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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 Geophysical

TOTAL COST: $ 8,985.60

AUTHOR(S): Laurence Sookochoff, PEng

SIGNATURE(S): Laurence Sookochoff

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S):

YEAR OF WORK: 2015

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 5547548 March 21, 2015

PROPERTY NAME: Toni

CLAIM NAME(S) (on which the work was done): 899909

COMMODITIES SOUGHT: Copper Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 092HNE180

MINING DIVISION: Nicola

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

LATITUDE: 49 ° 52 ' 37 " **LONGITUDE:** 120 ° 27 ' 49 " **(at centre of work)**

OWNER(S):

1) Victory Resources Corporation

2)

MAILING ADDRESS:

132366 Cliffstone Court

Lake Country BC V4V 2R1

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

1) Victory Resources Corporation

2)

MAILING ADDRESS:

132366 Cliffstone Court

Lake Country BC V4V 2R1

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

Pleistocene to Holocene volcanics. Late Triassic to Early Jurassic granodiorite intrusive. Upper Triassic Eastern Volcanic Facies volcanic and sedimentary rocks. Within Tenure 899909 major northerly and northwesterly structures. Two cross-structures. At the Shrimpton Creek Placer past producer (092HNE180) flat, well-worn, flaky gold, 1.5 to 3 millimetres in diameter.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:

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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	478 hectares	899909	$ 6000.00
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic	1.2	899909	2,985.60
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:	$ 8,985.60

Print Form

VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL & GEOPHYSICAL

ASSESSMENT REPORT

(Event 5547548)

on

Tenure 899909
(Work done between March 5, 2015 and January10, 2016)

of the ten claim

Toni 899909 Claim Group

of the

TONI PROPERTY

Nicola Mining Division

BCGS Map 092H.088/.098

Centre of Work
5,528,020N 682,220E
10U (NAD 83)

Author & Consultant

Laurence Sookochoff, PEng
Sookochoff Consultants Inc.

Submitted

October 1, 2015

Amended January 13, 2016

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SUMMARY

The 10 claim Toni 899909 Claim Group ("Property") covers an area of 4038.hectares located 204 kilometres northeast of Vancouver and nine kilometres from the formerly productive Elk mine where production reportedly included 51,460 ounces of gold at 97 g/t (>3 opt) with an existing gold resource of 301,000 ounces gold in a measured and indicated category. Gold-bearing pyrrhotite and polymetallic gold-silver mineralization are hosted primarily by parallel to subparallel east-northeast trending pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks.

The structural controls to the eight generally northerly aligned multiple mineralized zones on the Elk property are associated with the main northerly trending Elk structure which is 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.

The significance of cross-structural deformation is in the creation of a mineral controlling location to a potential economic mineral resource as also shown at the recently revived production from the Copper Mountain deposit and the past productive Brenda mine.

At Brenda *(Minfile 092HNE047*), 30 kilometres to the east of the Toni property, 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 Property is predominantly underlain by Upper Triassic Eastern Nicola Group basaltic volcanic rocks (uTrNE) and sedimentary rocks (UTrNsf). In the northwest a portion of a late Triassic granodioritic intrusive (LTrJgd) occurs in contact with the Nicola Group which are both partly capped by Pleistocene to Halocene volcanic rocks. The Property contains the general geological ingredients for the making of a mineral resource.

In the structural analysis of Tenure 899909, two cross structures were delineated. The significance of the cross-structures is for the creation of a central intense breccia zone with an enveloping peripherally decreasing zone of fracturing; all of which would be an encompassing controlling structure for the deposition of any structurally intercepted deep-seated hydrothermal fluids.

The results of the magnetometer survey, which was over basaltic volcanic rocks, indicated a 400 metre wide mid mag LO bordered by anomalous and open mag HI's to the east and to the west which indicate the unaltered volcanics. In addition:

- The mid mag LO includes an anomalous mag LO zone which may indicate the main structural zone and/or hydrothermal alteration;
- the configuration of the anomalous mag LO may indicate the two structures that create cross-structure A;
- the general mag LO may also be interpreted to indicate the northerly trend of the barren area as shown on Figure 8, however, this indicated overburdened and moistened depression may also be indicative of a structure.

The results of the magnetometer survey were successful in indicating potential mineral controlling structures and more definitive locations of cross-structural locations as prospective areas to explore for surficial geological indicators of a potential concealed mineral resource.

