

Ministry of Energy, Mines & Petroleum Resources  
Mining & Minerals Division  
BC Geological Survey

Assessment Report  
Title Page and Summary

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

TOTAL COST: \$ 7,550.00

AUTHOR(S): Laurence Sookochoff, PEng

SIGNATURE(S): *Laurence Sookochoff*

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): \_\_\_\_\_ YEAR OF WORK: 2014

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 5508670 June 12, 2014

PROPERTY NAME: Toni

CLAIM NAME(S) (on which the work was done): 585980

COMMODITIES SOUGHT: Copper Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: \_\_\_\_\_

MINING DIVISION: Nicola

NTS/BCGS: 092H.088 092H.098 092H.099

LATITUDE: 49 ° 55 ' 17.69 " LONGITUDE: 120 ° 23 ' 31.34 " (at centre of work)

OWNER(S):

1) Victory Resources Corporation

2) \_\_\_\_\_

MAILING ADDRESS:

13236 Cliffstone Court

Lake Country BC Canada V4V 2R1

OPERATOR(S) [who paid for the work]:

1) Victory Resources Corporation

2) \_\_\_\_\_

MAILING ADDRESS:

13236 Cliffstone Court

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PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

Upper Triassic Nicola Group Eastern Volcanic Facies of basaltic rocks. Upper Triassic Nicola Group sedimentary rocks.

Late Triassic to Lower Jurassic granodiorite intrusive. On Tenure 585980 one major northerly and two major northeasterly structures with two cross-structures.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 01953, 4230, 26605, 31129, 35044, 35209

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
<b>GEOLOGICAL (scale, area)</b>			
Ground, mapping			
Photo interpretation	374 hectares	585980	\$ 7,550.00
<b>GEOPHYSICAL (line-kilometres)</b>			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
<b>GEOCHEMICAL (number of samples analysed for...)</b>			
Soil			
Silt			
Rock			
Other			
<b>DRILLING (total metres; number of holes, size)</b>			
Core			
Non-core			
<b>RELATED TECHNICAL</b>			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
<b>PROSPECTING (scale, area)</b>			
<b>PREPARATORY / PHYSICAL</b>			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other			
<b>TOTAL COST:</b>			<b>\$ 7,550.00</b>

**BC Geological Survey  
Assessment Report  
35044**

# **VICTORY RESOURCES CORPORATION**

*(Owner & Operator)*

## **GEOLOGICAL ASSESSMENT REPORT**

*(Event 5508670)*

*on a*

### **STRUCTURAL ANALYSIS**

*(Work done from May 17, 2014 to May 20, 2014)*

*on*

**Tenure 585980**

*of the eight claim*

**Toni 585980 Claim Group**

**Nicola & Similkameen Mining Divisions**

**BCGS Map 092H.088/.098/.099**

*Centre of Work*

**5,533,173N, 687,200E**

*Author & Consultant*

**Laurence Sookochoff, PEng  
Sookochoff Consultants Inc.**

*Amended Report Submitted*

**August 6, 2015**

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## SUMMARY

The eight claim Toni 585980 Claim Group, covering an area of 4181 hectares, is located 2510 kilometres northeast of Vancouver and 31 kilometres southeast of Merritt in south-central British Columbia. Tenure 585980 of the Toni 585980 Claim Group, the subject of the inclusive structural analysis, is located eight kilometres northwest of the formerly productive Elk gold-silver deposit (*Minfile 092HNE096*).

At the ELK, gold-silver mineralisation is hosted primarily by pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks. From 1992 and 1995 (inclusive) 16,570 tonnes of ore were mined and milled resulting in the production of 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver

The Toni 589869 claim group is predominantly underlain by the Eastern Volcanic Facies of the upper Triassic Nicola Group of basaltic volcanic rocks (uTrNE). In the northeast the volcanics are in a northwesterly trending contact with the Early Jurassic Pennask batholith (LTrJgd). In the southeast the volcanics are in contact with Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (UTrNsf) of the Nicola Group. In the extreme southeast, a portion of a granodiorite stock is within the Property.

The Structural analysis on Tenure 585980 resulted in the delineation of one prime structure trending northerly with two intersecting northeasterly structures, causing two structural intersections. This combination of structural trends is significant as mineral controlling structures at the Elk mineral zones southeast of Tenure 585980.

The prime northerly trending Elk structure is topographically conspicuous over a distance of at least 25 kilometres northward from four kilometres south of the past productive Elk mineral zone northward to the BREW (*Minfile 092HNE275*) and the SNOW (*Minfile 092HNE292*) mineral showing 25 kilometres distant.

The indicated and the known mineral zones on the Elk property are all located at the intersection of the Elk structure with intersecting northeasterly structures; the Elk structure as the dominant controlling structure (Figure 6).

Another northerly trending mineral controlling structure is also reported at the Echo mineral occurrence (*Minfile 092HNE059*) where chalcopyrite and malachite mineralization is present in trenches and open-cuts in volcanics over an area of 1000 by 800 metres. The structural trend is to the HN-WEN mineral zone (*Minfile 092HNE275*) two kilometres south-southeast where three early 1990's adits reportedly explore a high grade copper zone and where a 1996 diamond drill hole reportedly intersected 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). A 2010 diamond drill hole intersected a 5.50 metre mineral zone which assayed 2.62% Cu

Thus, the two Tenure 585980 cross-structural locations are prospective areas to explore for surficial geological indicators of a potential economic mineral resource. These geological indicators may be revealed as minerals and/or alteration products and would be subject to interpretation as economic mineral indicators.

