



Ministry of Energy and Mines

BC Geological Survey

Assessment Report Title Page and Summary

TYPE OF REPORT [type of survey(s)]: Geological Mapping

TOTAL COST: \$13056

AUTHOR(S): Douglas Anderson SIGNATURE(S):					
NOTICE OF WORK PERMIT NUMBER(S)/DATE(S):	YEAR OF WORK: 2014				
STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S):	SOW 5519843				
PROPERTY NAME: Silver Fox					
CLAIM NAME(S) (on which the work was done): Silver Fox					
COMMODITIES SOUGHT: Lead, Zinc, Silver or Copper, Silver MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN:					
MINING DIVISION: Fort Steele	NTS/BCGS: 082G022,023,032,033				
LATITUDE: 49.2 " LONGITUDE: 115.7	0				
OWNER(S): 1) D.E. Lavoie					
MAILING ADDRESS: 2290 DeWolfe Ave.	2290 DeWolfe Ave.				
Kimberley, B.C. V1A 1P5	Kimberley, B.C. V1A 1P5				
OPERATOR(S) [who paid for the work]: 1) Kootenay Silver Inc.	2)				
MAILING ADDRESS: 1820 - 1055 West Hastings Street					
V6E 2E9					
PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, The Pb-Zn-Ag or Cu-Ag mineralization occurs within the Protero	alteration, mineralization, size and attitude): zoic Aldridge and Creston Formations which are rift-fill siliclastic				
turbidites succeeded by rift-sag argillites and quartzites. The pro	perty is cut by numerous northwest-trending faults which are				
structures repeatedly active during sedimentation. The showings	are small on surface with abundant but variable alteration				
including silica,chlorite,sericite,carbonate as well as oxides of iro	n and manganese.				
REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT RI 29810,28069.	EPORT NUMBERS: Relevant are: 33379,33261,32645,30660,				

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			<
Ground, mapping 40 square kilometers		Silver Fox - 15 claims	\$13056
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric	/A-		
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for)			
Soil			
Silt			
Rock	, , , , , , , , , , , , , , , , , , ,		
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY / PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trai	I		
Other		TOTAL COST:	\$13056
		IOTAL COST:	φιουσο

Geological Mapping of the Silver Fox Property North Southeastern British Columbia

NTS Map Sheet 082G/4 BCGS Map Sheet 082G022,023,032,033

Fort Steele Mining Division

Year of Work 2014

UTMs near centre 593000E 5457000N

Latitude near centre 49.2°

Longitude 115.7°

Claim Owners: R.D. Craig Kennedy Darlene E. Lavoie

2290 DeWolfe Ave., Kimberley, B.C. V1A 1P5

Operator:
Kootenay Silver Inc.
1820 – 1055 W. Hastings Street
Vancouver, B.C., V6E 2E9

Report by:
Douglas Anderson, P.Eng.
100-2100 13th Street South, Cranbrook, B.C.
V1C 7J5

November, 2014

TABLE OF CONTENTS

Geological Mapping of the Silver Fox Property North

1.0 Introduction	Page 3 3 3
2.0 Claims	3
3.0 Location and Access4.0 Mining and Exploration History for the Area	4
5.0 Regional Geology	7
5.10 Stratigraphy5.20 Structure and Tectonics	7 8
6.0 Mapping Results for the North End of the Silver Fox Property	9
6.10 Structure and stratigraphy 6.20 Jake Hill Area	9 10
7.0 Summary and Conclusions for the North Silver Fox Property	14
7.10 Structure	14
7.20 Stratigraphy 7.30 Mineralization	14 15
8.0 Statement of Costs for the Property work 9.0 References	16 16
Figures: 1 Property Location Map	4
2 Claim Map for the Silver Fox North Area3 Jake Hill Ridgeline	7 11
Appendices: 1.0 List of Claims	18
2.0 Statement of Qualifications	18
3.0 Map Geology of the Silver Fox Property North 1:10,000	20
212 map 2 2 2 1 2 3 7 2 1 m 2 2 m 2 1 1 2 p 2 m 3 1 1 2 m 2 m 2 1 1 2 p 2 m 3 1 1 2 m 2 m 2 m 2 m 2 m 2 m 2 m 2 m 2 m	

Geological Mapping of the Silver Fox North Property

1.0 Introduction

The Silver Fox Property North is a portion of the original claim block mapped in 2011, 2012 and less so in 2013. The original claims were a large block encompassing 20,741 hectares in southeastern British Columbia extending north from the United States border up to an area east of Moyie Lake. The property was designed to cover stratabound copper mineralization similar to that found at several properties in Montana. It covers In 2013 the claim block was reduced in area, maintaining the north area which covers previously known mineralization known at the Silver Pipe and KRL showings but also new discoveries at Jake Hill. The property ties in with the St. Eugene and Society Girl mines which are all part of a northwest-trending structural block in which the structures have acted as feeder zones for lead-zinc-silver and copper mineralization with associated alteration.

This report deals with geological mapping done at a scale of 1:10000 which was intended to detail the north end of the property previously done at 1:20000 scale. All geological work from 2011 on has been designed to follow up on positive results from prospecting and rock sampling (Kennedy, 2010, 2011, and 2012), and stream silt sampling (Jackaman, 2012). There are two types of targets on the property including Pb-Zn-Ag cross-cutting zones such as at St. Eugene or possibly of the Coeur d'Alene style and stratabound, sediment-hosted Cu-Ag of the Spar Lake variety.

