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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: $ 7,500.00

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): 5531710 November 23, 2014

PROPERTY NAME: Toni

CLAIM NAME(S) (on which the work was done): 980254

COMMODITIES SOUGHT: Copper Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 092HNE292

MINING DIVISION: Nicola

NTS/BCGS: 092H.099 092I.009

LATITUDE: 49 ° 59 ' 51 " **LONGITUDE:** 120 ° 15 ' 10 " **(at centre of work)**

OWNER(S):

1) Victory Resources Corporation

2)

MAILING ADDRESS:

132366 Cliffstone Court
Kelowna BC V4V 2R1

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

1) Victory Resources Corporation

2)

MAILING ADDRESS:

132366 Cliffstone Court
Kelowna BC V4V 2R1

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

Late Triassic to Early Jurassic, granodiorite. Within Tenure 980254 northerly northwesterly and east-west major structures; three cross-structures. At the Snow prospect (092HNE292) drill hole intersected weakly to moderate chloritized granite and chalcocite or bornite along the margins of a zeolite vein; copper mineralization occurs along fractures and disseminations in the granite; a grab sample assayed 0.30 per cent copper and 0.45 grams gold per tonne and 3.1 grams silver per tonne.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 3415 32520 32627 35266

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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			
Photo interpretation	415 hectares	980254	$ 7,500.00
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
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)/trail			
Trench (metres)			
Underground dev. (metres)			
Other			
		TOTAL COST:	$ 7,500.00

VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL ASSESSMENT REPORT

(Event 5531710)

STRUCTURAL ANALYSIS

(Work done from November 20, 2014 to November 24, 2014)

Work done on

Tenure 980254

of the seven claim

Toni 980254 Claim Group

of the

89 claim 40,526 hectare

TONI PROPERTY

Nicola Mining Division

BCGS Map 092H.099/092I.009

Centre of Work

5,541,957N, 696,877E

Author & Consultant

Laurence Sookochoff, PEng
Sookochoff Consultants Inc.

Submitted

April 11, 2015

Amended October 9, 2015

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ILLUSTRATIONS

TABLES

SUMMARY

The seven claim, 2742 hectare Toni 980254 Claim Group, is located in south-central British Columbia 222 kilometres northeast of Vancouver, 35 kilometres southeast of Merritt, 13 kilometres north of the past productive Elk/Siwash property, and 24 kilometres northeast of the past productive Benda property.

At the Elk property, past production was 51,460 ounces gold from the processing of material averaging 97 g/t (>3 opt). The property is currently under renewed exploration by Gold Mountain Mining Corporation which reports (2012 Corporate Presentation) an existing gold resource of 301,000 ounces in a measured and indicated category with 263,000 ounces of gold in an inferred category. In October 2013, Gold Mountain had 500 tons of 13.8 gram gold per tonne ore, taken from the Elk mineral deposit and processed which generated a return of $250,408.00

Gold-silver mineralization on the Elk property is hosted primarily by pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks.

At the Elk, the structural controlling relationship with the intersection of faults is shown by the extensive north-south trending Elk fault intersected by numerous east-northeasterly trending structures. The mineral zones are mostly adjacent to the Elk Fault and related to the cross fault intersection. The Elk structure is indicated topographically over a distance of at least 20 kilometres from south of the Elk mineral zones to the SNOW (Minfile 092HNE292) mineral showing in the north where a drill hole intersected minor copper mineralization in weakly to moderately chloritized granite of the Pennask batholith. The Snow mineral showing is within the Toni 980254 Claim Group.

At Brenda, the resource was defined within the “Brenda stock), a composite quartz diorite/granodorite body which forms part of the Pennask Batholith. The grade of the orebody was a function of fracture (vein) density and of the thickness and mineralogy of the filling material. Mineralization decreased outwardly from the most intensely fractured/mineralized rock and the centre of the main mineral zone.

As indicated by the BC government supported MapPlace geological maps, the Toni 980254 Claim Group is predominantly underlain by the Pennask Batholith.

The three cross-structures indicated from the structural analysis of Tenure 980524 would be the centre of maximum brecciation and depth intensive to provide the most favourable feeder zone to any convective hydrothermal fluids sourced from a potentially mineral laden reservoir. The fluid constituents and/or the indications thereof should be etched in the surface material; where by means of standard exploratory procedures, the source and location may be identified and a foundation for which to warrant any follow-up exploration.

Thus, the three cross-structures on Tenure 980254 should be the focus of initial exploration for a potential mineral resource. The 10 Minfile descriptions copied herein provide geological information as to the makings of a mineral resource and the surficial geological indications of a potential mineral resource.

Excluding other variable geological conditions, the structures are essential in the localization of potentially economic porphyry mineralization within the Pennask batholith.

Excluding other variable geological conditions, the structures are essential in the localization of potentially economic porphyry and/or quartz vein hosted mineralization within the Pennask intrusive on the Property..

INTRODUCTION

In November 2014 a structural analysis was completed Tenure 980254 of the seven claim Toni 980254 claim group ("Property") of Victory's Toni property. The purpose of the program was to delineate potential structures which may be integral in geological controls to potentially economic mineral zones that may occur on Tenure 980254 or other claims of the Toni 980254 claim group.

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

Figure 1. ***Location Map***

PROPERTY DESCRIPTION AND LOCATION

Description

The Property is comprised of seven claims covering an area of 3470.2329 hectares. Particulars are as follows:

Table I: **Tenures of Toni 980254 Claim Group**

Tenure Number	Type	Claim Name	Good Until*	Area (ha)
833943	Mineral	SNOW	20150625	415.5088
833944	Mineral	SNOW 1	20150625	415.6536
980254	Mineral	SNOW 4	20150625	415.5094
980252	Mineral	V4150	20150603	498.6036
980254	Mineral	V4152	20150603	456.9283
1032320	Mineral		20150625	623.5115
1032321	Mineral		20150625	644.5177