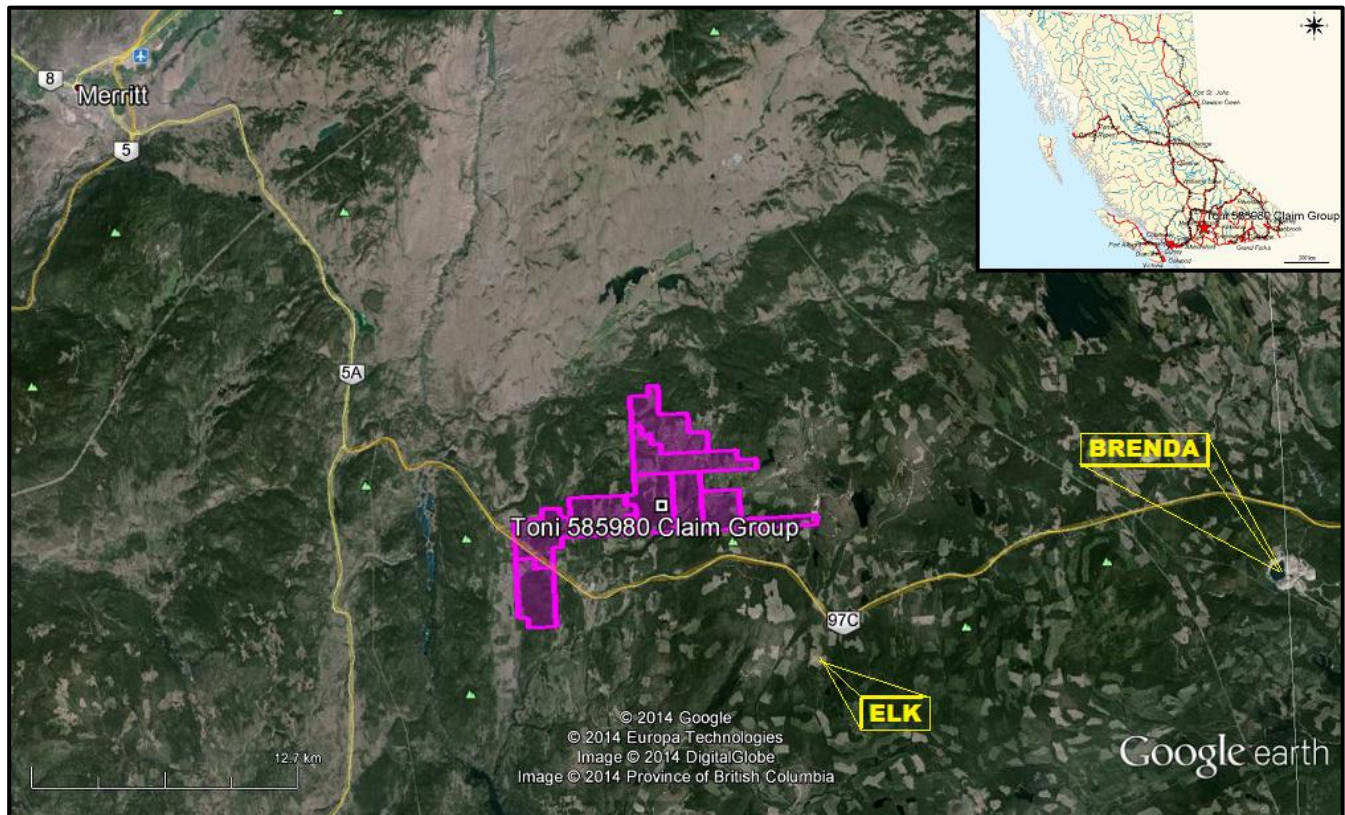
For mineral deposit types or geological indicators that may occur at the cross-structures on Tenure 585980 reference is made to the nine *Minfile* property descriptions copied from the BC Government *Minfile* records. The pertinent *Minfile* properties are shown on Figure 3.

## INTRODUCTION

During May 2014 a Structural Analysis was completed over Tenure 585980 of the eight claim Toni 585980 claim group (Property). The purpose of the program was to delineate potential structures which may be integral in geological controls to potentially economic mineral zones that may occur on Tenure 585980 or other claims of the Toni property.

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

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



## TONI 585980 CLAIM GROUP LOCATION and DESCRIPTION

### Location

The Toni 585980 Claim Group is located within BCGS Map 092H.088/098/.099 of the Nicola & Similkameen Mining Divisions, 251 kilometres northeast of Vancouver and 31 kilometres southeast of Merritt.

### Description

The Property is comprised of eight contiguous claims covering an area of 4181.2539 hectares. Particulars are as follows:

Table 1. Toni 585980 Claim Group Tenures

<u>Tenure Number</u>	<u>Type</u>	<u>Claim Name</u>	<u>Good Until</u>	<u>Area (ha)</u>
<a href="#">551399</a>	Mineral	MEANY	20150124	499.3213
<a href="#">585980</a>	Mineral	VT679	20150124	374.4429
<a href="#">589847</a>	Mineral	TONI	20150124	520.0585
<a href="#">589849</a>	Mineral	TONI 1	20150124	520.1029
<a href="#">589854</a>	Mineral	TONI 5	20150124	520.1873
<a href="#">589855</a>	Mineral	TONI 6	20150124	520.4448
<a href="#">1032322</a>	Mineral		20150519	623.8339
<a href="#">1032323</a>	Mineral		20150124	602.8623

\*Upon the approval of the assessment work filing, Event Number 5508670.

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

### Access

Access to the Toni 585980 Claim Group is southward from Merritt via Highway 5A/97C for 27 kilometres to the Aspen Grove junction thence eastward on Highway 5A or the Coquihalla connector Highway, for 28 kilometres to the Elkhart junction. A secondary road to west and north is taken for four kilometers to the northeast portion of Tenure 585980. Numerous secondary forestry roads provide access to most areas of the Property.

### 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°C but average 25°C with the winter temperatures reaching a low of -10°C and averaging 8°C. On the Toni 585980 Claim Group snow cover on the ground could be from December to April and would not hamper a year-round exploration program.

### Local Resources and 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 four hours distant by road and less than one hour by air from Kamloops.

