1984, David Heyman optioned the claims from Imperial Metals and after adding the FLIM and FLAM claims optioned the claim group to Algo Resources Ltd. In 1986 Algo conducted IP, magnetometer, soil sampling and geological surveys and the following year drilled nine HQ diamond holes totaling 587 metres. One drill hole, DDH 87-8 obtained the best grade intercept over a near surface 1.5m section that yielded 1.4 gpt Au, 92.89 gpt Ag and 3.58% Cu.

Algo relinquished its option and returned the claims to Heyman. Subsequent prospecting by Heyman and J.D. Rowe of Fairfield Minerals Ltd. resulted in the discovery of a 0.75m wide gold-bearing quartz vein north of the Nesbitt zone. Chip sampling of these newly discovered vein yielded gold values of up to 1.402 opt Au.

In 1993 Fairfield optioned the ground from Heyman and undertook soil geochemical, geological and geophysical surveys, as well as trenching.

A soil grid covered the entire AU claims as well as the FLIM and FLAM claims resulting in a few scattered gold values greater than 50ppb. Fairfield dropped its option and the claims reverted back to Heyman.

In 1996, George Resources Company Ltd. commenced a program of line cutting and soil sampling covering parts of the AU 1, AU 3, AU 4 and FLAM claims. In addition, trenching and chip sampling of the Hodge Vein and the Nesbitt Zone were carried out. A grid consisting of 25 line kilometers was laid out from which 274 soil samples were collected. None of the soil samples analyzed by ICP yielded a gold value greater than 5ppb while the highest copper value was 77ppm. Carl Verley (1997) observed, "the area sampled was underlain by a blanket of boulder till or outwash". Channel sampling from three trenches cut across the Hodge Vein yielded gold values ranging from 30ppb to 6,600ppb in the wall rock and greater than 20,000ppb from the vein. At the Nesbitt zone, two trenches yielded gold ranging from 5ppb to 1,620ppb.

History: Property *(cont'd)*

POT 1 *showing (Volcanic redbed Cu)*
MINFILE 092HNE204
Within Tenure 633183

The Pot 1 occurrence is a showing of gold-silver-copper mineralization, just east of the historical Aspen Grove copper camp, between Merritt and Princeton. The occurrence is located 1.1 kilometres northeast of Pothole Lake, between Quilchena and Pothole creeks, 7 kilometres east-northeast of the community of Aspen Grove.

KIT showing (Alkalic porphyry Cu-Au; Porphyry Mo (Low F type))
MINFILE 092HNE270
Within Tenure 585153

The Kit showing is exposed on the north bank of Quilchena Creek, 2.0 kilometres east-northeast of the creek's confluence with Pothole Creek and 7.8 kilometres northeast of Aspen Grove.

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 AREA

The geology on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to the Tenure 1015179 Claim Group are reported as follows. The distance from the Toni 1015179 Claim Group is relative to Tenures 1015179 & 1015252, which is the subject of the structural analysis.

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
Sixteen kilometres east-southeast

The HN-WEN occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.
The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcaniclastic rocks and volcanic flows. The main Aspen Grove copper camp lies several kilometres to the west in the Central belt, separated by the north-striking Kentucky-Alleyne fault system (Bulletin 69).