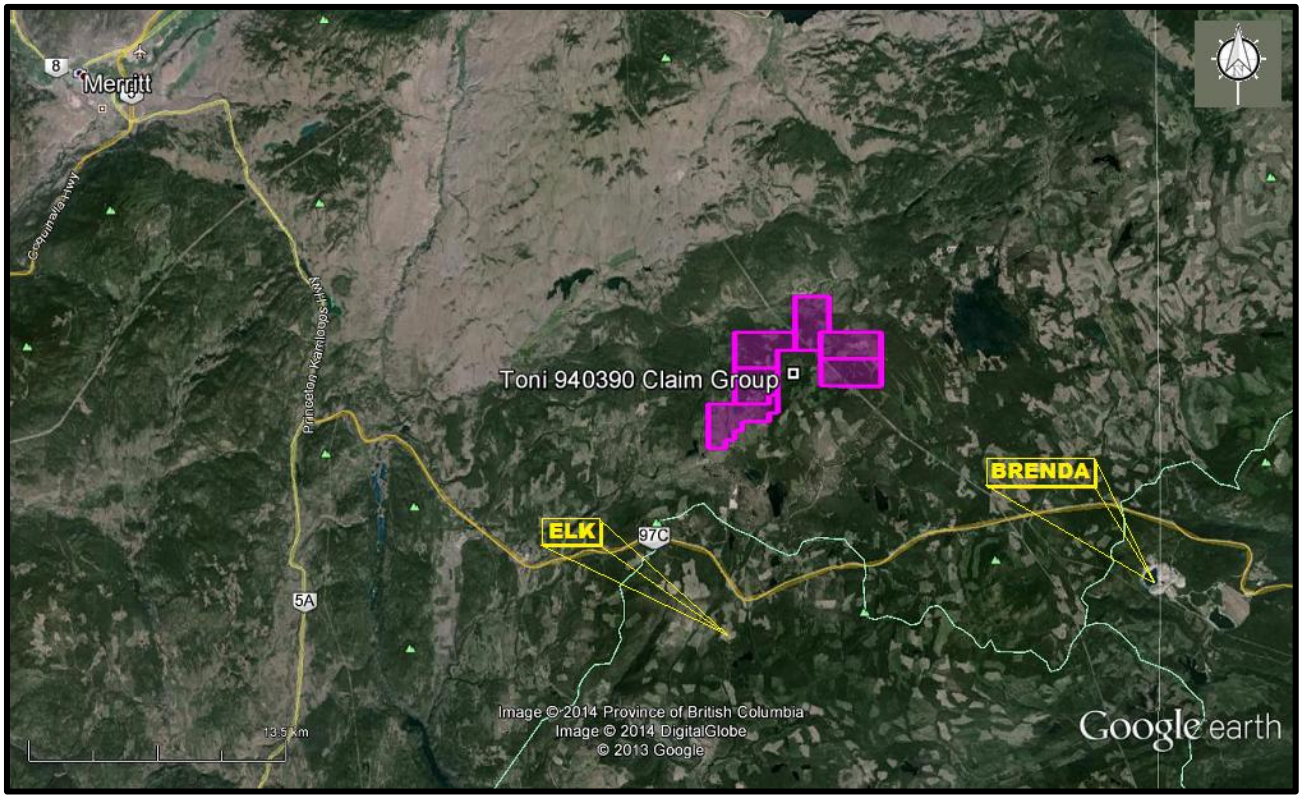
*Upon the approval of the assessment work filing, Event Number 5531710.

Property Description and Location *(cont'd)*

Location

The Property is located within BCGS Map 092H.099/092I.009 of the Nicola Mining Division, 222 kilometres east-northeast of Vancouver, 35 kilometres south-southeast of Merritt, and 13 kilometres north of the ELK (Siwash) past productive gold deposit of Gold Mountain Resources.

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



ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

Access

Access to the Property is southward from Merritt via Highway 5A/97C or the Princeton/Kamloops Highway for 26 kilometres to the Aspen Grove junction thence eastward from via Highway 97C or the Coquihalla connector Highway for 27 kilometres to the Elkhart Lake Junction, thence northerly for 10 kilometres via a graveled and forestry road to the southern boundary of Tenure 833944 of the Toni 980254 Claim Group.

Climate

The region is situated within the dry belt of British Columbia with rainfall between 25 and 30 cm per year. Temperatures during the summer months could reach a high of 35° and average 25°C with the winter temperatures reaching a low of -10° and averaging 8°. On the Property snow cover on the ground could be from December to April and would not hamper a year-round exploration program.

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

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

Physiography

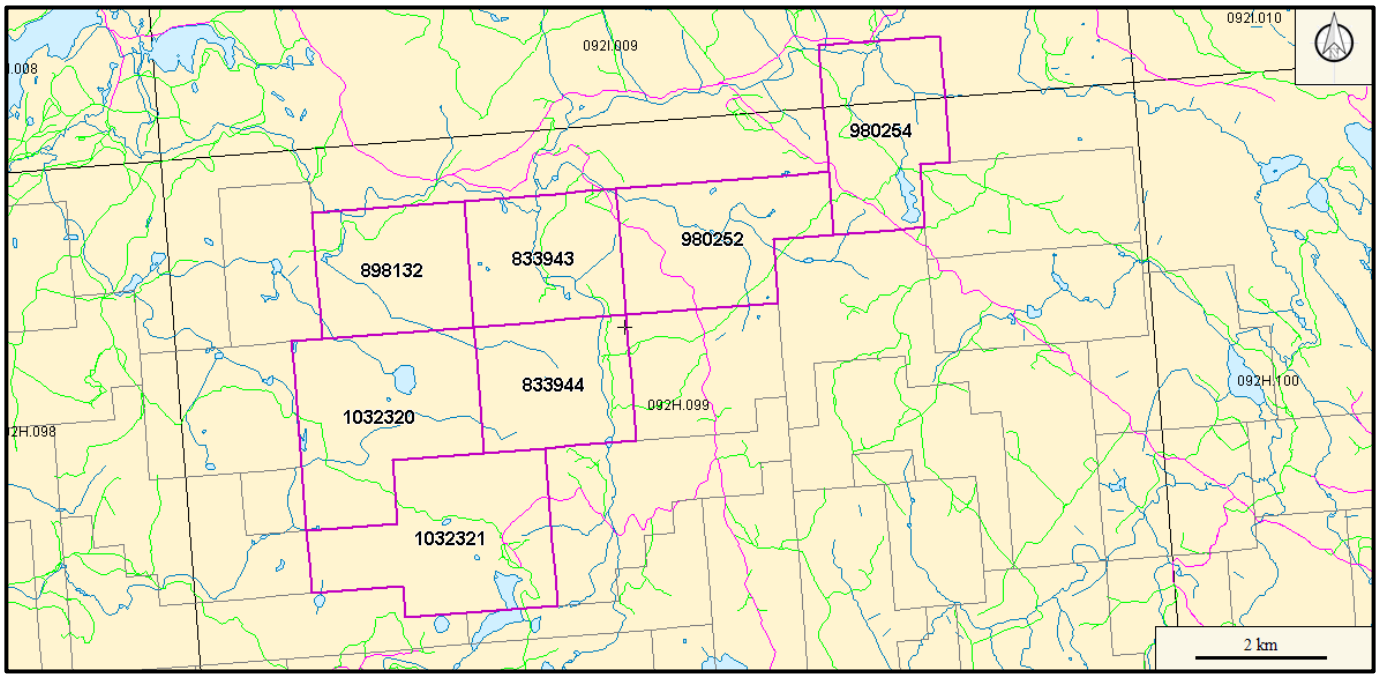
Tenure 980254 covers a relatively flat area of forest cover with patches of logged areas. Relief is in the order of 80 metres from an elevation of 1,260 metres at the northwest corner to 1,465 metres at the southeast.