INTRODUCTION

Between March 5, 2015 and January 10, 2016, a structural analysis and a localized magnetometer survey were completed on Tenure 899909 of the 10 claim Toni 899909 claim group (Property). The purpose of the programs were to delineate potential structures which may be integral in geological controls to potentially economic mineral zones that may occur on Tenure 899909 or other claims of the Toni 899909 claim group and to determine the effectiveness of the magnetic results in locating a potential mineral resource.

Information for this report was obtained from sources as cited under Selected References and from work the author has performed on the Toni Property since 2006.

Figure 1. ***Location Map***

PROPERTY LOCATION & DESCRIPTION

Location

The Property is located within BCGS Map 092H.088/.098 within the Nicola/Similkameen Mining Divisions, 204 kilometres northeast of Vancouver, 35 kilometres southwest of Merritt and 92 kilometres south of Kamloops. The formerly productive Elk mine is 12 kilometres east.

Description

The Property is comprised of ten contiguous claims covering an area of 4038.6947 hectares

Particulars of the Toni 899909 Claim Group are as follows:

Property Location & Description *(cont'd)*

Table I. **Tenures of Toni 899909 Claim Group**

(From MapPlace)

Tenure Number	Type	Claim Name	Good Until*	Area (ha)
587877	Mineral	A20	20150927	415.6804
589852	Mineral	TONI 3	20150927	520.307
855788	Mineral	TONI 526	20150927	83.2594
898135	Mineral	TOM CAT 1	20150926	270.8666
899909	Mineral	TONI 17	20150927	478.9036
994762	Mineral	TONI6120	20150927	687.3351
998423	Mineral	BREW	20150927	520.2953
1011631	Mineral	BREW	20150927	166.5188
1015253	Mineral	TONI1211	20150926	312.5199
1031586	Mineral		20150927	583.0086

Upon the approval of the assessment work filing, Event Number 5547548

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

Access

Access to the Property is southward from Merritt via Highway 5A/97C for 26 kilometres to the Aspen Grove junction thence eastward from via Highway 97C or the Coquihalla connector Highway for 14 kilometres to the western boundary of Tenure 1011631.

Numerous logging roads provide an access route to many areas within Tenure 899909.

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.

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

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.