### Physiography

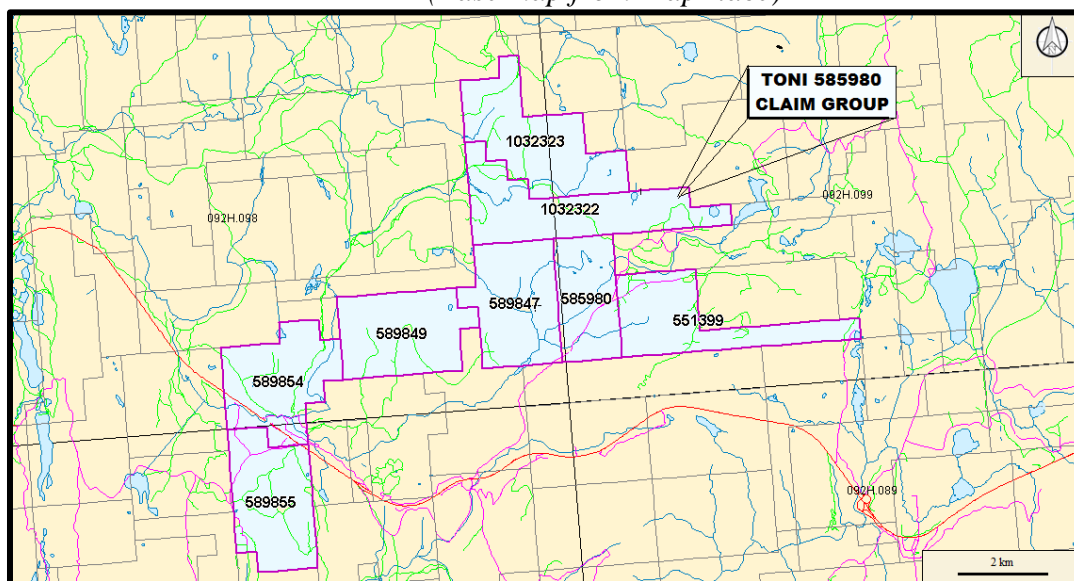
The topography within Tenure 585980 is of gentle to moderate sloped forested hills with localized logged areas. Relief is in the order of 315 metres ranging from elevations of 1,415 metres within a river valley in the southwest to 1,730 metres along an easterly trending ridge in the east.

## WATER & POWER

Sufficient water for all phases of the exploration program could be available from the many lakes, creeks, and rivers located within the confines of Tenure 585980.



Figure 2. Claim Map  
(Base map from MapPlace)



## HISTORY: TONI 585980 CLAIM GROUP AREA

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to the Toni 585980 Claim Group (Figure 4) are reported as follows. The distance from the Toni 585980 Claim Group is relative to Tenure 585980, which is the subject of the structural analysis.

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

MINFILE 092HNE002

Eight kilometres northwest

*Initial work consisted of diamond drilling and trenching in the early 1960s on the main showing (Malachite 1 2 and Chalcocite 1-2 claims), on which the occurrence is centred. This is located on access road number 5116, 1 kilometre south of Quilchena Creek, 11.5 kilometres east-northeast of the community of Aspen Grove. A second showing, smaller and less significant but with the same characteristics, is located 1 kilometre to the southwest (Malachite 7, 092HNE269).*

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

MINFILE 092HNE058

Five kilometres northwest

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

**ECHO** showing (Volcanic redbed Cu)

MINFILE 092HNE059

Five kilometres northwest

*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).*

**History: Toni 585980 Claim Group Area (cont'd)****PAYCINCI** prospect (Volcanic redbed Cu)

MINFILE 092HNE084

Fourteen 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

Eight kilometres southeast

*From 1992 and 1995 (inclusive), 16,570 tonnes of ore were mined and milled and 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver recovered.*

*In 1996, Fairfield shipped all remaining stockpiles, estimated to contain 2700 tonnes and grading greater than 12 grams per tonne (Information Circular 1997-1, page 21). A total of 994 metres of ramp access and three development levels exist underground.*

*Reverse circulation drilling, underground diamond drilling, reclamation, road construction, water sampling and aerial photography were also undertaken during this period.*

*Surface and underground diamond drill programs were carried out in the Siwash Mine area from 1994 to 1996 to define the resource. Exploration surface drilling was also carried out during the 1995 and 1996 field seasons to test trench targets between the Siwash mine site and the South Showing area 2.5 kilometres to the south. Limited prospecting and environmental monitoring was undertaken from 1997 to 1999.*

*In 1995, Fairfield Minerals with the support from the Explore B.C. Program carried out an extensive program including geochemistry, 13,972 metres of surface and underground diamond drilling in 315 holes and reserve calculations.*

**WAVE 2** anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE312

Ten kilometres east-northeast

*Between 1986 and 1995, Fairfield Minerals conducted exploration, including a program of wide-spaced grid soil sampling. The Wave 1 and 2 claims were staked to cover areas of mineralized*

**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).

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

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 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. The Toni 585980 Claim Group is situated within the eastern belt of the Nicola Group which is bounded on the west by the northerly striking Kentucky-Alleyne fault zone.

**GEOLOGY: TONI 585980 CLAIM GROUP AREA**

The geology on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to the Toni 585980 Claim Group (Figure 4) are reported as follows. The distance from the Toni 585980 Claim Group is relative to Tenure 585980, which is the subject of the structural analysis.

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

MINFILE 092HNE002

Eight kilometres northwest

*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 mineralisation.*

*The occurrence lies in the northern assemblage of the Eastern belt or facies of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcanoclastic rocks and volcanic flows.*

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

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

*Within 1 or 2 kilometres to the north of these rocks is the east-trending contact of the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.*

*The volcanics and sedimentary rocks have been altered, probably the result of hydrothermal activity related to the Pennask batholith. Epidote alteration is common; potassium feldspar alteration is more restricted.*

*Skarn alteration is most characteristic of this occurrence, as it hosts the main mineralisation. It is closely associated with limy rocks, and is marked by epidote and garnet. North-trending gossanous shear zones have been exposed in trenches near the skarn zones (Assessment Report 449).*

**Geology: Toni 585980 Claim Group Area (cont'd)****ANNIE OAKLEY, WART** showing (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE029

Seven kilometres southeast

This showing is hosted in variably silicified andesite of the Upper Triassic Nicola Group, 1.2 kilometres northwest of the Middle Jurassic Osprey Lake batholith.

The andesite is cut by a fault zone (Annie Oakley fault), striking 130 degrees and dipping 20 degrees south. This fault is possibly a splay off the Brew fault (see Brew, 092HNE275), 1.35 kilometres northwest. The zone is strongly clay altered and occasionally cut by quartz veins up to 6 centimetres wide. Trace to 1 per cent fine-grained pyrite is present within the fault.