WATER and POWER

Sufficient water for all phases of the exploration program should be available from lakes and creeks, which are located within the confines or peripheral to Tenure 980254. A 500Kv power line trends southeasterly through the southeastern portion of the Property.

Figure 3. **Claim Map – Toni 980254 Claim Group**

(from MapPlace)



HISTORY: PROPERTY AREA

The history on some of the more significant mineral MINFILE reported mineral anomalies, showings, prospects, and past producers in the Toni 980254 Claim Group area are reported as follows. The distance from the Toni 980254 Claim Group is relative to the Toni 980254 Claim Group.

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE002
Six kilometres west

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 west

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

Sookochoff (2011) reports that recent exploration work at the HN-WEN by Victory Resources resulted in the delineation of the Adit 1 east-west trending quartz vein within the 90 metre wide northwesterly striking shear zone. The significance of the Adit 1 vein is that it occurs within the Nicola volcanics 50 metres north of the W96-1 drill hole (George Resources) where a mineral hosting quartz vein was intersected from which assays averaging 16.578 gm/t Au, 18.185 gm/t Ag, and 0.75% Cu over 6.55 metres of core or 3.81 metres of 28.43 g/t Au and 0.98% Cu.

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Twenty four kilometres southeast

The Brenda mine began production in early 1970 with measured geological (proven) reserves of 160,556,700 tonnes grading 0.183 per cent copper and 0.049 per cent molybdenum at a cutoff of 0.3 per cent copper equivalent [eCu = % Cu + (3.45 x % Mo)]. The mine officially closed June 8, 1990.

ECHO showing (Volcanic redbed Cu)
MINFILE 092HNE059
Five kilometres west

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

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

History: Property Area *(cont'd)*

TOE prospect (Volcanic redbed Cu; Alkalic porphyry Cu-Au)
MINFILE 092HNE060
Two kilometres south

The Toe occurrence consists of minor copper mineralization located sporadically in the area between Paradise and Boot lakes, 21 kilometres northeast of the community of Missezula Lake. This area lies 18 kilometres east of the historical Aspen Grove copper camp, between Merritt and Princeton.

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

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.

MALACHITE 7 showing (Cu skarn; Volcanic redbed Cu)
MINFILE 092HNE269
Seven kilometres west

The Malachite 7 showing is 1.0 kilometre southeast of Quilchena Creek and 10.5 kilometres west-northwest of the south end of Boot Lake.

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
One kilometre south

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 quartz float and coincidental soil and stream anomalies. Recently, the area has been explored by Sookochoff Consultants as a part of the Toni property.

WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE312
Four kilometres south

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.

HISTORY: PROPERTY

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Within Tenure 833943

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

GEOLOGY: REGIONAL

The Aspen Grove geological district is located within the regional Quesnel Trough, a 30 to 60, km wide belt of Lower Mesozoic volcanic and related strata enclosed between older rocks and much invaded by batholiths and lesser intrusions (Campbell and Tipper, 1970). The southern part is the well-known Nicola belt, continuing nearly 200 km to its termination at the U.S. border and containing the important copper deposits of the Highland Valley, Craigmont, Copper Mountain, Afton, Brenda, in addition to the historic Hedley gold camp.

The Nicola Group has been divided into western, central, and eastern belts on the basis of lithology and lithogeochemistry and by major fault systems. Variation from calc-alkaline to shoshinitic compositions from west to east has been interpreted to reflect eastward dipping subduction in the Nicola arc.

GEOLOGY: PROPERTY AREA

The geology on some of the more significant mineral MINFILE reported mineral anomalies, showings, prospects, and past producers in the Toni 980254 Claim Group area are reported as follows. The distance from the Toni 980254 Claim Group is relative to the Toni 980 254 Claim Group.

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE002
Six kilometres west

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

The 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).

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
Five kilometres west

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).

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

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Twenty four kilometres southeast

The Pennask Mountain area is mainly underlain by a roof pendant comprising westerly younging, Upper Triassic sedimentary and volcaniclastic rocks of the Nicola Group. These are intruded and enclosed to the north, east and south by plutonic rocks of the Early Jurassic Pennask batholith and Middle Jurassic Osprey Lake batholith. Both the Nicola rocks and the Pennask batholith are unconformably overlain by Tertiary sediments and volcanics of the Princeton Group.

The Brenda copper-molybdenum deposit is within the "Brenda stock", a composite quartz diorite/granodiorite body which forms part of the Pennask batholith. Several ages and compositions of pre and post-ore dikes cut the stock. The deposit is approximately 390 metres from the contact with Nicola Group rocks to the west.

Nicola Group tuffs, volcanic breccias and flows adjacent to the Brenda stock have been altered to "schistose hornfels".

This hornfels, which is as wide as 450 metres, is characterized by the development of bands and aligned lenses of felted brown to black biotite. Schistosity generally strikes roughly parallel to the intrusive contact and dips west at 30 to 70 degrees. The schistose hornfels grades westerly into recognizable west-dipping volcanic rocks which in turn are overlain by greywacke, argillite and shales.

The Brenda stock is a composite, zoned quartz diorite to granodiorite body which can be divided into two units. Unit 1 is of quartz diorite composition and contains abundant mafic minerals (hornblende > biotite) and angular quartz grains, whereas unit 2 is porphyritic granodiorite and contains fewer mafic minerals (biotite > hornblende), well-defined biotite phenocrysts and subhedral quartz grains. The contact between units 1 and 2 is generally gradational, but locally sharp. At sharp contacts, unit 2 is chilled against unit 1

Dikes of several ages and compositions cut the Brenda stock. At least four types, aplite-pegmatite, andesite, trachyte porphyry and basalt, have been identified in the Brenda orebody. Similar dikes, as well as felsite, dacite and quartz diorite have been mapped beyond the limits of economic mineralization. The aplite-pegmatite dikes are cut by all other dikes and by all mineralized fractures. The andesite dikes have been altered and mineralized during ore formation. Two types of quartz diorite dikes are found and both are cut by quartz-sulphide veins. Dacite porphyry and felsite dikes are also cut by quartz-sulphide veins.

A trachyte porphyry dike up to 4.5 metres wide and 300 metres in strike length is exposed in the Brenda pit. A weakly mineralized vein was observed in the dike which suggested an intermineral age for the dike. Further evidence has clearly shown that the dikes cut all stages of mineralization, except some of the latest quartz veins (Canadian Institute of Mining and Metallurgy Special Volume 15). Several post-mineral hornblende lamprophyre dikes also occur within the Brenda orebody and are probably genetically related to the trachyte porphyry dikes.

Irregular, branching basalt dikes, probably related to Tertiary volcanism, have been intruded along pre-existing fault zones. They cut all phases of mineralization and alteration.

Initial potassium-argon dating of two samples from the Brenda mine area resulted in different ages for hornblende (176 Ma) and biotite (148 Ma). Interpretation of these results suggests that the Brenda stock crystallized about 176 million years ago.