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

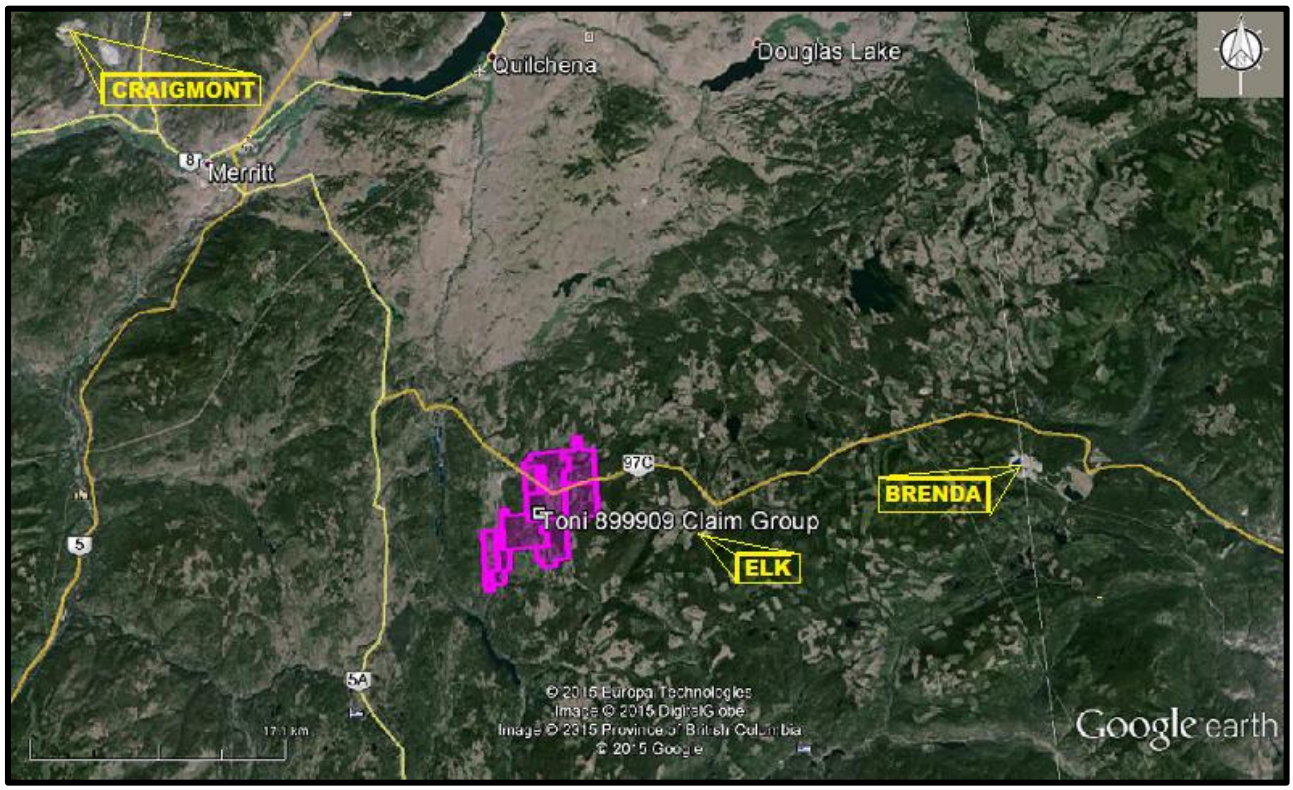
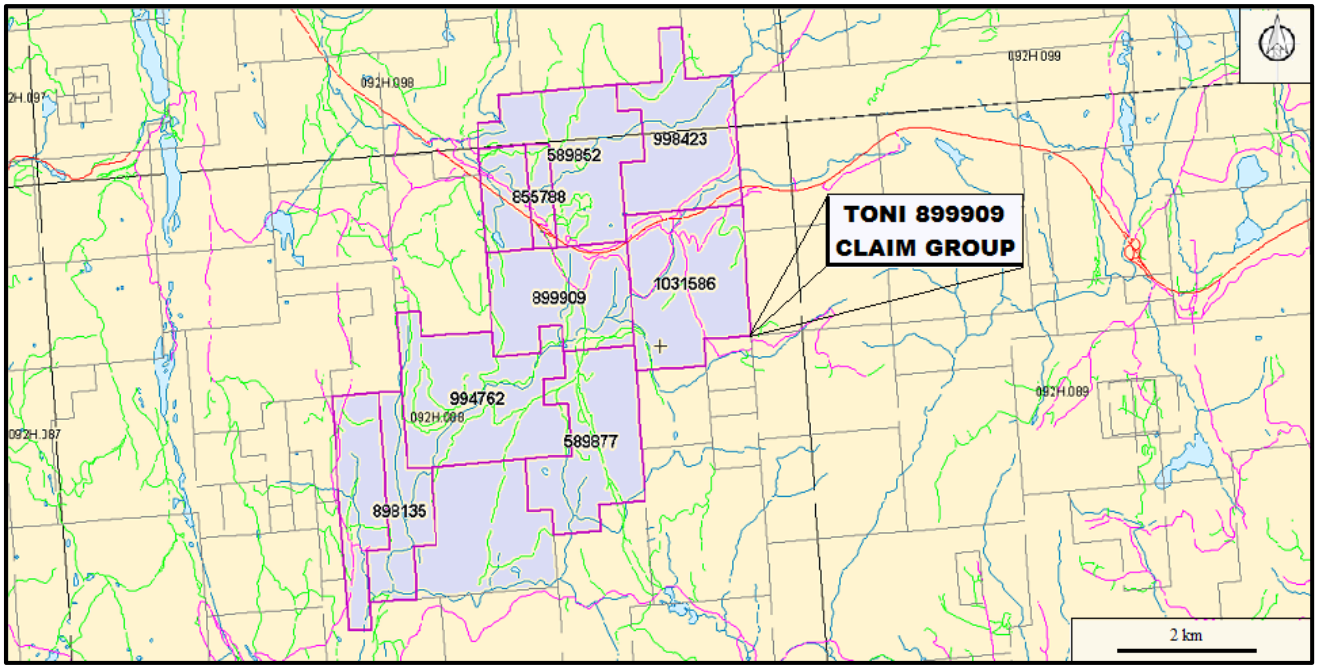


Figure 3. **Claim Map**

(*Base Map from MapPlace*)



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

Physiography

The physiography of Tenure 899909 is of a moderately sloped forested area with localized clear-cut areas. Elevations range from 1,241 metres to 1,485 metres.