Geology: Property Area *(cont'd)*

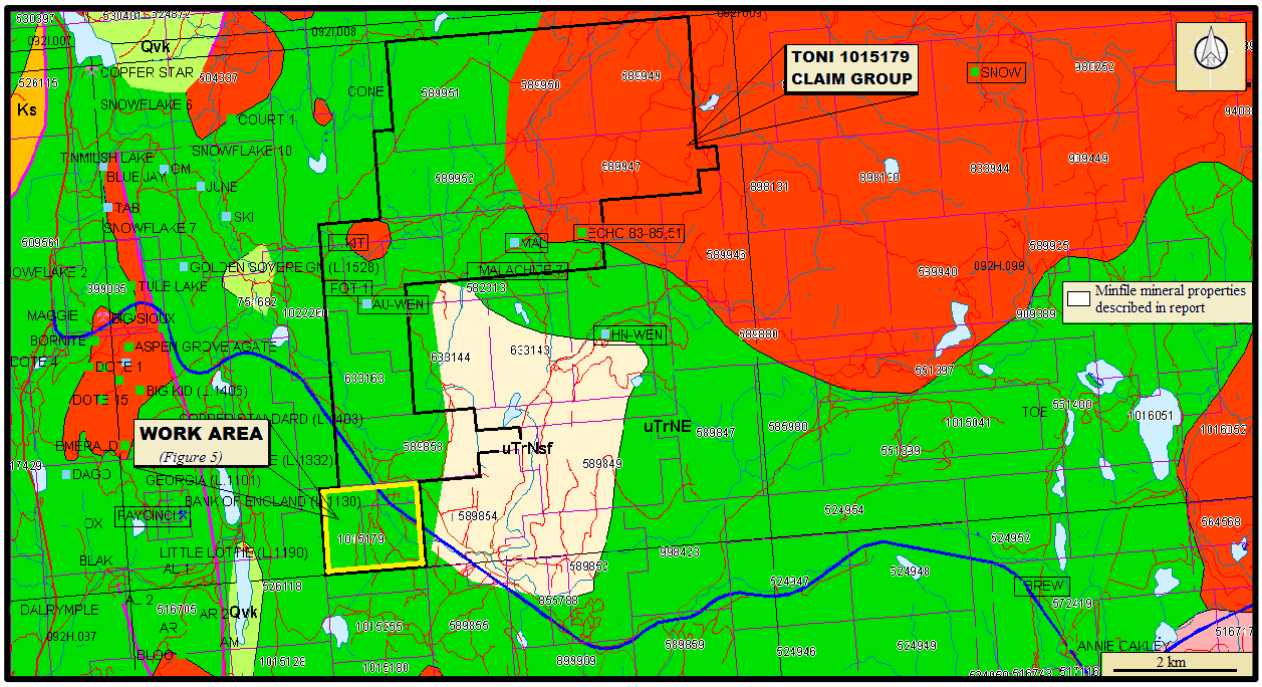
HN-WEN *prospect (cont'd)*

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).

Figure 4. **Property, Index, Geology, & Minfile**

(Base map from MapPlace)



GEOLOGY MAP LEGEND

Pleistocene to Recent

PlRal
Unnamed alluvial till

PlRvk
Unnamed alkalic volcanic rocks

Upper Triassic

Eastern Volcanic Facies

uTrNE
lower amphibolite/kyanite grade metamorphic rocks

uTtNsf
mudstone, siltstone, shale, fine clastic sedimentary rocks

uTrNMl
basaltic volcanic rocks

uTrJum
unnamed ultramafic rocks

Central Volcanic Facies

uTrNc
andesitic volcanic rocks

Late Triassic to Early Jurassic

LTrJgd
unnamed granodiorite intrusive rocks

LTrJdr
dioritic to gabbroic intrusive rocks

Geology: Property Area *(cont'd)*

PAYCINCI prospect (Volcanic redbed Cu)
MINFILE 092HNE084
Five kilometres west

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.

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

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

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

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

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

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

Geology: Property Area *(cont'd)*

Brew *showing (cont'd)*

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.

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Sixteen kilometres northeast

The Pine showing is 500 metres south of Quilchena Creek and 4.8 kilometres north-northeast of the north end of Boot Lake. A drillhole intersected minor copper mineralization in weakly to moderately chloritized granite of the Early Jurassic Pennask batholith.

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 three kilometres west of the Property.

As indicated by the BC government supported MapPlace geological maps, the Toni 1015179 Claim Group is predominantly underlain by the upper Triassic Nicola Group of basaltic volcanic rocks *(uTrNE)* in a northerly and easterly contact with the Pennask batholith in the northeast and with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks *(UTrNsf)* which infringes into the Property from the east covering approximately one-third of the Claim Group.