Biotite samples from the pit area have been dated at about 146 Ma, which probably represents the age of mineralization (Canadian Institute of Mining and Metallurgy Special Volume 15).

Faults in the Brenda pit are expressed as fracture zones in which the rock is intensely altered to clay minerals, sericite, epidote and chlorite

Geology: Property Area *(cont'd)*

Brenda *past producer (cont'd)*

These fracture zones range in width from a few centimetres to 9 metres. Most strike 070 degrees and dip steeply south. Northwest-striking faults exhibit left-lateral movement. The faults transect all mineralization, except some calcite veins. Sulphides, especially molybdenite, have been smeared along fault planes. Shear zones are wider and more numerous in the north half of the pit, where they control bench limits.

ECHO showing (Volcanic redbed Cu)
MINFILE 092HNE059
Five kilometres west

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

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

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

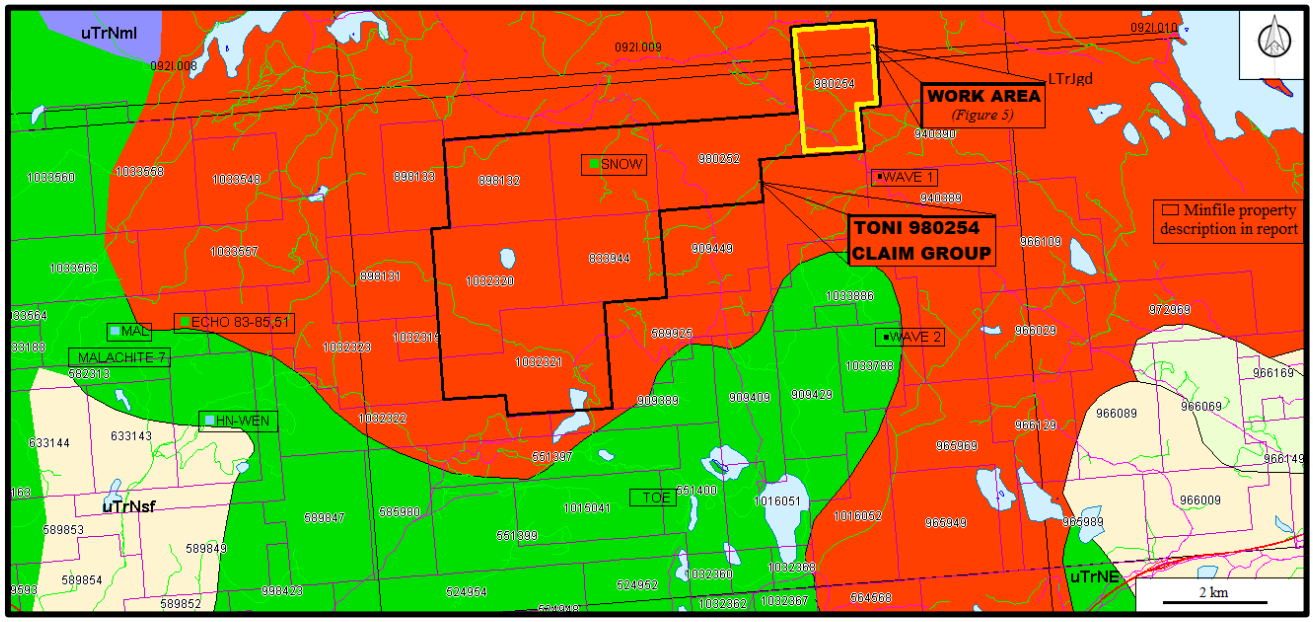
TOE prospect (Volcanic redbed Cu; Alkalic porphyry Cu-Au)
MINFILE 092HNE060
Two kilometres south

The Toe occurrence consists of minor copper mineralization located sporadically in the area between Paradise and Boot lakes, 21 kilometres northeast of the community of Missezula Lake. This area lies 18 kilometres east of the historical Aspen Grove copper camp, between Merritt and Princeton.

The Toe 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 Eastern belt or facies of the Nicola Group, which is characterized by submarine volcaniclastic rocks and volcanic flows (Bulletin 69; Geological Survey of Canada Map 41-1989). Exposure is limited in the Paradise and Boot lakes area (mainly on the Toe 27-29, 51, 54, 55 claims), which is underlain by augite porphyritic volcanic flows of andesitic to basaltic composition, fragmental rocks including tuff and breccia, minor argillite and diorite (Assessment Reports 1049, 1586)

The Nicola rocks in this area form a northeasterly-closing embayment largely surrounded by the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite (Geological Survey of Canada Map 41-1989).

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



GEOLOGY MAP LEGEND

Pleistocene to Holocene

Qvk

Unnamed alkalic volcanic rocks

Upper Triassic: Nicola Group

Eastern Volcanic Facies

uTrNE

basaltic volcanic rocks

uTtNsf

mudstone, siltstone, shale, fine clastic sedimentary rocks

uTrNMl

lower amphibolite/kyanite grade metamorphic rocks

uTrJum

unnamed ultramafic rocks

Central Volcanic Facies

uTrNc

andesitic volcanic rocks

Late Triassic to Early Jurassic

LTrJgd

unnamed granodiorite intrusive rocks

LTrJdr

dioritic to gabbroic intrusive rocks

Geology: Property Area *(cont'd)*

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

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

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

MALACHITE 7 showing (Cu skarn; Volcanic redbed Cu)
MINFILE 092HNE269
Seven kilometres west

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

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
One kilometre south

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

WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE312
Four kilometres south

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

GEOLOGY: PROPERTY

As indicated by the BC government supported MapPlace geological maps, the Property predominantly is underlain by an intrusive stock of late Triassic to early Jurassic granodiorite (uTrJgd).

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Within Tenure 833943

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

A drillhole intersected minor copper mineralization in weakly to moderately chloritized granite of the Early Jurassic Pennask batholith.

MINERALIZATION: PROPERTY AREA

The mineralization on some of the more significant mineral MINFILE mineral anomalies, showings, prospects, and past producers in the Toni 980254 Claim Group area are reported as follows. The distance from the Toni 980254 Claim Group is relative to Toni 980254 Claim Group

MAL prospect (Cu skarn; Fe skarn; Au skarn)
MINFILE 092HNE002
Six kilometres west

Copper mineralization is concentrated in the skarn zones. Pyrite and subordinate magnetite and chalcopyrite are associated with quartz-calcite veins, or are disseminated in variable amounts (Assessment Report 1586). Chalcocite and malachite are also present at the main showing (Assessment Report 8453). Finely disseminated pyrite is common in most rocks, particularly the argillaceous rocks (Assessment Reports 1718, 9590). A zone of massive, medium-grained pyrite between 1 and 13 metres thick, in altered volcanic rocks, has been found below the surface by diamond drilling; the paragenesis is epidote, magnetite, pyrite (Assessment Report 9590).