2.0 Claims

The Silver Fox claim block is a contiguous set of claims from Upper Ward creek through Haller creek, north across the Teepee Creek drainage up onto the divide before dropping west into Moyie Lake. There are a total of 44 mineral tenures which comprise the Silver Fox and the area around the St. Eugene Mine. They are listed in Appendix A. The claims are registered to D.E. Lavoie and R.D. Craig Kennedy. The exploration work over the last three years has been funded by Kootenay Silver Inc.

3.0 Location and Access

As described above the claim block covers a total southeast to northwest distance of about 30 kilometres from Upper Ward creek to Teepee creek then over the divide down into the Moyie Lake area around the St. Eugene Mine. The area is principally subdued, rounded mountains ranging from 900 metres at

Moyie Lake to 2400 metres at the summit of Yahk Mountain. Extensively forested the region has been logged throughout with the creation of road access. Access is excellent because of the widespread logging activity over the last three decades. The network of roads are accessed mainly through Glencairn and Sunrise creek roads from the west and the Teepee creek, Haller, and Caven creek roads from the east.

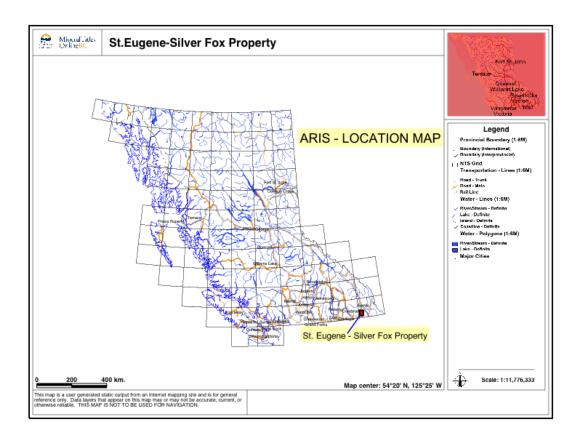


Figure 1 – Property Location Map

4.0 Mining and Exploration History for the Region

For the Silver Fox north area of 2013, considerable exploration has been done in the vicinity of the Silver Pipe showing, northwest towards Moyie Lake and southeastward across Teepee Creek towards the KRL (Sara) vein. The Silver Pipe (Pipeline showing) was originally staked following construction of the gas pipeline in the mid to late 1960s. The property, originally called the Dirk property, was later renamed the Teepee property and comprised the Erdaco and Dirk claims. These were optioned to Mercury Exploration in 1969 who conducted some geological mapping, a ground magnetometer survey and trenching which defined the Gossan vein system with widths up to 5 meters and a strike length of approximately 400 meters (see summary in Yeager and Ikona, 1983). Yeager

and Ikona (*op. cit.*) also note an EM survey done by Cominco in 1971 (J. Hamilton, internal Cominco Report, 1971).

The claims were allowed to lapse and subsequently restaked in 1980, then vended to R.G. Gifford who in turn vended them to Gulf International Ltd. Work by Pamican Development Ltd for Gulf International included a soil geochemical program, trenching, geological mapping and sampling (Yeager and Ikona, 1983). A geological map included in this 1983 report shows the location of 1982 diamond drill holes, although no reference is made to them in the text. The collars, with casing, are still visible.

Kokanee Exploration staked claims in the northern part of the Silver Pipe area in the late 1980s and conducted some reconnaissance geochemical and geological mapping (see summary in Stephenson, 1999). Prospecting by C. Kennedy in 1989 discovered the Jake showing south of Teepee Creek. Stephenson (1999) and Pighin (2009) both report that Auckland Resources drilled 7 holes totaling 307.7 metres in the area of the KRL property and intersected "low-grade silver base metal mineralization associated with gabbro dykes". However, as noted by Pighin (2009), the exact locations of these holes are not known.

The Erin claims were staked by L. Stephenson in 1992 to locate and evaluate the projected trend of the Pipeline showing and soil sampling, mapping and prospecting were subsequently carried out (Stephenson, 1999a). Considerable more work was done by Stephenson in the mid to late 1990s on the Erin and Dek claims; the Dek claims, staked in 1997 covered both the KRL and Silver Pipe veins. This work included geological mapping, additional prospecting and ground VLF and magnetometer surveys (see Stephenson, 1999a, 1999b).

D. Lavoie and S. Kennedy staked the area around the Jake and Silver Pipe veins in 2005 and optioned them to Grandeur Resources Ltd. who conducted a program of prospecting and rock and soil geochemistry, mainly in the vicinity of the KRL (renamed Sara) showings (Kennedy, 2005; 2006; 2008). Many of the collected rock samples were float but returned high values in lead (>10,000 ppm), zinc (up to 4903 ppm, silver (>100 ppm) and gold (up to 4226 ppb). Detailed mapping by Pighin (2009) in the vicinity of the Sara vein differentiated the Creston Formation, outlined areas of intense alteration, defined structural controls and better defined and delineated the Sara vein.

A regional exploration and prospecting program, carried out mainly by Craig and Sean Kennedy for Kootenay Gold, recognized extensive alteration in the Creston Formation that locally extended south to the United States border. Further prospecting and reconnaissance mapping, with discovery of stratabound copper mineralization, led to comparisons with stratabound copper-silver mineralization in northern Montana and subsequently a large tract of land, the Silver Fox property, was staked.