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

MINFILE 092HNE058

Five kilometres northwest

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

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

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

*The contact between the volcanic rocks and the argillites passes through the centre of the mineralised 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).*

**ECHO** showing (Volcanic redbed Cu)

MINFILE 092HNE059

Five kilometres northwest

*The Echo occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A)*

*This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.*

*The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcanoclastic rocks and volcanic flows.*

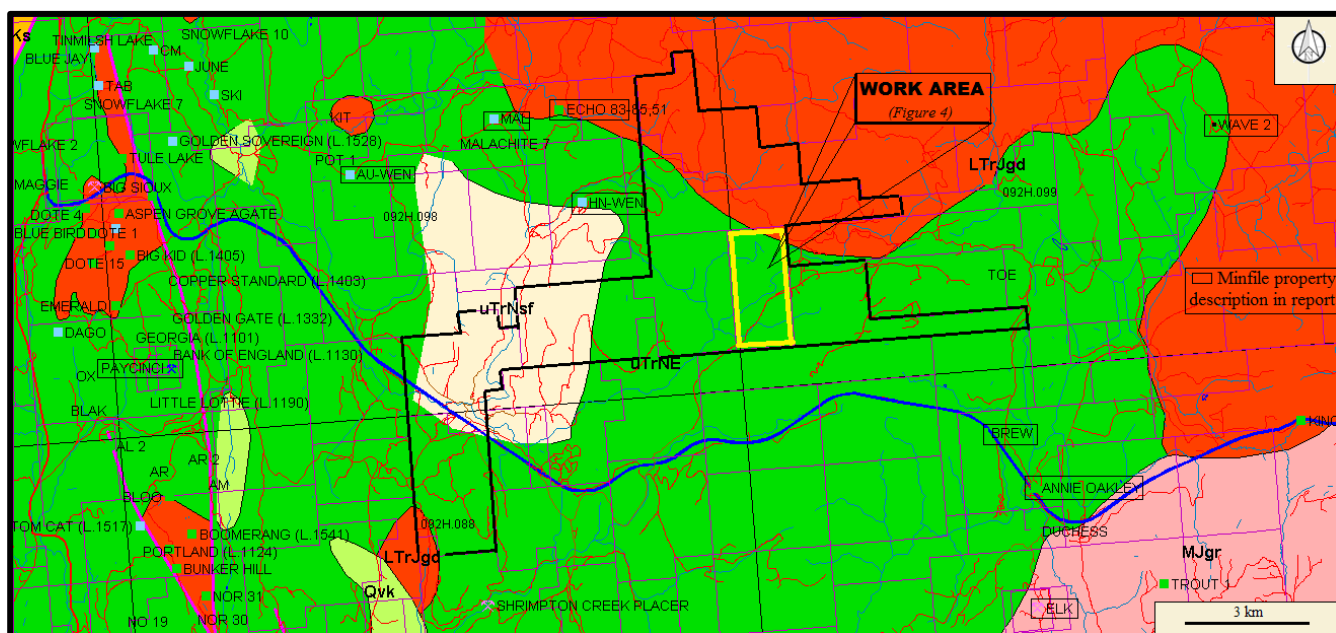
**Geology: Toni 585980 Claim Group Area (cont'd)**

*Echo showing (cont'd)*

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.

**Figure 3. Geology, Claim, Index & Minfile**  
(Base Map from MapPlace)



**GEOLOGY MAP LEGEND**

**Pleistocene to Holocene**

**Qvk**

Unnamed alkalic volcanic rocks

**Upper Triassic: Nicola Group**

**uTrNE**

Eastern Volcanic Facies

basaltic volcanic rocks

**uTtNsf**

mudstone, siltstone, shale, fine clastic

sedimentary rocks

**uTrNMI**

basaltic volcanic rocks

**uTrJum**

unnamed ultramafic rocks

**uTrNc**

Central Volcanic Facies

andesitic volcanic rocks

**Late Triassic to Early Jurassic**

**LTrJgd**

unnamed granodiorite intrusive rocks

**LTrJdr**

dioritic to gabbroic intrusive rocks

**Geology: Toni 585980 Claim Group Area (cont'd)****PAYCINCI** prospect (Volcanic redbed Cu)

MINFILE 092HNE084

Fourteen 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.*

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

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

+/-Au; Au-quartz veins)

MINFILE 092HNE096

Eight kilometres southeast

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

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

MINFILE 092HNE144

Ten kilometres west-northwest

*The AU occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization. The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69).*

*This assemblage mainly consists of well-bedded submarine volcanoclastic rocks, ranging from tuffaceous volcanic siltstones characteristic of the lower part, to coarse volcanic conglomerate and laharic breccias in the upper part.*

**Geology: Toni 585980 Claim Group Area (cont'd)****Au-Wen prospect (cont'd)**

*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 AU occurrence is centred on the main gold showing, a small stripped, drilled and trenched area just off a gravel road south of Quilchena Creek (Assessment Reports 5766, 16008). This and most of the surrounding area is underlain by andesitic to dacitic tuff, cherty tuff, black argillite, and volcanic sandstone and siltstone. The rocks are strongly fractured in a variety of orientations. Bedding in the tuff has been measured to strike 060 degrees and dip 54 degrees northwest, but it varies.*

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

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

MINFILE 092HNE275

Five kilometres southeast

*This occurrence is hosted in volcanics and minor sediments of the Upper Triassic Nicola Group, 2.6 kilometres northwest of the Middle Jurassic Osprey Lake batholith. The volcanics consist primarily of andesite and fine-grained diorite. The contact between the two units is gradational, suggesting the diorite may be a subvolcanic equivalent of the andesite. Minor tuffs, lapilli tuffs, agglomerates, and feldspar porphyritic andesite are also present. The sediments consist of mudstone, siltstone, shale, and rare carbonate, intercalated with the pyroclastic units. A major fault zone, the Brew fault, striking 140 degrees and dipping steeply southwest, is exposed along the Coquihalla Highway for 600 metres. The zone is approximately 40 metres wide. It is somewhat gossanous and exhibits carbonate and clay alteration and sporadic silicification.*