An intrusive stock of late Triassic to early Jurassic granodiorite (uTrJgd) is located in the central-west with the Kit mineral showing *(MINFILE 092H.270)* hosted by the volcanics and adjacent to the intrusive.

The geology on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on the Tenure 1015179 Claim Group are reported as follows.

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE002
Within Tenure 567126

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

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

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

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

***MAL** prospect (cont'd)*

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).

***ECHO** showing (Volcanic redbed Cu)*
MINFILE 092HNE059
Within Tenure 567126

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

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

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

***AU-WEN** prospect (Intrusion related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)*
MINFILE 092HNE144
Within Tenure 633163

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

The 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).

Geology: Property *(cont'd)*

Au-Wen *prospect (cont'd)*

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).

POT 1 showing (Volcanic redbed Cu)
MINFILE 092HNE204
Within Tenure 633183

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

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

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

KIT showing (Alkalic porphyry Cu-Au; Porphyry Mo (Low F type))
MINFILE 092HNE270
Within Tenure 633163

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.

MINERALIZATION: PROPERTY AREA

The mineralization on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on and peripheral to the Tenure 1015179 Claim Group is reported as follows. The distance from the Toni 1015179 Claim Group is relative to Tenures 1015179 & 1015252, which is the subject of the structural analysis.

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
Sixteen kilometres east-southeast

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

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

The mineralized zone measures 760 by 90 metres and has a depth of about 75 metres. Diamond drilling indicates that it strikes 160 degrees and dips vertically or steeply east, so it is not parallel to the volcanic-sedimentary contact, indicating that the contact is not the controlling factor.

Rather, the veins hosting the mineralization are structurally controlled by numerous faults and fractures which consistently strike 160 degrees and dip 85 degrees east (Assessment Report 4230).

Incidentally, the Echo occurrence (092HNE059) lies on this trend, 2 kilometres to the north-northwest, and the mineralization may also extend south-southeast of the HN-WEN occurrence (Assessment Report 4230).

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

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

PAYCINCI prospect (Volcanic redbed Cu)
MINFILE 092HNE084
Five kilometres west

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).

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

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

Gold-silver mineralization on the Elk property is hosted primarily by pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks. Crosscutting relationships indicate that the veins are Tertiary in age; they may be related to Tertiary Otter intrusive events.

To date, mineralization has been located in four areas on the Elk property: Siwash North, South Showing (092HNE261), North Showing (092HNE281) and Siwash Lake (092HNE041, 295).

The Siwash Lake zone is 800 metres south of the Siwash North deposit; the North Showing and South Showing areas are 2 and 3 kilometres south of Siwash North respectively.

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

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

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

In drill core, mineralization has not been affected by supergene processes. Metallic minerals in drill core include pyrite, chalcopyrite, sphalerite, galena, tetrahedrite, maldonite ? pyrrhotite and native gold in order of decreasing abundance).

Gold is strongly associated with pyrite and with a blue-grey mineral. Photomicrographs show the gold commonly in contact with this mineral, which may be a gold-bismuth alloy (maldonite?) or a copper-bismuth- antimony sulphosalt.

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

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

Propylitic alteration is generally light green with biotite and hornblende altered to chlorite, and plagioclase is saussuritized.

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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).

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.

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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).

Surface diamond drilling totaling 1413.96 metres in 12 holes was completed on the Siwash Mining lease during 2000 testing the B, WD and Gold Creek West (GCW) zones.

A trenching program was carried out in 2001 in the Siwash East Area consisting of six trenches totaling 202 meters. Almaden Resources and Fairfield Minerals Ltd. merged into Almaden Minerals Ltd. in February, 2002.

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

By the end of May 2004, a total of eight mineralized veins had been discovered on the property. Four vein systems had been drilled in the Siwash area: the B system with a strike length of 900 m has been tested down dip to 320 m; the WD zone with a strike length of 650 m has been tested to 370 m down dip; the GCW zone with a strike length of 300 m has been tested to 130 m down dip and the Bullion Creek (BC) zone which has been tested with two holes to a depth of 75 m.