Work during the 2011 field season included a reconnaissance silt geochemical program (Jackaman, 2012), additional prospecting (Kennedy, 2012) and geological mapping (Hoy et al, 2012). Mapping at 1:20000 scale started at the south end of the property and continued north in 2012 (Anderson2012, 2013).

The St. Eugene portion of the claim block has a long and varied history. Mining of the vein system was earliest from the late 1890's through to 1916. Production totaled 1.47 million tonnes of about 7.7% Pb, 124 g/tonne Ag, 1% Zn (very low recovery), and 0.05 g/tonne Au. Small tonnages were extracted from extensions on the west side of the lake (Aurora and Guindon) and to southeast at the Society Girl. The operators of the day did exploration underground and later in the 1930's, 1940's, and 1960's more mapping and drilling was done but records are poor to non-existent.

The St. Eugene Vein System is comprised of several cross-cutting veins which transect the upper part of the Middle Aldridge, becoming less pronounced up into the Upper Aldridge. The northwest-striking, steeply south dipping veins extend from the Aurora/Guindon on the west side of the lower Moyie Lake southeast about 5 kilometres, over a vertical range of at least 1200 metres. It is primarily a lead-zinc-silver system with a variety of trace elements including copper, gold, arsenic, antimony, and mercury. The mine produced primarily lead and silver with the sphalerite discarded for most of the production history. Most of the tonnage was contained within the north and south veins, particularly where the south vein converged on the north vein and cross structures (linking shears) yielded significant production as well. The best developed veins and mineralization were confined to two intervals of quartzite-dominated stratigraphy designated the Lakeshore and Moyie zones.

Early exploration at the St. Eugene is generally described but specific results are lacking. During mining, levels were extended and a few holes drilled from surface. Later in the 1930's and 1940's several reviews were conducted of the property and some dewatering of workings took place. During the late 1940's mapping was conducted and a magnetometer survey completed. In 1964 and 1965 exploration consisting of mapping, soil geochem, trenching on the upper St. Eugene area and across the lake at the Aurora. Two drill holes were done on the upper St. Eugene Baltimore claim. During the 1960's Cominco Ltd. drilled three deeper holes along the east shore of the lower lake apparently to test the ground south of the St. Eugene for parallel veins but also to try to intersect the St. Eugene system at depth which was not accomplished.

In 1988, after completion of the d-8-c well hole by Duncan Oil and Gas at the south end of the lower Moyie Lake, the cuttings from 3 metre intervals were sampled and analyzed. This identified some anomalous Pb-Zn intervals and a deeper anomalous copper zone. In 1990, a UTEM geophysics survey was completed over the St. Eugene mine area. Also in 1990, Noranda completed a one year program of mapping and soil geochem on the Beach property, 4 kilometres to the north, in response to anomalous copper in an RGS sample. In 1992, Cominco Ltd. did some soil sampling on the Cherry claims just to the south, again in response to a positive RGS sample, in this instance for lead, zinc, and silver. In 2005, St. Eugene Mining Corp. launched a four year program including: EM on the ground; an airborne EM and Mag in 2006; diamond drilling

on the Society Girl area and across at the Aurora in 2007; and diamond drilling on a structural zone north of the mine in 2008.

In 2013 a mapping program was started at 1:10000 scale on the St. Eugene area. This encompassed north to Barkshanty creek and south to Sunrise creek approximately (Anderson, 2014).

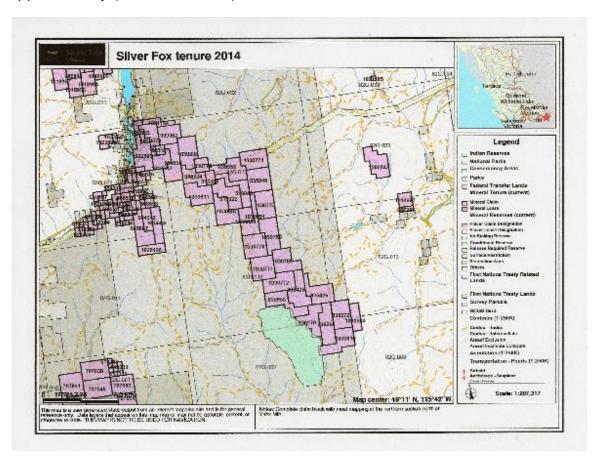


Figure 2 – Claim Map for the Silver Fox North Area

5.00 Regional Geology

5.10 Stratigraphy

The property lies within the Purcell anticlinorium, a gently north plunging structure that is cored by Paleoproterozoic sedimentary and minor volcanic rocks of the Purcell Supergroup and flanked by unconformably overlying Neoproterozoic clastic and carbonate rocks of the Windermere Supergroup. These are generally overlain by either Cambrian or Devonian rocks, part of the North American "miogeoclinal" sequence.

The Purcell Supergroup, and correlative Belt Supergroup in the United States, comprises a syn-rift succession, the Aldridge Formation, and an overlying,

generally shallow water post-rift or rift fill sequence, including the Creston and Kitchener Formations, and younger Purcell rocks (Höy, 1993) (Figures 3, 4).

The exposed part of the Aldridge Formation comprises more than 3000 meters of mainly turbidite deposits and numerous, laterally extensive gabbroic sills referred to as the Moyie intrusions. The gabbroic sills are laterally extensive, typically up to several hundred meters thick and can be traced over hundreds of square kilometers. Locally, particularly in areas of growth faulting, they cut across stratigraphy as dykes. Some of the Moyie sills have contact features that suggest intrusion into wet and partially consolidated sediments (Höy, 1993).