Copper values appear to be erratic. In early diamond drilling, the best result reported is 1.62 per cent copper over 6 metres; this section contained at least 50 per cent magnetite (Assessment Report 449, page 6). More recent diamond drilling has resulted in generally low metal values, although one split core sample assayed 0.37 per cent copper and 6.8 grams per tonne silver (Assessment Report 9590).

Mineralization: Property Area *(cont'd)*

Wen *prospect (cont'd)*

A grab sample from the main trenched and drilled area assayed 0.34 gram per tonne gold, 3.4 grams per tonne silver, and 0.2 per cent copper (Assessment Report 8453).

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

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
Five kilometres west

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).

Sookochoff (2011) reports that recent exploration work at the HN-WEN by Victory Resources resulted in the delineation of the Adit 1 east-west trending quartz vein within the 90 metre wide northwesterly striking shear zone. The significance of the Adit 1 vein is that it occurs within the Nicola volcanics 50 metres north of the W96-1 drill hole where a mineral hosting quartz vein was intersected from which assays averaging 16.578 gm/t Au, 18.185 gm/t Ag, and 0.75% Cu over 6.55 metres of core or 3.81 metres of 28.43 g/t Au and 0.98% Cu.

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Twenty four kilometres southeast

The Brenda orebody is part of a belt of copper-molybdenum mineralization that extends north-northeast from the Nicola Group-Brenda stock contact.

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

***Brenda** past producer (cont'd)*

Mineralization of economic grade (0.3 per cent copper equivalent) is confined to a somewhat irregular zone approximately 720 metres long and 360 metres wide. Ore-grade mineralization extends more than 300 metres below the original surface. Lateral boundaries of ore-grade mineralization are gradational and appear to be nearly vertical.

Primary mineralization is confined almost entirely to veins, except in altered dike rocks and in local areas of intense hydrothermal alteration which may contain minor disseminations. The grade of the orebody is a function of fracture (vein) density and of the thickness and mineralogy of the filling material. The average total sulphide content within the orebody is 1 per cent or less. Chalcopyrite and molybdenite, the principal sulphides, generally are accompanied by minor, but variable, quantities of pyrite and magnetite.

Bornite, specular hematite, sphalerite and galena are rare constituents of the ore. Johnson (1973), in a study of 17 samples from the deposit, reported minor pyrrhotite, mackinawite, carrollite, cubanite, ilmenite, rutile and native gold (?), as well as several secondary sulphides (Canadian Institute of Mining and Metallurgy Special Volume 15). Pyrite is most abundant in altered andesite dikes and in quartz-molybdenite veins. The ratio of pyrite to chalcopyrite in the orebody is about 1:10, with the chalcopyrite content diminishing beyond the ore boundaries. Because mineralization is confined almost entirely to veins in relatively fresh homogeneous rock, the veins are divided into separate stages, based on crosscutting relations and their mineralogy and alteration effects on the hostrock. The vein density within the orebody is not uniform.

Ranges are recorded from less than 9 per metre near the periphery of the orebody to 63 per metre and occasionally 90 per metre near the centre of the orebody. Some veins have very sharp contacts with wallrocks, but most contacts are irregular in detail where gangue and sulphide minerals replace the wallrock.

A vein may show features characteristic of fracture- filling in one part and of replacement in another. Mineralized solutions were introduced into fractures and, during development of the resultant veins, minor replacement of the wallrock ensued.

The chronological stages of mineralization are as follows: (1) biotite-chalcopyrite (oldest); (2) quartz-potassium feldspar- sulphide; (3) quartz-molybdenite-pyrite; (4) epidote-sulphide- magnetite; and (5) biotite, calcite and quartz. Stages 1 through 4 are all genetically related to a single mineralizing episode, which was responsible for the orebody. Stage 5 represents a later, probably unrelated, event(s) (Canadian Institute of Mining and Metallurgy Special Volume 15). Stage 2 veins form the bulk of the mineralization in the deposit, and are the most important source of ore.

Hydrothermal alteration at the Brenda deposit generally is confined to narrow envelopes bordering veins. These alteration envelopes commonly grade outward into unaltered or weakly propylitic-altered rock. Where veins are closely spaced, alteration envelopes on adjacent veins may coalesce to produce local areas of pervasive alteration. For the most part, hydrothermal alteration at the Brenda deposit is exceptionally weak for a porphyry copper system.

Four types of alteration are recognized in the Brenda deposit, three of which are related to the mineralizing process. Two of these are potassic (potassium feldspar) and biotite, and the other is propylitic. Later argillic alteration has been superimposed on the system along post-mineral faults.

Potassium feldspar and biotite alteration generally are separated in space, but locally occur together. Both types of alteration accompanied sulphide deposition. Potassium feldspar replaces plagioclase adjacent to most stage 2 and, to a lesser extent, stage 3 veins. These irregular envelopes range in width from a centimetre or less up to a metre, with an average of about 2 centimetres. Potassium feldspar also occurs as a minor constituent of stage 1 veins.

Mineralization: Property Area *(cont'd)*

Brenda *past producer (cont'd)*

Hydrothermal biotite replaces magmatic mafic minerals (hornblende, biotite) and, more rarely, plagioclase in hostrock adjacent to stage 2 and especially stage 3 veins. These envelopes of hydrothermal biotite range in width from less than 1 millimetre to several centimetres.

Weak to intense propylitic alteration, which is characterized by the development of chlorite and epidote, as well as less obvious microscopic sericite and carbonate, is sporadically distributed throughout the Brenda stock.

Large areas within the orebody have not been propylitized and in these areas, veins with potassic alteration envelopes clearly cut across propylitized quartz diorite, indicating an early hydrothermal or even a pre-ore origin for the propylitization (Canadian Institute of Mining and Metallurgy Special Volume 15). A second period of propylitization accompanied the development of stage 4 veins and is reflected as envelopes of epidote and chlorite.

Locally intense argillic alteration is confined to post-mineral fault zones where the hostrock has been highly shattered. Kaolinite, sericite and epidote have almost completely replaced the host rocks.

Surface weathering, which is expressed predominantly by the development of limonite, extends as a highly irregular blanket over the mineralized zone for depths ranging from a few metres to greater than 30 metres. In this weathered area, limonite stains all fractures. Fault zones have been especially susceptible to surface weathering, and the argillic alteration of these zones may be primarily the result of groundwater action. Secondary minerals developed during weathering, all highly subordinate in quantity to limonite, include malachite, azurite, hematite, ferrimolybdite, powellite and cupriferous manganese oxides. Cuprite, covellite, chalcopyrite, native copper, tenorite and ilsemannite are rare constituents.

Copper-molybdenum mineralization in the Brenda deposit was developed during several sequential stages, all of which constitute one mineralizing episode.