A new 43-101 compliant resource was calculated using drill data for the Siwash B and WD veins, just two of eight known mesothermal vein structures on the property.

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

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

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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.

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

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

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Sixteen kilometres northeast

The Pine showing is 500 metres south of Quilchena Creek and 4.8 kilometres north-northeast of the north end of Boot Lake. A drillhole intersected minor copper mineralization in weakly to moderately chloritized granite of the Early Jurassic Pennask batholith.

MINERALIZATION: PROPERTY

The mineralization on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on the Tenure 1015179 Claim Group are reported as follows.

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE002
Within Tenure 567126

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).

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

***MAL** prospect (cont'd)*

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
Within Tenure 567126

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).

AU-WEN prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE No 092HNE144
Within Tenure 633183

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).

POT 1 showing (Volcanic redbed Cu)
MINFILE 092HNE204
Within Tenure 633183

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: Property *(cont'd)*

MALACHITE 7 showing (Cu skarn; Volcanic redbed Cu)
MINFILE 092HNE269
Within Tenure 567126

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

KIT showing (Alkalic porphyry Cu-Au; Porphyry Mo (Low F type))
MINFILE 092HNE270
Within Tenure 633163

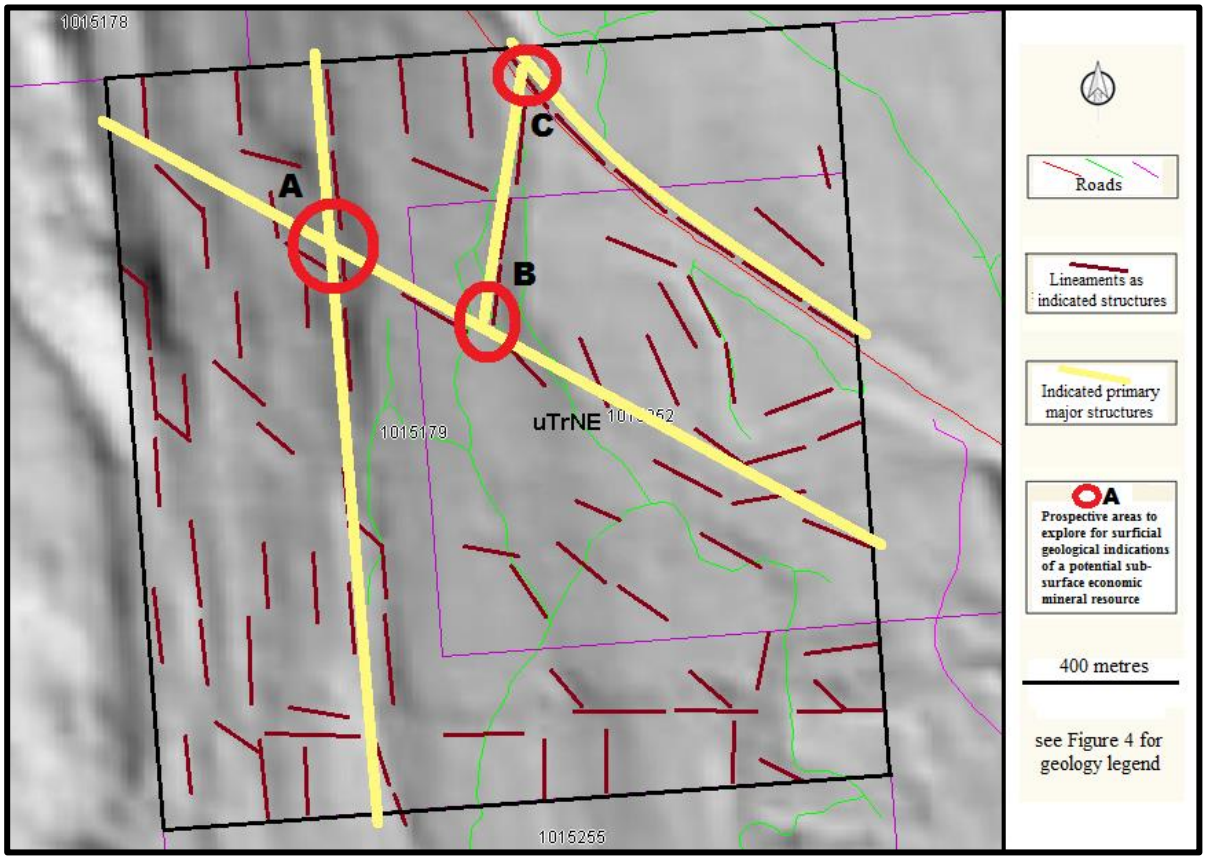
Some of the shears are graphitic and they locally contain quartz lenses 2.5 to 5 centimetres wide with minor disseminated molybdenite. The intrusive is also fractured to some extent, with one prominent set striking 055 to 070 degrees and dipping steeply southeast. Some of the fractures contain quartz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