*Some quartz +/- calcite stringers and blebs are present but not common. Pyrite is ubiquitous along the entire fault. Sections of the zone are strongly mineralised with massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite. Samples of pyritic clay-altered sections have yielded up to 0.280 gram per tonne gold and 0.445 per cent arsenic (Assessment Report, 18041, page 8, samples 128665, 44719) A sample from a zone of quartz stringers analysed 0.600 gram per tonne gold (sample 239716). This fault is traversed by several significant fault/shear zones striking 100 to 120 degrees. One major crossfault, the Mugwump fault, is exposed west of the Brew fault, striking 100 degrees and dipping 60 degrees south.*

**WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)**

MINFILE 092HNE312

Ten kilometres east-northeast

*The area is underlain by granitic rocks of the Jurassic Pennask batholith and basaltic volcanics of the Triassic Nicola Group.*

## GEOLOGY: TONI 585980 CLAIM GROUP

As indicated by the BC government supported MapPlace geological maps, the Toni 589869 claim group is predominantly underlain centrally by the upper Triassic Nicola Group Eastern Volcanic Facies of basaltic volcanic rocks (uTrNE) capped by a succession of Nicola Group sedimentary rocks in the southeast. In the northeast the volcanics are in a northwesterly trending contact with the Early Jurassic Pennask batholith (LTrJgd)

In the extreme southeast, a portion of a granodiorite stock is within the Property.

## MINERALISATION: TONI 585980 CLAIM GROUP AREA

The mineralisation on some of the more significant mineral MINFILE reported showings, prospects, and past producers peripheral to the Toni 585980 Claim Group are reported as follows. The distance from the Toni 585980 Claim Group is relative to Tenure 585980, which is the subject of the structural analysis.

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

MINFILE 092HNE002

Eight kilometres northwest

*Copper mineralisation is concentrated in the skarn zones. Pyrite and subordinate magnetite and chalcopyrite are associated with quartz-calcite veins, or are disseminated in variable amounts (Assessment Report 1586). Chalcocite and malachite are also present at the main showing (Assessment Report 8453).*

*Finely disseminated pyrite is common in most rocks, particularly the argillaceous rocks (Assessment Reports 1718, 9590).*

*A zone of massive, medium-grained pyrite between 1 and 13 metres thick, in altered volcanic rocks, has been found below the surface by diamond drilling; the paragenesis is epidote, magnetite, pyrite (Assessment Report 9590).*

*Copper values appear to be erratic. In early diamond drilling, the best result reported is 1.62 per cent copper over 6 metres; this section contained at least 50 per cent magnetite (Assessment Report 449, page 6).*

*More recent diamond drilling has resulted in generally low metal values, although one split core sample assayed 0.37 per cent copper and 6.8 grams per tonne silver (Assessment Report 9590). A grab sample from the main trenched and drilled area assayed 0.34 gram per tonne gold, 3.4 grams per tonne silver, and 0.2 per cent copper (Assessment Report 8453).*

*The high magnetite and pyrite content of the rocks at this occurrence is reflected in significant magnetic and induced polarization anomalies, respectively, over the mineralised zones (Assessment Reports 1586, 8453).*

**ANNIE OAKLEY, WART** showing (Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE029

Seven kilometres southeast

*A sample of chips from a 2-centimetre wide drusy quartz vein, associated with a narrow clay shear, assayed 2.43 grams per tonne gold, 38.1 grams per tonne silver, 0.27 per cent copper and 1.71 per cent arsenic (Assessment Report 21922, page 9, Table 2, sample WART-R2).*



**Mineralisation: Toni 585980 Claim Group Area (cont'd)****Annie Oakley showing (cont'd)**

Two other samples of quartz vein material, containing scattered grains and bands of galena and sphalerite, assayed 1.17 to 2.23 grams per tonne gold, 264.7 to 1046 grams per tonne silver, 0.15 to 0.53 per cent lead, 0.92 per cent zinc and 0.38 to 0.82 per cent arsenic (Assessment Report 21922, page 9, Table 2, samples WART-R1, WART-R3). A bulk sample yielded 1.2 grams per tonne gold and 0.7 gram per tonne silver

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

MINFILE 092HNE058

Five kilometres northwest

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).

**ECHO** showing (Volcanic redbed Cu)

MINFILE 092HNE059

Five kilometres northwest

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

**Mineralisation: Toni 585980 Claim Group Area (cont'd)****PAYCINCI** prospect (Volcanic redbed Cu)

MINFILE 092HNE084

Fourteen 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

Eight kilometres southeast

*Gold-silver mineralisation 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, mineralisation 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 mineralised zone trends east-northeast with southerly dips from 20-80 degrees (from east to west), and appears to be related to minor shearing. Quartz veining occurs in a number of parallel to subparallel zones.*

*Each zone consists of one or more veins within an elevation range of 5 to 10 metres that can be correlated as a group to adjacent drill holes. In the eastern parts of the area, up to six subparallel zones occur. Five of these zones are consistent enough to be labelled the A, B, C, D and E zones.*

*Mineralisation in the west has been identified in one or locally two zones (the B and C zones). The main mineralised zone (B) is consistent, with only minor exceptions, across the entire drill grid.*

*The Siwash North structure has been tested to 335 metres down dip and along a strike length of 925 metres. The zone remains open to depth and along strike.*

*At surface, supergene alteration has leached out most of the sulphides with some pyrite and chalcopyrite remaining. Mineralisation 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.*

**Mineralisation: Toni 585980 Claim Group Area (cont'd)****ELK past producer (cont'd)**

*In drill core, mineralisation 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 mineralisation. 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 mineralisation.*

*Propylitic alteration is generally light green with biotite and hornblende altered to chlorite, and plagioclase is saussuritized. In volcanics, the colour is generally olive green, and the rock is soft. Argillic alteration is exemplified by bleached rock, with plagioclase white and clay-altered; potassium feldspar is slightly altered.*

*Volcanics are bleached to light green or grey. Sericitic alteration is typically pale green with a micaceous sheen, with plagioclase altered to sericite; trace disseminated pyrite may be present. This type of alteration is often associated with quartz veins and appears to be the lowest grade alteration associated with gold mineralisation. 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 mineralisation; 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 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).*

**Mineralisation: Toni 585980 Claim Group 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 mineralised 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.

In 2004 a diamond drill program consisting of 10,265 meters of NQ drilling in 44 holes was completed.

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.