The Creston Formation (Figures 3, 4), host to mineralization on the Silver Fox property, is described in considerable more detail below. It comprises dominantly green, mauve and grey siltstone, argillite and quartzite with numerous structures indicative of shallow-water to subaerial deposition. It conformably overlies upper Aldridge argillite and siltstone and is overlain by carbonate rocks of the Kitchener Formation. The Creston Formation correlates with the Burke Revett and St. Regis formations of the Ravalli Group in the United States (Harrison, 1972; Winston, 1986) and the Appekunny and Grinnel formations in the southwestern Clark Range (Price, 1964). In the Purcell Mountains, the Creston Formation comprises three main subdivisions: a basal silty succession of thin-bedded grey to green siltstone and argillite, a middle succession of mauve, green and grey, thin to medium bedded siltstone quartzite and quartz arenite, and an upper succession of intermixed green argillaceous siltstone and minor quartz arenite (Hoy, 1993).

The Kitchener Formation is dominantly a carbonate unit between the Creston Formation and overlying siltites of the Van Creek Formation. It correlates with Empire and Helena Formations in western Montana (Winston, 1986) and the middle part of the Siyeh Formation in the Galton and Clark Ranges (Price, 1964). The formation is divisible into two members, a lower green dolomitic siltstone and an upper dark grey, carbonaceous, silty dolomite and limestone (Höy, 1993).

5.2 Structure and Tectonics

The Silver Fox property is within the Foreland Thrust and Fold belt, the most eastern physiographic belt in the Canadian Cordillera (Monger *et al.*, 1982). The belt is characterized by shallow, east verging thrust faults and generally broad open folds in rocks that range in age from the middle Proterozoic Purcell Supergroup to Phanerozoic miogeoclinal rocks. The Purcell Supergroup is mainly exposed in a broad, shallow north plunging anticlinal structure, the Purcell anticlinorium in the Purcell Mountains west of the Rocky Mountain trench.

Structures within the Purcell anticlinorium include east verging thrust faults, northeast trending, right lateral reverse faults, and open to tight folds (Höy, 1993). A complex array of normal faults that trend dominantly northward parallel to the Rocky Mountain trench cut the earlier thrust faults and associated faults.

The northeast-trending structures, including the St. Mary and Moyie faults, are within or parallel to a broad structural zone that cuts the Purcell anticlinorium,

crosses the Rocky Mountain trench and extends northeastward across the Foreland thrust belt (Kanasewich, 1968). This zone is marked by a conspicuous change in the structural grain, from northerly north of the zone to northwesterly south of the zone, and by pronounced and fundamental changes in the thickness and facies of sedimentary rocks that range in age from Middle Proterozoic to early Paleozoic (Höy, 1993). Furthermore, the zone appears to have focused a variety of deposit and metallotects that range in age from the stratiform middle Proterozoic Sullivan deposit to Paleozoic carbonate replacement base metal deposits to gold and copper mineralization related to Jurassic and Cretaceous magmatism (Höy, 1982). The Silver Fox property lies along the southern edge of this structural zone, south of the east-northeast trending Moyie fault.

Closer in to the St. Eugene, the claims cover the east limb of the north-plunging Moyie Anticline closer to the fold closure. Strata includes the upper Middle Aldridge through Upper Aldridge into Lower Creston and the basal part of the Middle Creston. The anticlinal axis is northerly at the US border, curving to the northeast maintaining a parallelism with the regional Moyie fault. There is evidence of secondary folding of the east limb of the Moyie anticline to the southeast where a broad south-plunging syncline is separated from the main fold by faulting. Additionally, the drainages to the south of the St. Eugene contain abundant outcrop with visual evidence of folding of the Middle Aldridge (not mapped). Folding at the St. Eugene is restricted to small scale, narrow fold zones trending north.

6.0 Mapping Results for the North End of the Silver Fox Property

The reconnaissance scale (1:20000) geological mapping completed in 2011 (Hoy et al, 2012) and 2012 (Anderson, 2013) for the Silver Fox set of claims at the time along with results from mapping of the St. Eugene area in 2013 (Anderson, 2014) were sufficiently encouraging to initiate a more detailed program of geological mapping at 1:10000 scale of the north end of the Silver Fox property. This area encompassed about 40 square kms southeast from the St. Eugene Mine. Although an area of low percentage of outcrop, it was expected that more detail on the stratigraphy, structure, and mineralization might improve our understanding of the exploration potential for the area.

6.10 Stratigraphy and Structure

The conclusions reached in 2013 appear valid with the KRL and Teepee Creek faults influencing the sedimentation patterns and lithologies of the Creston Formation. The Middle Creston (C2) and the lower and upper Creston do thin across these faults proceeding from south to north-northeast. At least four identified quartzite packages recognized to the south are reduced in thickness, change in depositional style, or are simply missing to the north. This is significant because it is particular quartzite intervals associated with faulting that host the copper/silver mineralization in the Revett Formation of western Montana.

Mapping in the central area documents a change in the nature of the quartzite endowed intervals. The lowest package (QP1) to the south (Anderson, 2012) changes to a more discrete series of individual quartzite beds instead of a

cohesive sequence. The QP2 quartzites have not been identified to the north across the KRL and Teepee Creek faults. QP3 appears to thicken south to north up to the northwest-trending KRL then it becomes more of a set of individual quartzites instead of cohesive package (as for QP1). Only the QP4 interval of quartzites just below the Upper Creston continues to the north and northwest up to the Jake Hill fault and appears sporadically to the northwest along the fault as evidenced in outcrop and concentrations of float rock.