Each stage occupies unique sets of fractures, which are filled with specific combinations of metallic and gangue minerals. Although the attitudes of veins in each stage are unique in detail, most stages include conjugate steeply dipping sets of northeast and northwest striking veins. If these veins occupy shear fractures, it is probable that they were formed by generally east-west compressive forces. Examination of the structure in the Nicola Group rocks to the west reveals that north-northwest and north trending fold axes also indicate an east-west compression.

It is suggested that intermittent east-west compressional forces intensely fractured the rocks of the Brenda stock during several stages of time and tapped a hydrothermal source, either a later phase of the Brenda stock or a separate intrusive system.

As each stage of fractures developed, hydrothermal fluids introduced vein material which healed the fractures. Renewed build-up of compressional forces again fractured the rocks, which were again healed. Repetition of this sequence can explain all stages of mineralization within the Brenda deposit. East-west compression continued after ore deposition ceased and produced prominent east-northeast and northwest striking shear zones (Canadian Institute of Mining and Metallurgy Special Volume 15).

In 2008, drilling returned up to 488.5 parts per million copper over 1.0 metre (Assessment Report 30340).

ECHO showing (Volcanic redbed Cu)
MINFILE 092HNE059
Five kilometres west

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).

Mineralization: Property (*cont'd)*

Echo *showing (cont'd)*

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).

TOE prospect (Volcanic redbed Cu; Alkalic porphyry Cu-Au)
MINFILE 092HNE060
Two kilometres south

A major copper soil anomaly occurs within the Toe claim group, measuring 3500 by 900 metres; a mercury anomaly is associated (Assessment Reports 1049, 1586). The highest soil anomaly was 0.07 per cent copper (Assessment Report 1586)

ELK Past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins)
Thirteen kilometres south

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

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

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

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

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

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

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

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

Gangue mineralogy consists primarily of quartz and altered wallrock fragments. Ankerite is commonly present, with lesser amounts of calcite.

Mineralization: Property Area (*cont'd)*

Elk *Past Producer (cont'd)*

Minor barite is also present. Fluorite was noted in one vein as very small (less than 1 millimetre) zoned purple cubes scattered in the quartz.

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

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

Volcanics are bleached to light green or grey. Sericitic alteration is typically pale green with a micaceous sheen, with plagioclase altered to sericite; trace disseminated pyrite may be present. This type of alteration is often associated with quartz veins and appears to be the lowest grade alteration associated with gold mineralization. It is not recognized in volcanics.

Potassium feldspar stable phyllic alteration is light pink, green or yellowish with potassium feldspar fresh and pink and blocky. Plagioclase and mafic minerals are altered to fine-grained quartz-sericite-pyrite. It often occurs with veins and is associated with gold mineralization; it is not recognized in volcanics.

Phyllic alteration is generally grey, fine-grained quartz-sericite-pyrite alteration usually associated with veins and often gradational to quartz and often auriferous. Advanced argillic alteration is exemplified by most or all of feldspar being destroyed, quartz is "free-floating". The alteration is often sheared and white in colour and is often associated with quartz veins. Volcanics are white or blue coloured. Silicic alteration is quartz veining or replacement that is hard with moderate conchoidal fracture. There is a strong symmetrical zoning of alteration around the quartz veins: vein-advanced argillic-phyllic-potassium feldspar stable phyllic-argillic-propylitic.

Measured geological reserves of the Siwash North deposit are 308,414 tonnes grading 22.17 grams per tonne gold and 24.68 grams per tonne silver using a cutoff grade of 10 grams per tonne gold. Reserves are based on results from 107 drillholes at 50-metre grid spacings along 804 metres of strike length to 304 metres downdip. All veining intercepts have been adjusted for true width and assays diluted to 2-metre mining widths (George Cross News Letter No. 223 (November), 1991).

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

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

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

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

Surface and underground diamond drill programs were carried out in the Siwash Mine area from 1994 to 1996 to define the resource.

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

***Elk** Past Producer (cont'd)*

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.

Surface drilling was done on fences 10-50 metres apart, underground drilling on fences 10 metres apart. Reserve calculations by the company and consultant Roscoe Postle gave the following results (Explore B.C. Program 95/96 - A38):

Probable (undiluted) 16,991 tonnes at 28,200 tonnes at 50.2 g/t gold 26.6 g/t gold

Possible (undiluted) 50,260 tonnes at 66,400 tonnes at 42.0 g/t gold 31.4 g/t gold

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

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

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

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

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

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

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

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

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

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

Mineralization: Property Area *(cont'd)*

Elk *Past Producer (cont'd)*

In 2004 a diamond drill program consisting of 10,265 meters of NQ drilling in 44 holes was completed. As reported by Almaden in 2001, a possible extension to the B and WD vein systems was found roughly two kilometres along strike to the east, on the other side of an area of overburden cover and no outcrop, as part of a trenching program.

Grab samples of the vein material taken at surface returned averaged analyses of 31.6 grams per tonne gold and 104.4 grams per tonne silver (News Release, Almaden Minerals Limited, March 4, 2005. This discovery added about two kilometres of prospective, unexplored strike length to the high-grade vein system.

Gold Mountain Mining Corporation, the present owner of the Elk property reports (2012 Corporate Presentation) on recent information at the Elk Property; past gold production at 51,460 ounces at 97 g/t (>3 opt) and an existing gold resource of 301,000 ounces gold in a measured and indicated category with 263,000 ounces of gold in an inferred category. Gold-silver mineralization on the Elk property is hosted primarily by pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks.

In October 2013, Gold Mountain had 500 tons of 13.8 gram gold per tonne ore, taken from the Elk mineral deposit, and processed at a custom mill; a return of $250,408.00 was generated.

MALACHITE 7 showing (Cu skarn; Volcanic redbed Cu)
MINFILE 092HNE269
Seven kilometres west

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

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
One kilometre south

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 metre in diameter, returned up to 8230 parts per billion gold, 249.3 parts per million silver, 844 parts per million copper and 4091 parts per million lead (Assessment Report 22864).

WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE312
Four kilometres south

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).

MINERALIZATION: PROPERTY

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Within Tenure 833943

A sample of drill core from 28.0 metres depth contained fine-grained magnetite accompanied by fine-grained chalcocite or bornite along the margins of a zeolite vein. Copper mineralization also occurs along fractures and as disseminations in the granite.