STRUCTURAL ANALYSIS

A DEM Hillshade Image map of Tenures 1015179 & 1015252 obtained from MapPlace was utilized as the base map for the structural analysis which was accomplished by viewing the map and marking the lineaments thereon. A total of 76 lineaments were marked (Figure 5), compiled into a 10 degree class interval, and plotted as a rose diagram as indicated on Figure 6.

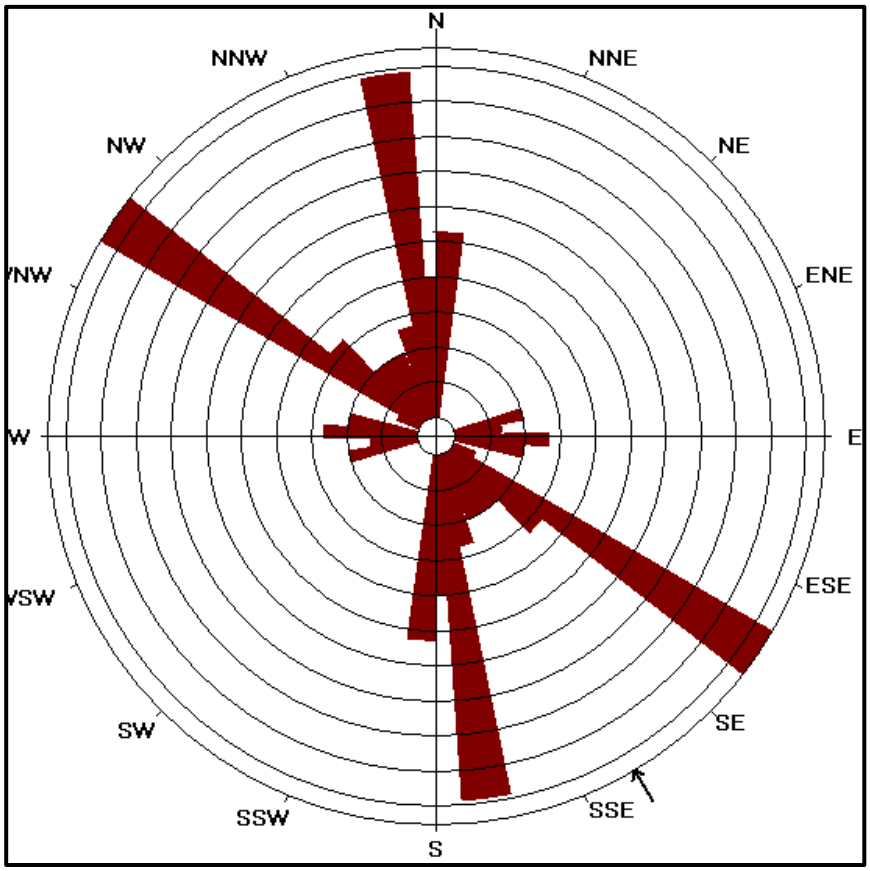
The centre of the work area is at 5,531,224N, 677,772E (NAD 83).