**Mineralisation: Toni 585980 Claim Group Area (cont'd)****ELK past producer (cont'd)**

*As reported by Almaden in 2001, a possible extension to the B and WD vein systems was found roughly two kilometres along strike to the east, on the other side of an area of overburden cover and no outcrop, as part of a trenching program. Grab samples of the vein material taken at surface returned averaged analyses of 31.6 grams per tonne gold and 104.4 grams per tonne silver (News Release, Almaden Minerals Limited, March 4, 2005. This discovery added about two kilometres of prospective, unexplored strike length to the high-grade vein system.*

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

MINFILE 092HNE144

Ten kilometres west-northwest

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

*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).*

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

MINFILE 092HNE275

Ten kilometres west-northwest

*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).*

**WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)**

MINFILE 092HNE312

Nineteen kilometres east-northeast

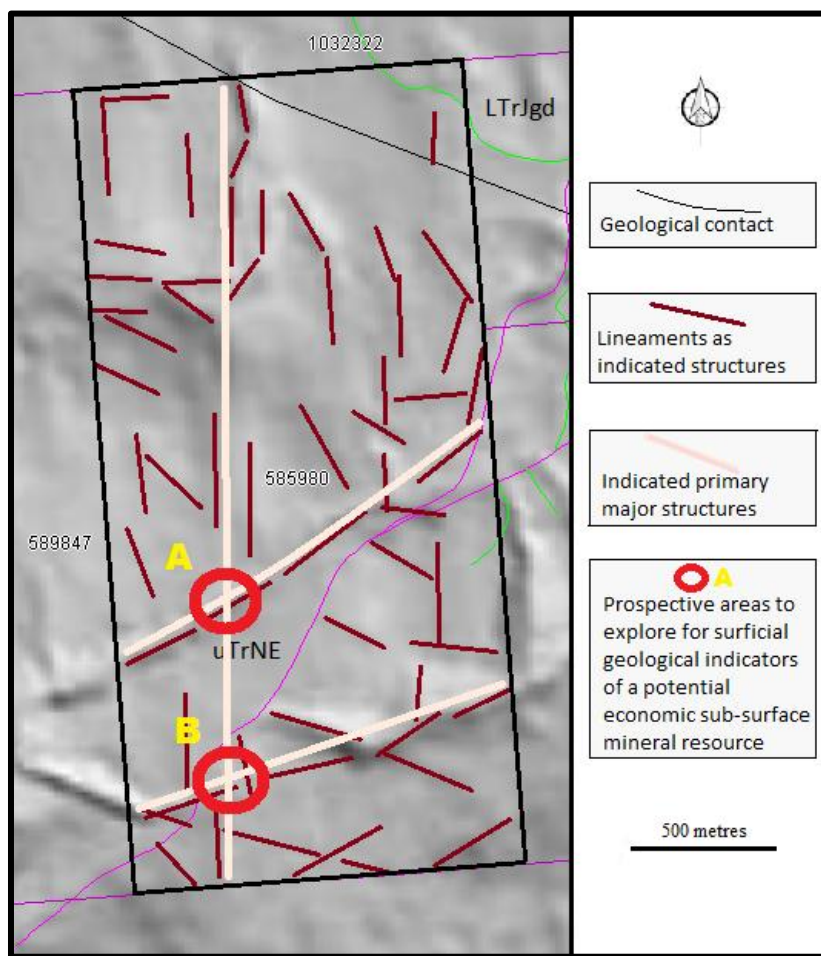
*Locally, mineralized quartz vein float was found and contain disseminated pyrite and limonite with occasional specks of chalcopyrite, galena or sphalerite. In 1991, samples of mineralized vein float, up to 0.20 metres in diameter, returned up to 25.7 parts per million silver, 1732 parts per million lead and 2107 parts per million zinc (Assessment Report 22864).*

### STRUCTURAL ANALYSIS

The structural analysis was performed on a MapPlace hillside shade map of Tenure 585980 by viewing of the map and marking the lineaments, or indicated structures, thereon. A total of 58 lineaments were marked (*Figure 4*), compiled into a 10 degree class interval, and plotted as a rose diagram as indicated on Figure 5.

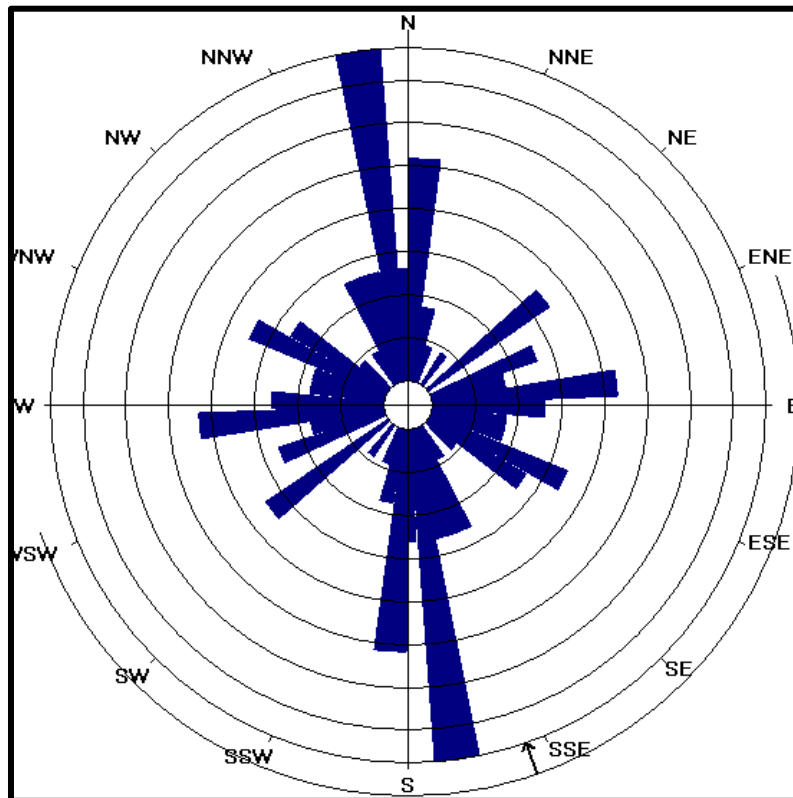
The centre of the work area is at 5,533,173N, 687,200E (NAD 83).