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

***Snow** showing (cont'd)*

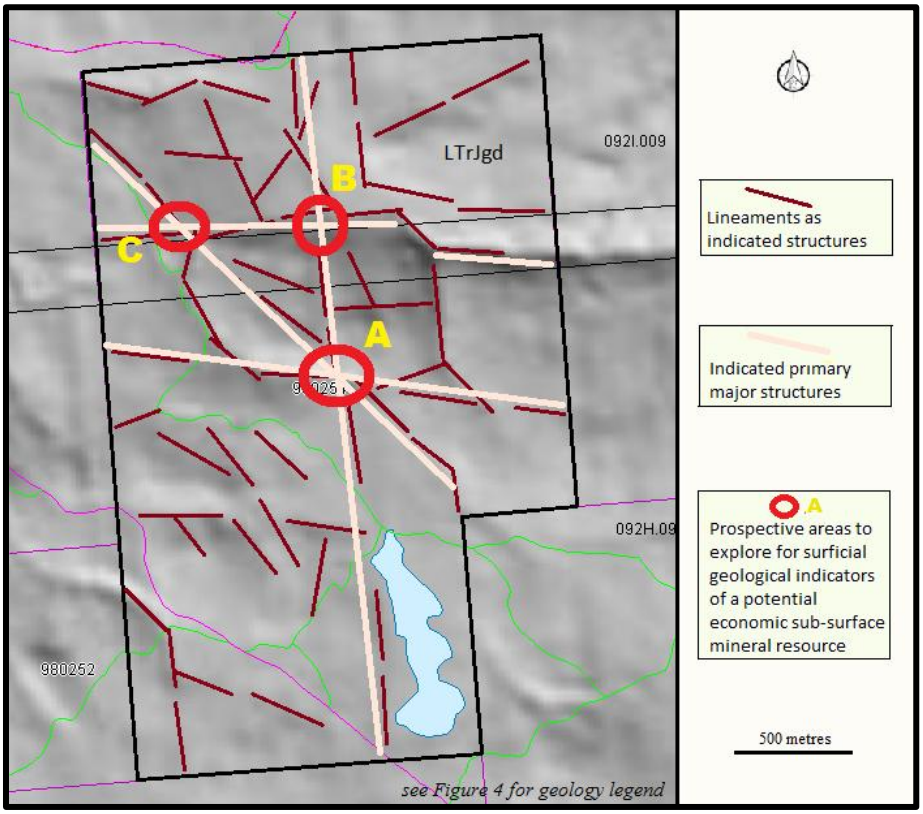
Two assays of a grab sample taken in the vicinity of the drillhole yielded less than 0.3 gram per tonne gold, 3.1 grams per tonne silver and 0.54 per cent copper, and 0.45 gram per tonne gold, 3.1 grams per tonne silver and 0.30 per cent copper, respectively (Assessment Report 3415, assay certificates).

STRUCTURAL ANALYSIS

The Structural Analysis was performed on a MapPlace DEM image hillshade map of Tenure 980254 by viewing of the map and marking the lineaments, or indicated structures, thereon. A total of 61 lineaments were marked (*Figure 5*), compiled into a 10 degree class interval, and plotted as a rose diagram as indicated on Figure 6.

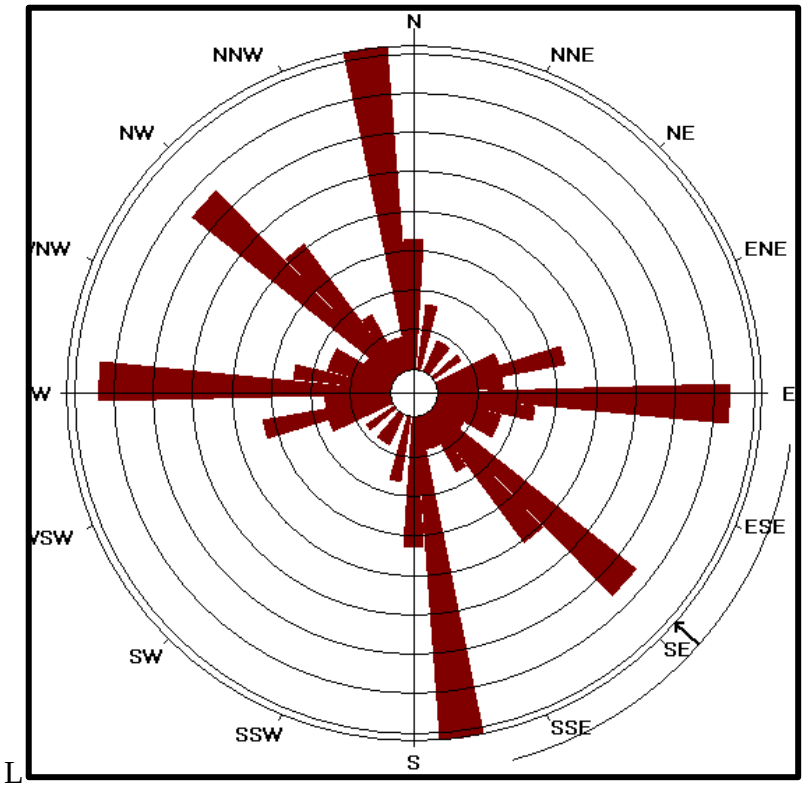
The centre of the work area is at 5,541,957N, 696,877E (NAD 83).

Figure 5. **Indicated Structures and recommended areas for exploration on Tenure 980254**



Structural Analysis *(cont'd)*

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



STATISTICS

Axial (non-polar) data
No. of Data = 61
Sector angle = 8°
Scale: tick interval = 2% [1.2 data]
Maximum = 16.4% [10 data]
Mean Resultant dir'n = 131-311
[Approx. 95% Confidence interval = ±33.6°]
(valid only for unimodal data)

Mean Resultant dir'n = 131.4 - 311.4
Circ.Median = 135.0 - 315.0
Circ.Mean Dev.about median = 33.7°
Circ. Variance = 0.27
Circular Std.Dev. = 45.35°
Circ. Dispersion = 4.85
Circ.Std Error = 0.2819
Circ.Skewness = 0.11
Circ.Kurtosis = -6.83

kappa = 0.60
(von Mises concentration param. estimate)

Resultant length = 17.42
Mean Resultant length = 0.2856

'Mean' Moments: Cbar = -0.0359; Sbar = -0.2834
'Full' trig. sums: SumCos = -2.1889; Sbar = -17.2851
Mean resultant of doubled angles = 0.2088
Mean direction of doubled angles = 171