Figure 5. **Indicated Lineaments on Tenures 1015179 & 1015252**
(Base Map from MapPlace)



Structural Analysis *(cont'd)*

Figure 6. **Rose Diagram from lineaments of Figure 5.**



STATISTICS

Axial (non-polar) data
No. of Data = 76
Sector angle = 8°
Scale: tick interval = 2% [1.5 data]
Maximum = 21.1% [16 data]
Mean Resultant dir'n = 149-329
[Approx. 95% Confidence interval = ±16.8°]
(valid only for unimodal data)

Mean Resultant dir'n = 149.4 - 329.4
Circ.Median = 145.5 - 325.5
Circ.Mean Dev.about median = 28.6°
Circ. Variance = 0.16
Circular Std.Dev. = 34.36°
Circ. Dispersion = 1.65
Circ.Std Error = 0.1473
Circ.Skewness = 3.01
Circ.Kurtosis = -21.05
kappa = 1.11
(von Mises concentration param. estimate)
Resultant length = 37.02
Mean Resultant length = 0.4871
'Mean' Moments: Cbar = 0.2341; Sbar = -0.4271
'Full' trig. sums: SumCos = 17.7954; Sbar = -32.4619
Mean resultant of doubled angles = 0.2177
Mean direction of doubled angles = 175
(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'