**Figure 4. Indicated Lineaments on Tenure 585980**



Structural Analysis (cont'd)

Figure 5. Rose Diagram from lineaments (Figure 4) of Tenure 585980.



**STATISTICS**

Axial (non-polar) data  
 No. of Data = 58  
 Sector angle = 8°  
 Scale: tick interval = 2% [1.2 data]  
 Maximum = 15.5% [9 data]  
 Mean Resultant dir'n = 161-341  
 [Approx. 95% Confidence interval = ±90.0°]  
 (valid only for unimodal data)

Mean Resultant dir'n = 160.7 - 340.7  
 Circ.Median = 006.0 - 186.0  
 Circ.Mean Dev.about median = 41.5°  
 Circ. Variance = 0.42  
 Circular Std.Dev. = 59.34°  
 Circ. Dispersion = 23.49  
 Circ.Std Error = 0.6363  
 Circ.Skewness = 1.23  
 Circ.Kurtosis = 0.10  
 kappa = 0.24

(von Mises concentration param. estimate)

Resultant length = 6.79  
 Mean Resultant length = 0.1171  
 'Mean' Moments: Cbar = 0.0915; Sbar = -0.0731  
 'Full' trig. sums: SumCos = 5.3058; Sbar = -4.2375  
 Mean resultant of doubled angles = 0.3562  
 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 6. Cross-Structural locations on Google Earth  
 (Base map from MapPlace and Google Earth)