Some mapping was also done at the KRL and Silver Pipe showings. The KRL appears as east-west striking veins presumably along faults. There are north-trending dykes in structures as exemplified by the presence of syenite and gabbro. Overall manganese and iron oxides are the dominant representation of mineralization scattered along the east-west faults as alteration. Lead-rich minerals dominate in some areas with associated anomalous Zn, Ag, Cu, As, Sb, Hg, and Au in hand samples. Lithologically this sequence of C2 is devoid of a significant quartzite section. There are flood (storm) deposits restricted in their distribution but no good white (reduced facies) quartzites associated. It is difficult to position the KRL portion of the property within the Middle Creston but the greatest likelihood is middle of the C2 (Pighin, 2009).



Photo 1 – Sieve deposit – stream bed base with current having removed the fine material around the clasts.

Mapping in the Silver Pipe area confirms the overwhelming presence of manganese and iron oxides in a 1 to 3 metre wide structure with quartz veins and silica alteration. The zone is at least 400 metres in length, steeply dipping, with an east to west orientation. The mineralization includes low values in base metals (Pb, Zn, Cu) and anomalous traces of Ag, As, Sb, Au, and U.

Additional mapping was done in the Oke Creek drainage and along the Jake Hill fault. The SaraAnn locality was revisited as it demonstrates the two orientations with azimuths 270° and 290-300°. It contains a suite of anomalous trace elements consistent with the area including: Cu, Ag, Mn, Fe, Au, Sb, Ba, Pb, Zn, Hg, and U. There are limonitic gossans on the lower road which suggest there are at least two east-west zones in the area.

6.20 Jake Hill Area

At Jake Hill which is the primary area of interest because of a concentration of quartzites which host copper/silver mineralization, mapping was done in more detail.



Figure 3 - Jake Hill Ridgeline – Looking Northeast

The upper part of C2 is exposed on a ridgeline running SE-NW which contains outcrops in a shallow east-dipping sequence of quartzites. From 1500 to 1740

metres elevation erratically distributed quartzites are present up to 1700 metres then a higher percentage of the section is quartzite. The lower part of the section could correspond to QP3 where the quartzites are more scattered. Observed over a large part of the mapped area are units (0.25 to 1.5 metres thick) which are dominated by coarse-grained quartzites in a thin to medium bedded, wavy to cross-bedded, mixed assemblage (argillites to quartzite) which appear to be higher energy flood deposits. (See Photos 1, 2, and 3).



Photo 2 – High energy flood (storm) deposit – coarse Q interbedded with argillaceous units – note the clean white quartzite at the top of the sequence – lower Jake Hill area. Often ropey beds, cross-bedding, flutes on the bases.

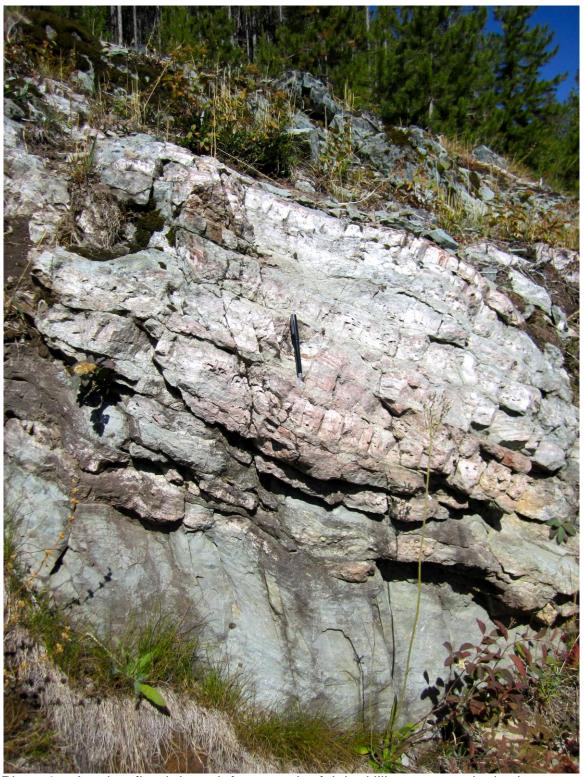


Photo 3 – Another flood deposit from south of Jake Hill – no quartzite beds on top

These units are sometimes succeeded up-section by clean, fine-grained quartzite beds. These types of beds are particularly common in/near QP3. Often the quartzites are reddish in the basal part of the section with the flood deposits. Up section of Jake Hill the quartzites become cleaner, continue to be coarse-grained, and white possibly representing reduced facies mixed with a higher proportion of green argillaceous rocks. This succession up to the base of the C3 may be a transition from oxide to reduced facies. Small amounts of copper mineralization as chalcopyrite, malachite, and bornite is present within this upper 250 metres of the section. Initial indications (limited outcrop) are that these quartzite facies rocks are unique to the 2.5 kilometres strike length between the KRL and Jake Hill faults. Alteration is widespread as intense sericite proximal to copper mineralization and less intense distally. Also noted is the presence of carbonate and chlorite proximally, with manganese and iron oxides more widespread.