Structural Analysis *(cont'd)*

Figure 7. **Cross-structural locations on Google Earth**

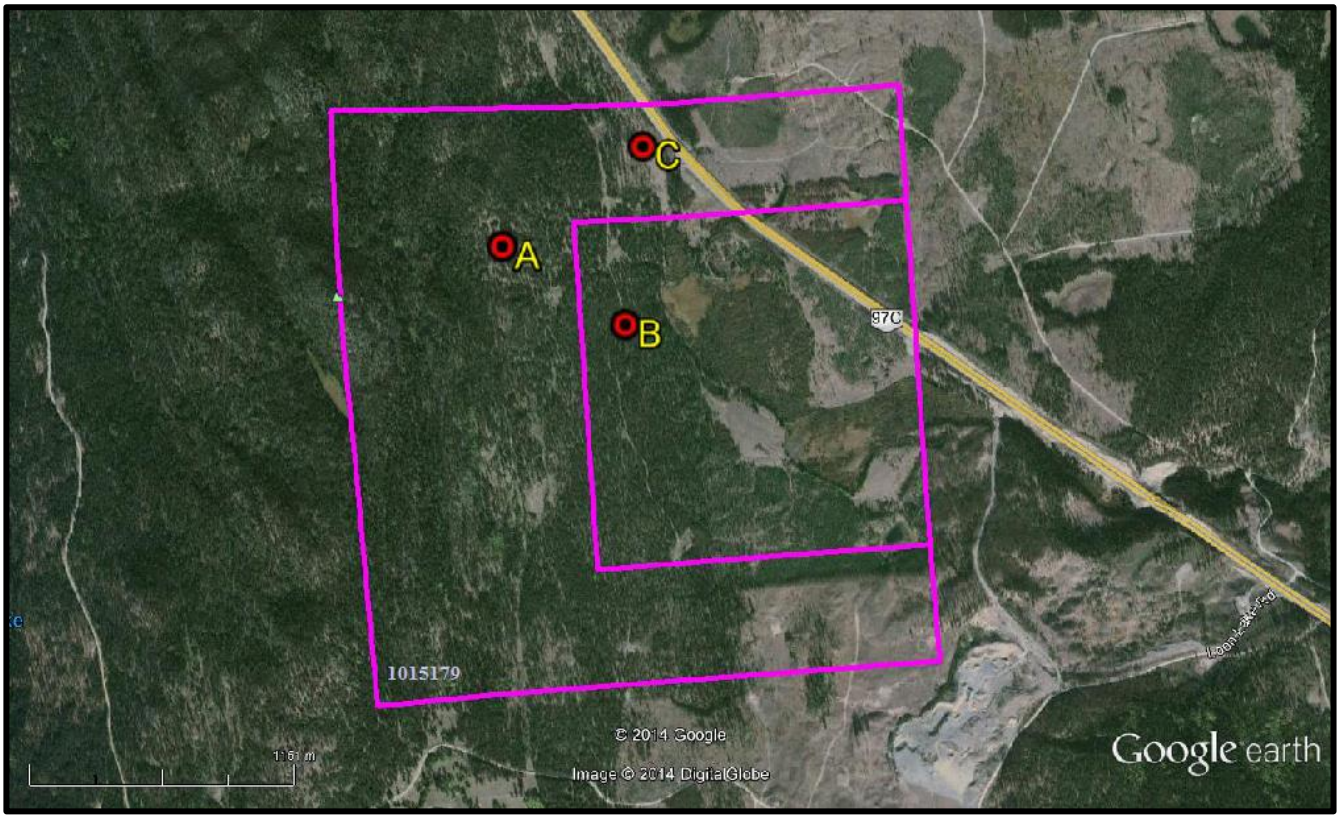
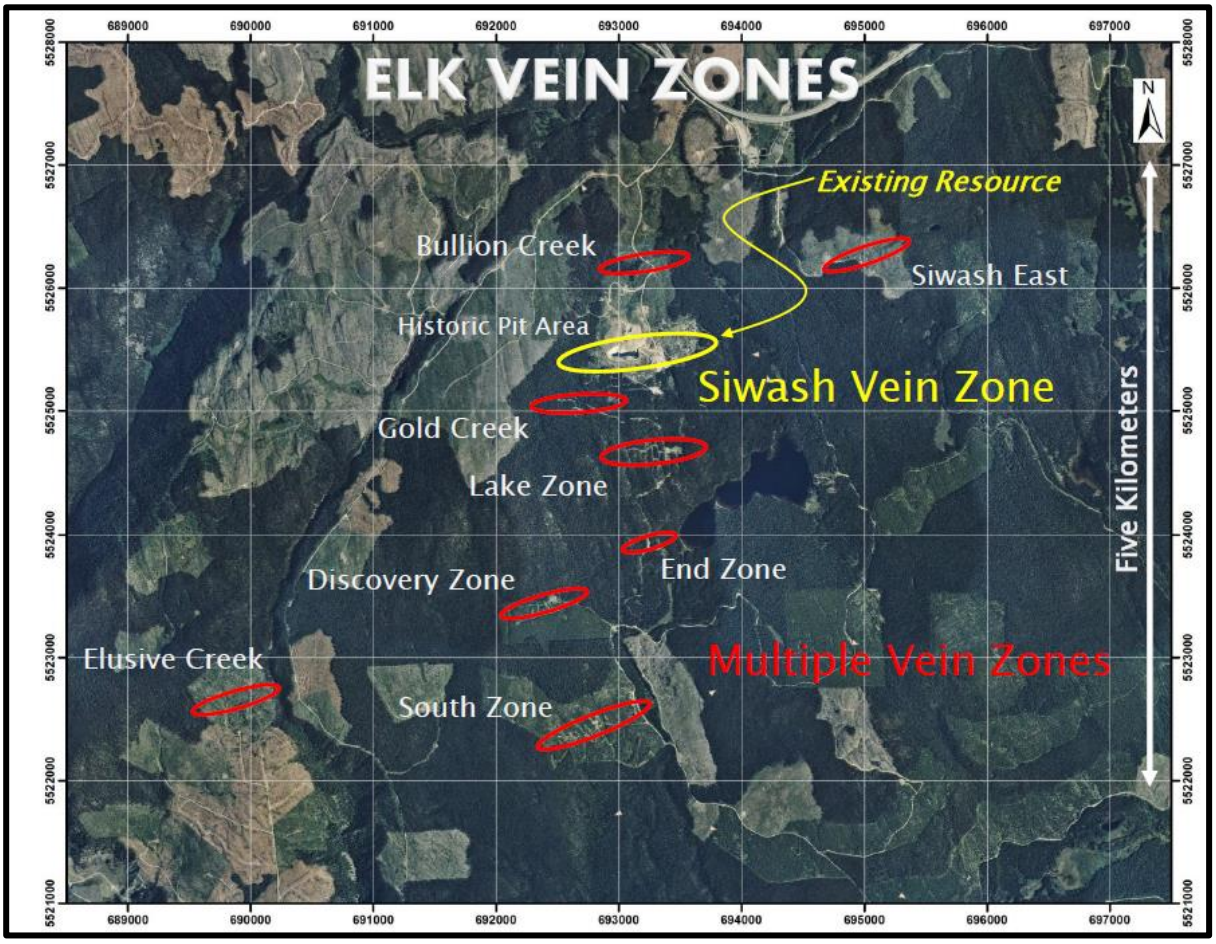