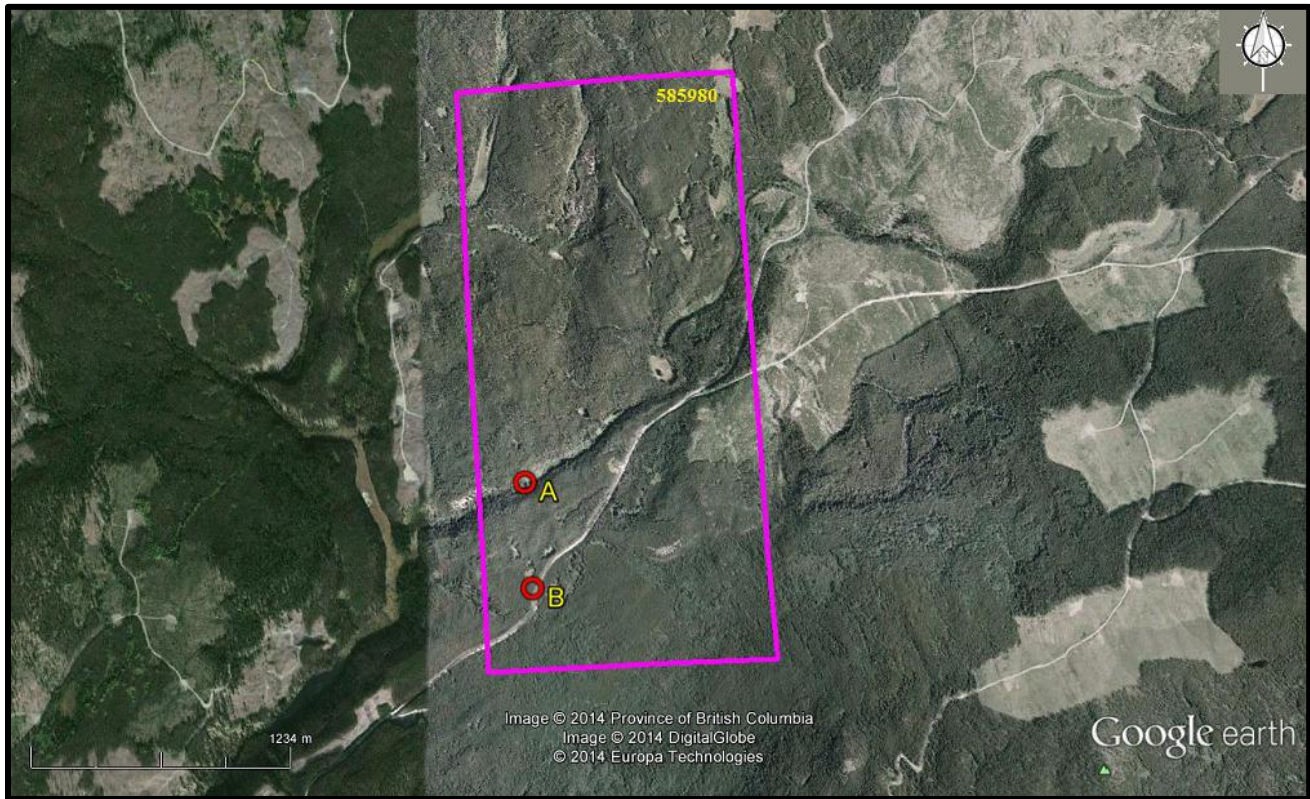


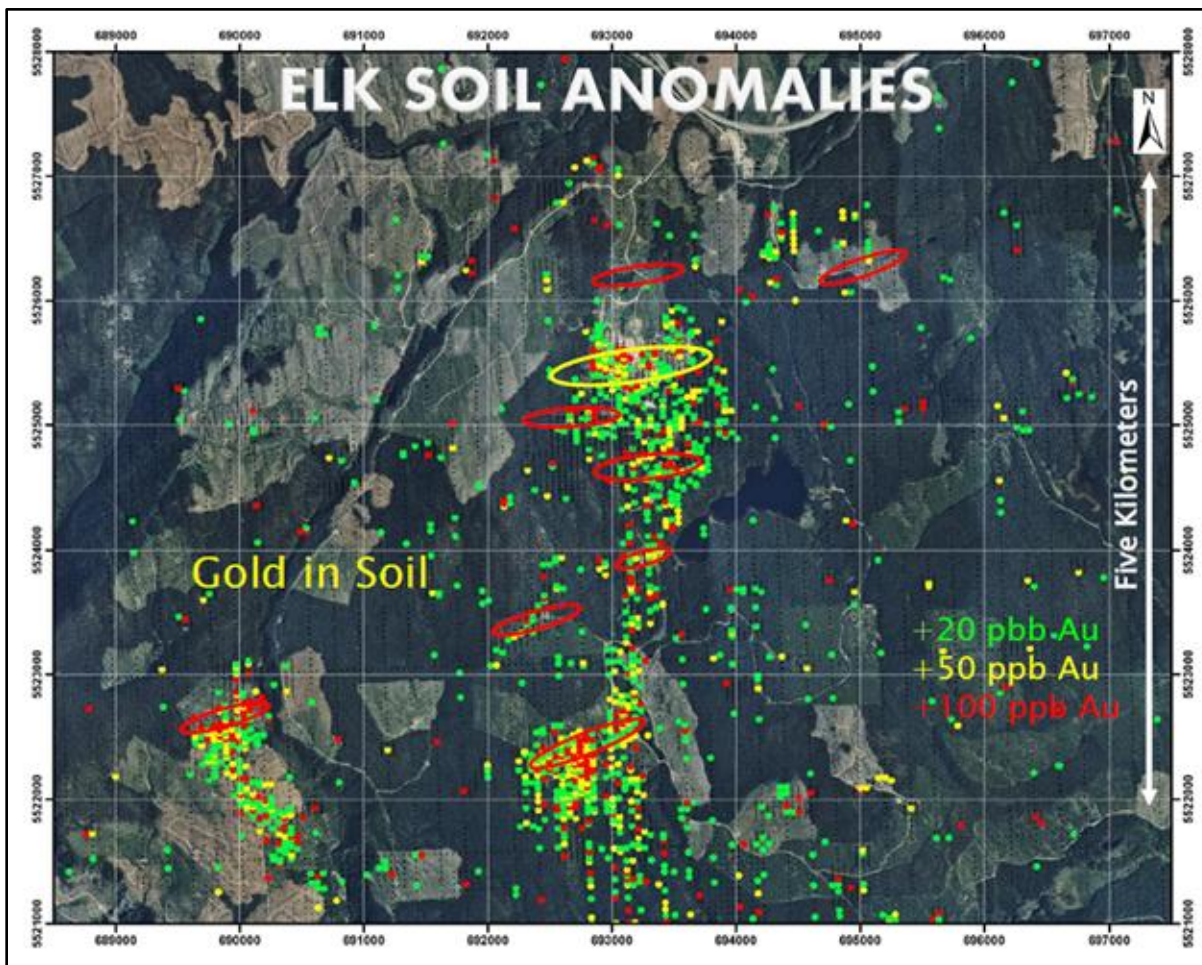
Table II. Approximate location of Figures 4 & 6 cross-structures  
 (UTM-NAD 83)

Location	UTM East	UTM North	Elevation (metres)
A	686,780	5,532,538	1,367
B	686,805	5,532,039	1,383



**Figure 7. Elk Mineral Zones showing the indicated localized association to structural intersections of the major north trending Elk or Siwash fault and a subsidiary set of easterly to east-northeasterly trending faults.**

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



## INTERPRETATION & CONCLUSIONS

The Structural analysis on Tenure 585980 resulted in the delineation of one prime structure trending northerly with two intersecting northeasterly structures, causing two structural intersections, A & B (Figure 4). This combination of structural trends is significant as mineral controlling structures at the Elk mineral zones southeast of Tenure 585980.

The prime northerly trending Elk structure is topographically conspicuous over a distance of at least 25 kilometres northward from four kilometres south of the past productive Elk mineral zone northward to the BREW (*Minfile 092HNE275*) and the SNOW (*Minfile 092HNE292*) mineral showing 25 kilometres distant.

The indicated and the known mineral zones on the Elk property are all located at the intersection of the Elk structure with intersecting northeasterly structures; the Elk structure as the dominant controlling structure (Figure 6).

***Interpretation & Conclusions (cont'd)***

Another northerly trending mineral controlling structure is also reported at the Echo mineral occurrence (*Minfile 092HNE059*) where chalcopyrite and malachite mineralization is present in trenches and open-cuts in volcanics over an area of 1000 by 800 metres. The structural trend is to the HN-WEN mineral zone (*Minfile 092HNE275*) two kilometres south-southeast where three early 1990's adits reportedly explore a high grade copper zone.

Subsequent exploration in 1996 by diamond drilling 55 metres east of the adit zone reportedly intersected 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 2010 diamond drilling of the adit zone in 2010 resulted in an intersection of a 5.50 metre mineral zone which assayed 2.62% Cu

Thus, the two Tenure 585980 cross-structural locations are prospective areas to explore for surficial geological indicators of a potential economic mineral resource. These geological indicators may be revealed as minerals and/or alteration products and would be subject to interpretation as economic mineral indicators.

For mineral deposit types or geological indicators that may occur at the cross-structures on Tenure 585980 reference is made to the nine Minfile property descriptions copied from the BC Government Minfile records. The pertinent Minfile properties are shown on Figure 3.

Respectfully submitted  
Sookochoff Consultants Inc.



Laurence Sookochoff, Peng

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092HNE002 – MAL

092HNE029 – ANNIE OAKLEY, WART

092HNE058 – HN-WEN

092HNE059 - ECHO

092HNE084 – PAYCINCI

092HNE096 – ELK

092HNE144 – AU-WEN

092HNE275 – BREW

092HNE332 – WAVE 2

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**Verley, C.G.** 2002: Preliminary Assessment Report on the AU/WEN and TOE Claim Groups for Commerce Resources Corp.

**Victory Resources Corporation** - News release dated August 26, 2010).

**STATEMENT OF COSTS**

Work on Tenure 585980 was done from May 17, 2014 to May 20, 2014 to the value as follows:

**Structural Analysis**

Laurence Sookochoff, P Eng. 3 days @ \$ 1,000.00/day -----	\$ 3,000.00
Maps -----	1,000.00
Report -----	<u>3,550.00</u>
	\$ 7,550.00
	=====

**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-seven years.
- 3) I am registered and in good standing with the Association of Professional Engineers and Geoscientists of British Columbia.
- 4) The information for this report is based on information as itemized in the Selected Reference section of this report and from work the author has performed on the Toni Property since 2006.
- 5) I have no interest in the Toni 585980 Claim Group as described herein.
- 6) I am a director of Victory Resources Corporation.



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