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

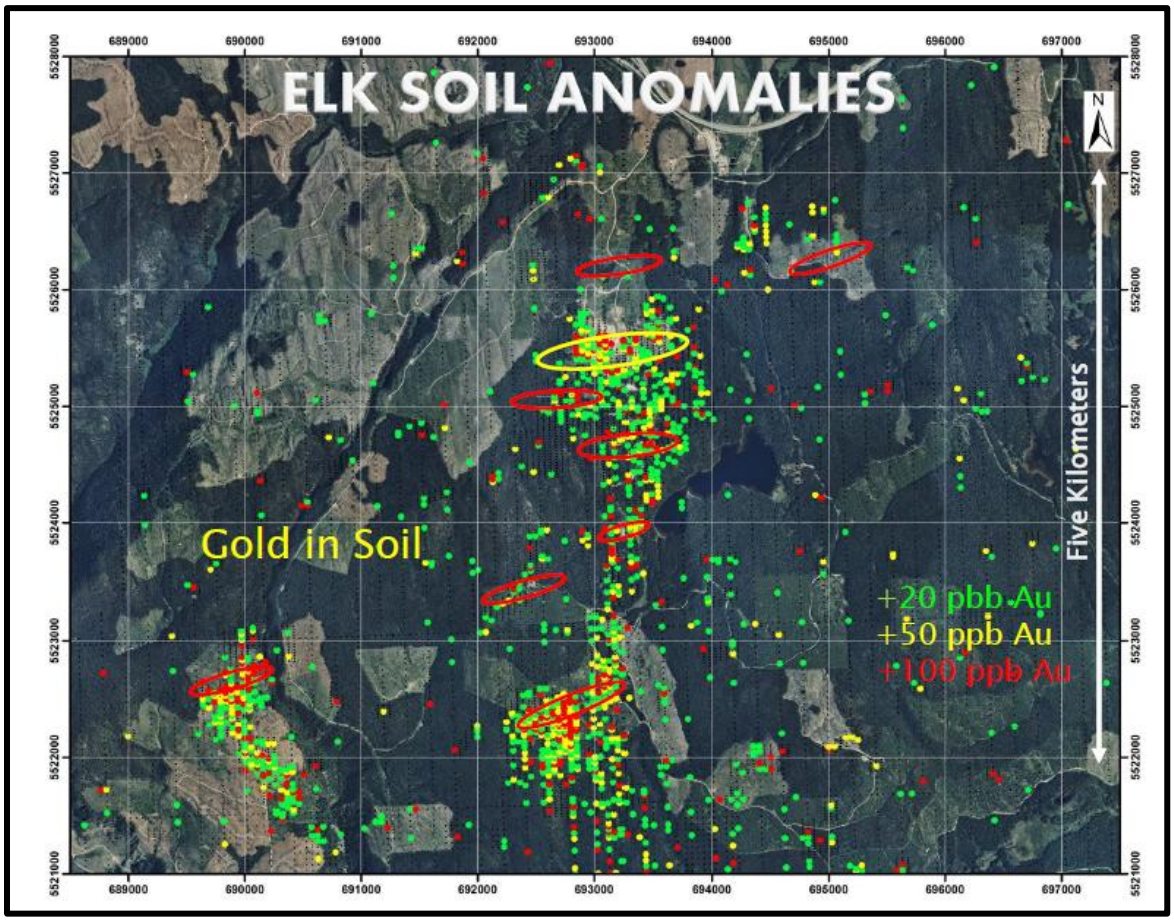
Structural Analysis *(cont'd)*

Figure 7. **Cross-Structural locations** *(Figure 5)* **on Google Earth**
(Base map from MapPlace and Google Earth)

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

Area	UTM East	UTM North	Elevation (metres)
A	697,003	5,541,772	1,434
B	696,935	5,542,530	1,284
C	696,405	5,542,548	1,310

Figure 8. **Elk Mineral Zones showing the indicated localized association to structural intersections of the major north trending Elk or Siwash fault with a subsidiary set of east northeasterly trending structures.**
(Map from Gold Mountain Mining Corporation January 2012 Corporate Presentation)



INTERPRETATION & CONCLUSIONS

The Structural Analysis of Tenure 980254 of the Toni 980254 claim group indicated three cross-structural locations that would be prime prospective areas to explore for surficial geological indicators of a potential economic sub-surface mineral resource.

These locations would be the centre of maximum brecciation and depth intensive to provide the most favourable feeder zone to any convective hydrothermal fluids sourced from a potentially mineral laden reservoir. The fluid constituents and/or the indications thereof should be etched in the surface material; where by means of standard exploratory procedures, the source and location may be identified and a foundation on which to warrant any follow-up exploration.

This structural/mineral relationship was shown at the Brenda and the Elk mineral deposits. At Brenda, the grade of the orebody was a function of fracture (vein) density and of the thickness and mineralogy of the filling material. Mineralization decreased outwardly from the most intensely fractured/mineralized rock and the centre of the main mineral zone. At the Elk, the structural controlling relationship with the intersection of faults is shown by the extensive north-south trending Elk fault intersected by numerous east-northeasterly trending structures. The cross-structural mineral controlling feature is obvious as the mineral zones are mostly adjacent to the Elk Fault and related to the cross fault intersection as shown in Figure 8.

Interpretation & Conclusions *(cont'd)*

The significant Elk structure is indicated topographically over a distance of at least 20 kilometres from south of the Elk mineral zones to the SNOW *(Minfile 092HNE292)* mineral showing to the north where a drill hole intersected minor copper mineralization in weakly to moderately chloritized granite of the Pennask batholith. The Snow mineral showing is within the Toni 980254 Claim Group.

Just north of the Elk property on the adjacent Victory's Toni property, the Brew *(Minfile 092HNE275)* fault zone mineral zones are also controlled by the Elk structure and northwesterly associated structures. The Brew fault is exposed along the Coquihalla Highway for 600 metres and is indicated to offset the Elk fault in a local cross-cutting relationship where sections of the Brew fault zone are strongly mineralized with massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite. This fault is traversed by several significant fault/shear zones striking 100 to 120 degrees including the Mugwump fault which is exposed west of the Brew fault and striking 100 degrees and dipping 60 degrees south.

Thus, the three cross-structures on Tenure 980254 should be the focus of initial exploration for a potential mineral resource. The 10 Minfile descriptions copied herein provide geological information as to the makings of a mineral resource and the surficial geological indications of a potential mineral resource.

Excluding other variable geological conditions, the structures are essential in the localization of potentially economic porphyry mineralization within the Pennask batholith.

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, Peng

SELECTED REFERENCES

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MapPlace – Map Data downloads

092HNE002 – MAL
092HNE047 – BRENDA
092HNE058 – HN-WEN
092HNE059 – ECHO
092HNE060 – TOE
092HNE096 – ELK
092HNE257 – MALACHITE 7
092HNE292 – SNOW
092HNE311 – WAVE 1
092HNE312 – WAVE 2

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

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

Sookochoff, L. – Geological Assessment Report on the Tenure 909449 of the Toni 909449 Claim Group for Victory Resources Corporation. February 10, 2013. AR 33,654.

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STATEMENT OF COSTS

The Structural Analysis of Tenure 980254 was completed from November 20, 2014 to November 24, 2014 to the value as follows:
Laurence Sookochoff, P.Eng.:

3 days @ $ 1000.00 ----------	$ 3,000.00
Maps ----------	1,000.00
Report ----------	3,500.00
	$ 7,500.00

CERTIFICATE

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

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

I, Laurence Sookochoff, further certify that:

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

2) I have been practicing my profession for the past forty-eight years.

3) I am registered and in good standing with the Association of Professional Engineers and Geoscientists of British Columbia.

4) The information for this report is based on information as itemized in the Selected Reference section of this report and from work the author has performed on the Toni Property since 2006.

5) I have no interest in the Property as described herein.

6) I am a director of Victory Resources Corporation.

Laurence Sookochoff, P. Eng.