7.00 Summary and Conclusions for the North Silver Fox Property

7.10 Structure

The St. Eugene to Jake Hill is a northwest-trending structural block about 65 square kilometres in area. It is bounded in the south by a normal fault (KRL) and on the north by probable steep reverse fault (Jake Hill). Internal to the block there are several NW to E-W trending faults which although having good strike lengths have only minor offset along them. Crossing at approximately right angles are north-trending faults, apparently later than the northwest structures. Most of these faults appear to have minor offsets within the block but are significant structures to the southeast, expressed as the Teepee creek, Yahk River, and Yahk Mountain faults. The intrusive dykes at the KRL with syenite and gabbro probably represent a great span in age from Proterozoic to Cretaceous(?). These faults within the panel have impacted not only the depositional environment and lithologies but also the distribution and type of mineralization and alteration as documented below. To the south about three kilometers, the Sunrise Creek fault appears to be a similar structure with similar impacts on the Aldridge through Creston section.

7.20 Stratigraphy

St. Eugene and parallel structures were conduits for fluidized flow of Aldridge and Creston Formation homogenized sediments – such massive to fragmental rocks were transported up the structures and were deposited within the structures or laterally from them. This type of activity happened repeatedly. Later mineralizing fluids also accessed these structures.

To the southeast these northwest-striking structures continued to be active, synsedimentary faults which directly influenced the deposition of the C2 (as described earlier). Quartzite packages identified to the south are either missing in the NW structural block or change in character to the north and northwest from quartzite dominated intervals a few metres up to 50 metres thick to intervals with discrete quartzite beds separated by more argillaceous units. The upper part of the C2 has also changed with the clean, fine to coarse-grained white quartzites

of Jake Hill not extending south of the KRL fault. The presence of flood (storm) deposits may also reflect this separate depositional environment within the block. The KRL fault may have been an extensional structure which along with the Jake Hill fault produced a local depositional setting where sandstones dominated as sheet flood deposits off a local paleo-high.

7.30 Mineralization

Within this northwest block, there are at least 8 known occurrences of oxide to sulphide mineralization ranging from the St. Eugene mine through the Society Girl zone (Pb, Zn, Ag) to much smaller showings of mixed character to the copper at Jake Hill.

The stratigraphic range involved from the base of the St. Eugene Mine through the upper Middle Aldridge, Upper Aldridge, Lower Creston and Middle Creston is approximately 3000 metres. This is a distance of about 12 kilometres from the east shore of the lower Moyie Lake to Jake Hill. The metallotect for the mineralization noted to date are cross-cutting structures with northwest orientations, with a less definitive impact from north to northeast-striking structures. The copper mineralization identified on Jake Hill is related to the same structures but has a more widespread, somewhat stratigraphically controlled form.

The principal minerals (elements) at each location do vary but it appears the metallogeny across the 12 kilometres plus is very similar. It suggests the block is all part of a continuum of mineralization from significant depth within the deeper water, high energy, siliclastic turbidites of the rift phase Aldridge Formation to the shallow water, rift-fill phase of the Creston through Kitchener Formations. This is the same sequence of sediments that host the Coeur d'Alene camp.

A comparison of major and minor (geochemically anomalous) elements is:

Location	Major	Minor/ Anomalous	Host	
St. Eugene Mine	Pb, Zn, Ag	Cu, Mn, Fe, As, Au, Sb, Cd, Hg (U, Bi)	Middle Aldridge	
Society Girl	Pb, Zn, Ag	Cd, Fe, Mn, Sb, Hg (Cu, As)	Lower Creston C1	
North Break	Pb, Zn, Ag	Sb, As, Cd, Cu	Middle Aldridge	
Old Yeller	Not recognized	Pb, Zn, Cu, Ag, As, Cd, Sb, Hg	C1	
Silver Pipe	Oxides of Mn, Fe	Cu, Pb, Zn, Ag, As, Sb, Au, U	Middle Creston C2	
Sara Ann	Oxides of Fe, Mn	Cu, Ag, Sb, Ba, Pb, Zn, Hg, U, Au	Middle Creston C2	
KRL	Pb,oxides of Fe, Mn, Zn, Ag	Cu, As, Sb, Hg, Au, U	C2	
Jake Hill	Cu, Ag	Pb, Sb, Bi, Hg, Ba, Au, Mn	Upper C2	

The alteration is also similar at these various occurrences. At the St. Eugene deposit the mineralization was accompanied by: chlorite, silica, actinolite, manganiferous garnet, biotite, calcite, and more widespread sericite. The Lower Creston hosted mineralization is more restricted/limited to silica, calcite, and sericite. In the Middle Creston alteration is more uniquely manganese and iron oxides which were an integral part of the mineralizing process along with variable amounts of chlorite, carbonate, and sericite. The Jake Hill copper is more commonly associated with matrix carbonate, chlorite, sericite, and manganese oxides.

8.00 Statement of Costs for the Property Work

Claims as of August 28th that were worked on included: 515408, 519022, 519048, 704424, 835948, 835949, 835953, 835954, 835960, 836265, 836267, 836268, 851684, 986834, 986838, 999062, and 1019533.

Type of Work: Geological mapping at a scale of 1:10000.

Work completed by: Douglas Anderson, P.Eng.

Event#5519843 Start – End Date July 9 to August 27, 2014

Periods of work during 2014: Jul 9, 10, 13, Aug 6, 7, 8, 10, 11, 13, 14, 15, 16, 17, 18, 27.