HISTORY: PROPERTY AREA

The history on some of the more selected significant reported *MINFILE* mineral properties in the area of the 899909 Claim Group is reported as follows. The distance from the Property is relative to the Toni 899909 Claim Group.

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.

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Thirty kilometres east

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.

PAYCINCI developed prospect (Volcanic redbed Cu)
MINFILE 092HNE084
Eight 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).

PORTLAND showing (Volcanic redbed Cu)
MINFILE 092HNE088
Five kilometres west

The Portland showing is 1.95 kilometres west-northwest of the north end of Bluey Lake and 2.6 kilometres southwest of the south end of Kentucky Lake.

This occurrence was explored periodically between 1900 and 1905. Portland Mining Company excavated a shaft, 35 metres deep and a drift from the bottom of the shaft, 32 metres long, in 1905.

BUNKER HILL showing (Volcanic redbed Cu)
MINFILE 092HNE089
Four kilometres west

The Bunker Hill showing is 1.05 kilometres west-southwest of the north end of Bluey Lake and 2.25 kilometres southwest of the south end of Kentucky Lake.

History: Property Area *(cont'd)*

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

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.

HISTORY: PROPERTY

SHRIMPTON CREEK PLACER past producer (Surficial placers)
MINFILE 092HNE180
Within Tenure 994762

The creek was worked by F. Keeling in 1939, between 6.4 and 8 kilometres above Missezula Lake.

GEOLOGY: REGIONAL

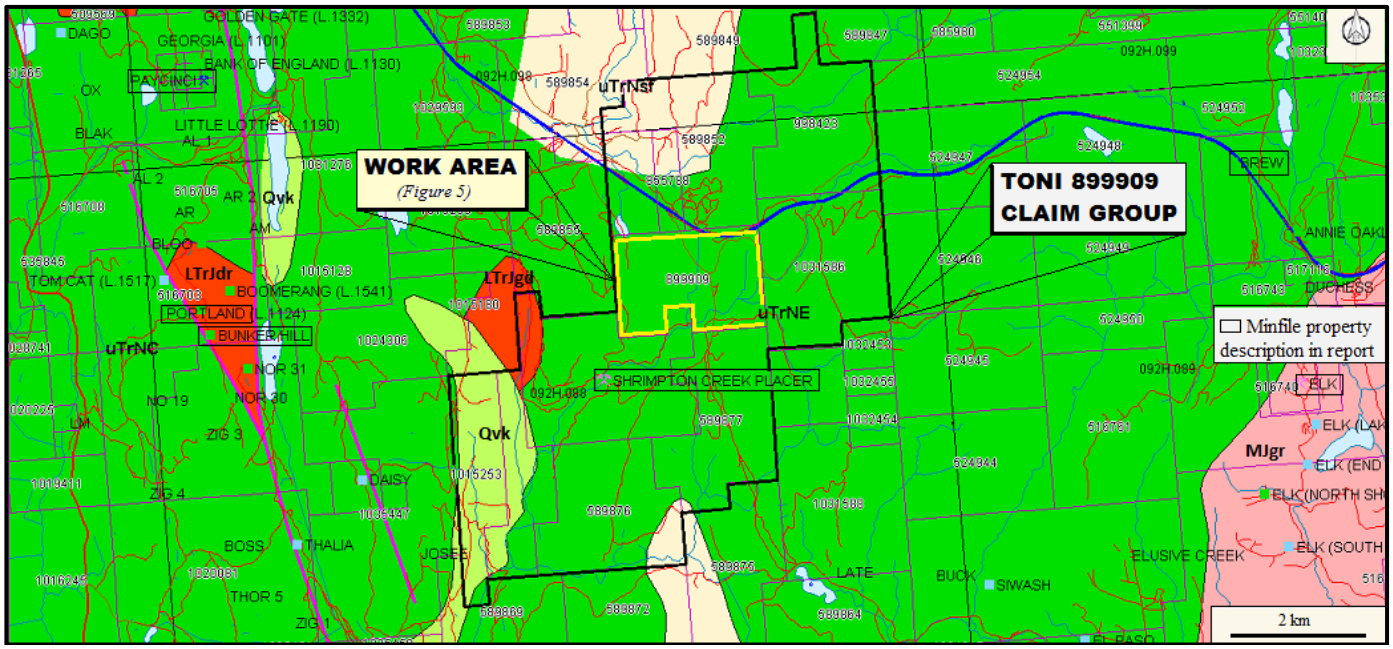
The Aspen Grove geological district is located within the regional Quesnel Trough, a 30 to 60, km wide belt of Lower Mesozoic volcanic and related strata enclosed between older rocks and much invaded by batholiths and lesser intrusions (Campbell and Tipper, 1970). The southern part is the well-known 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 selected significant reported *MINFILE* mineral showings, and past producers peripheral to the Property is reported as follows. The distance from the Property is relative to the Toni 899909 Claim Group.