Table II. **Approximate location of Figure 5 & 7cross-structures**
(UTM-NAD 83)

Area	UTM East	UTM North	Elevation (metres)
A	677,328	5,531,733	1,236
B	677,800	5,531,414	1,149
C	677,896	5,532,134	1,114

Figure 8. **Elk Mineral Zones showing the indicated localized association to structural intersections of the major north trending Elk or Siwash fault with a subsidiary set of northeasterly trending structures.**

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



INTERPRETATION & CONCLUSIONS

The structural analysis on Tenures 1015179 & 1015252 of the Toni 1015179 Victory Resources claim group (Property) revealed dominant northerly and northwesterly indicated major structures resulting in three mineral controlling cross-structural locations. The most effective mineral control may relate to fracture density associated with the cross structures where a structural intersection would extend to a greater depth to tap and provide a conduit for the potential mineralizing fluids to surface.

This is shown in two former producing mines in the vicinity of the Toni 1015179 Claim Group. At the BRENDA past producer *(Minfile 092HNE047*), the grade of the orebody is a function of fracture (vein) density and of the thickness and mineralogy of the filling material. Mineralization decreases outwardly from the most intensely fractured/mineralized rock and the centre of the main mineral zone. The centre well fractured zone could very well be the intersection of two major structures.

The Elk structure is indicated topographically over a distance of at least 20 kilometres from south of the Elk mineral zones northward to the SNOW *(Minfile 092HNE292)* mineral showing where a drill hole intersected minor copper mineralization in weakly to moderately chloritized granite of the Pennask batholith.

Interpretation & Conclusions *(cont'd)*

The main Elk structure is intersected by numerous east-northeasterly trending faults where the cross-structural mineral controlling feature is obvious as the mineral zones are mostly adjacent to the Elk Fault and related to the cross fault intersection. Figure 8 shows this structural/mineral pattern

Thus, the three cross-structure locations determined in the structural analysis and indicated on Figures 5 & 7 would be prime locations to explore for surficial geological indicators of a potential economic deep-seated mineralized porphyry system. Examples of the surficially expressed mineral indicators are provided in the eleven Minfile mineral properties copied from the BC Government Minfile records and included in this report.

Excluding other variable geological conditions, the structures are essential in the localization of potentially economic mineralization within the Pennask granodioritic intrusive or the Nicola volcanics and/or sediments or a combination of both as at the Elk and the Brenda deposits.

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, PEng

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092HNE058 – HN-WEN
092HNE084 - PAYCINCI
092HNE096 – ELK
092HNE275 – BREW
092HNE292 – SNOW
092HNE002 – MAL
092HNE059 – ECHO
092HNE144 – AU WEN
092HNE204 – POT 1
092HNE269 – MALACHITE
092HNE270 – KIT

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STATEMENT OF COSTS

The structural analysis of Tenures 1015179 & 1015252 was carried out from January 3, 2014 to January 6, 2014 to the value as follows.

Structural (Lineament Array) Analysis

Laurence Sookochoff, PEng; 3 days @ $1,000.00 ----------	$ 3,000.00
Maps ----------	1,000.00
Report ----------	3,500.00
	$ 7,500.00

CERTIFICATE

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

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

I, Laurence Sookochoff, further certify that:

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

2) I have been practicing my profession for the past forty-eight 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, from the Structural Analysis of Tenures 1015179 & 1015252, 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.