15 days – DA – at \$500/day		\$7500.00
Assistant for 4.5 days at \$200/day		\$ 900.00
Truck Charges: 12 field days and 1475 kms		\$2006.00
Compilation and map production (KF and DA)		\$1150.00
Report Preparation – 3.5 days (DA)		<u>\$1500.00</u>
Total Cost	=	\$13056.00

9.00 References

Yeager D.A. 1983 Diamond Drilling and soil geochemistry on the Silver Pipe, Gulf International, BCEMPR, A.R. 10907.

Anderson D. and Schultze H.C. 1987/88 Rock Geochem of Well Cuttings from Well Hole d-8-c, Cominco Ltd., BCEMPR, two A.R. 16681 and 18128.

Stephenson, L. 1990 Mapping and Prospecting, Look property, Kokanee Exploration, BCEMPR, A.R. 20753.

Jackisch, I. 1990 Geophysical Report on the St. Eugene Mine property, Cominco Ltd., Utem grid and survey, BCEMPR, A.R. 20705, 24 pages.

Erdman, L.R. 1990 Geology and Soil Geochem Survey on the Beach Group of claims, Noranda Mining and Exploration Inc., BCEMPR, A.R. 20483, 40 pages.

Stephenson, L. 1999 Magnetometer and VLF Survey, Erin Property, Kokanee Exploration, BCEMPR, A.R. 25799.

Stephenson, L. 1999 Magnetometer and VLF Survey, DEK Property, Kokanee Exploration, BCEMPR, A.R. 26018.

Kennedy, C. 2005 Prospecting, Silver Pipe Property, BCEMPR, A.R. 28069.

Klewchuk, P. 2007 Diamond Drilling Report on the Society Girl, St. Eugene Mining, BCEMPR, A.R. 29290, 29 pages.

Klewchuk, P. 2008 Diamond Drilling Report on the North Structure Area, St. Eugene, St. Eugene Mining, BCEMPR, A.R. 29810, 33 pages.

Kennedy, C. 2008 Prospecting around the KRL Property, BCEMPR, A.R. 29609

Pighin, D.L. 2009 Geological Mapping, Silver Pipe and KRL Properties, Grandeur Resources, BCEMPR, A.R. 30660.

Kennedy, S. 2010 Prospecting, KRL Property, Kootenay Gold, BCEMPR, A.R. 31658.

Hoy, T. 2011 Geological Mapping and Rock Geochem, Silver Fox Property, Kootenay Gold, BCEMPR, A.R. 32645

Kennedy, C. 2012 Prospecting, Silver Fox Property, Kootenay Silver, BCEMPR, A.R. 33261.

Anderson, D. 2012 Geological Mapping, Silver Fox Property, Kootenay Silver, BCRMPR, A.R. 33379.

Hoy, T. and Diakow, L. 1979-1980 Geology of the Moyie Lake Area, Preliminary Map #49, BC Ministry of Energy and Mines, Scale 1:50000.

Brown, D. 1998 Geoscience Map 1998-3 Geological Compilation of the Grassy Mountain (E half) and Moyie Lake (W Half) Scale 1:50000.

Hoy, T. 1993 Bulletin 84, Geology of the Purcell Supergroup in the Fernie W-Half Map Area, Southeast BC, BCEMPR, 157 pages.

Appendices: 1.0 List of Claims: As of August 28th, 2014

Tenure Number	Claim Name	Map Number	Orig. Stake Date	Good To Date	Status	Area
515408	SP	082G.022	Jun-27-2005	Aug-29-2014	GOOD	126.5350
519022	KRL	082G.022	Aug-13-2005	Aug-29-2014	GOOD	527.4060
519048	KRL 2	082G.022	Aug-14-2005	Aug-29-2014	GOOD	400.8020
519679	KRL 3	082G.022	Sep-04-2005	Aug-29-2014	GOOD	189.9460
704424	KRL 04-10	082G.022	Jan-23-2010	Aug-29-2014	GOOD	527.5704
704425	KRL 05-10	082G.012/022	Jan-23-2010	Aug-29-2014	GOOD	379.9387
835422	KRL 06-10	082G.012	Oct-08-2010	Aug-29-2014	GOOD	527.935
835423	KRL 07-10	082G.012	Oct-08-2010	Aug-29-2014	GOOD	528.1525
835424	KRL 08-10	082G.012	Oct-08-2010	Aug-29-2014	GOOD	528.3202
835425	KRL 09-10	082G.012	Oct-08-2010	Aug-29-2014	GOOD	528.4385
835426	KRL 10-10	082G.012/013	Oct-08-2010	Aug-29-2014	GOOD	528.4733
835427	KRL 11-10	082G.012	Oct-08-2010	Aug-29-2014	GOOD	464.8987
835948	KRL 12-10	082G.022	Oct-14-2010	Aug-30-2014	GOOD	527.3183
835949	KRL 13-10	082G.022	Oct-14-2010	Aug-30-2014	GOOD	506.4601
835951	KRL 14-10	082G.012	Oct-14-2010	Aug-30-2014	GOOD	527.8481
835952	KRL 15-10	082G.012	Oct-14-2010	Aug-30-2014	GOOD	507.0073
835953	KRL 16-10	082G.022	Oct-14-2010	Aug-30-2014	GOOD	527.1879
835954	KRL 17-10	082G.022	Oct-14-2010	Aug-30-2014	GOOD	421.6778
835955	KRL 18-10	082G.012	Oct-14-2010	Aug-30-2014	GOOD	524.5569
835956	KRL 19-10	082G.012	Oct-14-2010	Aug-30-2014	GOOD	528.0383
835958	KRL 20-10	082G.013	Oct-14-2010	Aug-30-2014	GOOD	422.7539
835960	KRL 21-10	082G.022	Oct-14-2010	Aug-30-2014	GOOD	484.9516
836264	KRL 22-10	082G.022	Oct-19-2010	Aug-30-2014	GOOD	526.9818
836265	KRL 23-10	082G.022	Oct-19-2010	Aug-30-2014	GOOD	526.9791
836267	KRL 24-10	082G.012/022	Oct-19-2010	Aug-30-2014	GOOD	527.6424
836268	KRL 25-10	082G.022	Oct-19-2010	Aug-30-2014	GOOD	316.3192
836269	KRL 26-10	082G.002/012	Oct-19-2010	Aug-30-2014	GOOD	528.7888
836270	KRL 27-10	082G.002/012	Oct-19-2010	Aug-30-2014	GOOD	483.4412
836272	KRL 28-10	082G.003/013	Oct-19-2010	Aug-30-2014	GOOD	507.5639
836273	KRL 29-10	082G.002/003	Oct-19-2010	Aug-30-2014	GOOD	528.9604
836275	KRL 30-10	082G.002/003	Oct-19-2010	Aug-30-2014	GOOD	524.2431
836276	KRL 31-10	082G.003	Oct-19-2010	Aug-30-2014	GOOD	529.1933
837422	KRL 100-10	082G.012	Nov-03-2010	Aug-30-2014	GOOD	527.0675
851684	KRL 111-11	082G.022	Apr-13-2011	Aug-30-2014	GOOD	527.3772
898049	KRL 113-11	082G.002/012	Sep-19-2011	Aug-30-2014	GOOD	528.7672
986834	KRL 114-12	082G.022	May-16-2012	Aug-30-2014	GOOD	337.4181
986838	KRL 115-12	082G.022	May-16-2012	Aug-30-2014	GOOD	505.999
999062	KRL 116-12	082G.022	Jun-19-2012	Aug-30-2014	GOOD	400.3609
1019533	KRL 117-13	082G.021/022	May-16-2013	Aug-30-2014	GOOD	252.9734
1019579	KRL 118-13	082G.021	May-17-2013	Aug-30-2014	GOOD	294.9824
1019682	KRL 119-13	082G.031	May-21-2013	Aug-30-2014	GOOD	21.0726
1019683	KRL 120-13	082G.031/032	May-21-2013	Aug-30-2014	GOOD	168.5311
1020525	KRL 121-13	082G.021	Jun-26-2013	Aug-30-2014	GOOD	147.4793
1022509	KRL 122-13	082G.021	Sep-22-2013	Sep-22-2014	GOOD	484.7929

2.0 Statement of Qualifications

Author's Qualifications

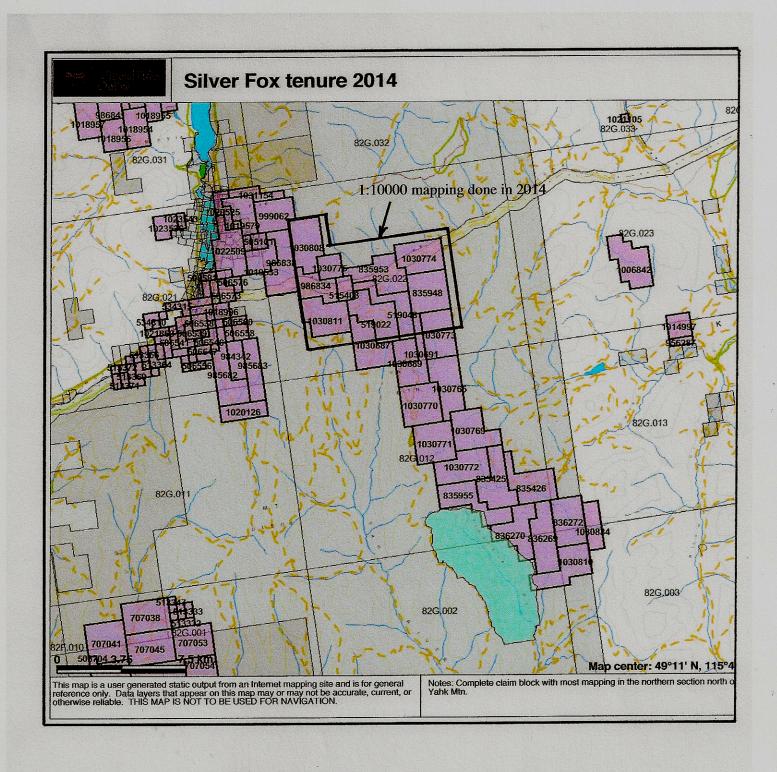
I, Douglas Anderson, Consulting Geological Engineer, have my office at #100 – 2100 13th St. South in Cranbrook, B.C. V1C 7J5.

I graduated from the University of British Columbia in 1969 with a Bachelor of Applied Science in Geological Engineering.

I have practiced my profession since 1969, mainly with one large mining company, in a number of capacities all over Western Canada and since 1998 within southeastern B.C. as a mineral exploration consultant.

I am a Registered Professional Engineer and member of the Association of Professional Engineers and Geoscientists of B.C., and I am authorized to use their seal.

D. Anderson
Douglas Anderson, P. Eng.



Silver Fox Property - Mapped Area