Figure 4. **Geology, Claims, Index, & Minfile**
(Base Map from MapPlace)



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)*

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Thirty kilometres east

The Pennask Mountain area is mainly underlain by a roof pendant comprising westerly younging, Upper Triassic sedimentary and volcaniclastic rocks of the Nicola Group.

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

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

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).

Geology: Property Area *(cont'd)*

Brenda *past producer (cont'd)*

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

PAYCINCI developed prospect (Volcanic redbed Cu)
MINFILE 092HNE084
Eight 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.

PORTLAND showing (Volcanic redbed Cu)
MINFILE 092HNE088
Five kilometres west

Chalcocite, magnetite and hematite occur in a fracture zone in red and green laharic breccia of the Upper Triassic Nicola Group (Central belt, Bulletin 69).

BUNKER HILL showing (Volcanic redbed Cu)
MINFILE 092HNE089
Four kilometres west

Several trenches and old pits expose chalcocite, bornite, chalcopyrite, pyrite, malachite and azurite in brecciated and altered pyroxene plagioclase porphyritic andesite of the Upper Triassic Nicola Group (Central belt, Bulletin 69). Brown carbonate (?) alteration is associated with sulphide mineralization.

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

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.

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

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

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

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

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

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.

GEOLOGY: PROPERTY

As indicated by the BC government supported MapPlace geological maps, the Property predominantly is underlain by the Eastern Nicola Group basaltic volcanic rocks *(uTrNE)* with a small portion of a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks *(UTrNsf)* covered in the north and in the south. In the northwest the Claim Group covers a portion of a late Triassic granodioritic intrusive (LTrJgd) occurring in contact with the Nicola Group which are both partly capped by Pleistocene to Halocene volcanic rocks. The central-western fringe of the Claim Group covers a very small eastern portion of the volcanic rocks.

SHRIMPTON CREEK PLACER past producer (Surficial placers)
MINFILE 092HNE180
Within Tenure 994762

Shrimpton Creek flows southwest from its headwaters immediately south of The Wart for 10 kilometres. The creek continues south- southwest for 6 kilometres before entering Missezula Lake, 38.5 kilometres north of Princeton. Most of the creek flows through a broad, gently sloping valley, which steepens somewhat in the lower 4 kilometres.

MINERALIZATION: PROPERTY AREA

The mineralization on some of the more selected significant reported *MINFILE* mineral properties, peripheral to the Property is reported as follows. The distance from the Property is relative to the Toni 899909 Claim Group.

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Thirty kilometres east

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

Mineralization: Property Area *(cont'd)*

Brenda *past producer (cont'd)*

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.

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.

Mineralization: Property Area *(cont'd)*

Brenda *past producer (cont'd)*

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).

PAYCINCI developed prospect (Volcanic redbed Cu)
MINFILE 092HNE084
Eight 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).

PORTLAND showing (Volcanic redbed Cu)
MINFILE 092HNE088
Five kilometres west

Hypogene and supergene copper mineralization occurs in green laharic breccia, near the contact with red laharic breccia to the east.

This mineralization consists primarily of disseminated and fracture controlled chalcocite and native copper, accompanied by lesser malachite and azurite, and minor chalcopyrite, bornite, cuprite and pyrite. Drilling indicates chalcopyrite becomes more abundant at depth at the expense of chalcocite.

Mineralization: Property Area *(cont'd)*

Portland *showing (cont'd)*

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.

BUNKER HILL showing (Volcanic redbed Cu)
MINFILE 092HNE089
Four kilometres west

A rock sample analysed 0.391 per cent copper (Assessment Report 14141, Figure 5b, sample 88603).

Copper mineralization is also found 470 metres east-southeast of the trenches, in red volcanic breccia and lahar deposits. Four rock samples analysed 0.229 to 0.857 per cent copper (Assessment Report 14141, Figure 5b, samples 2211, 2285, 2286, 2289).

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

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 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.

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 down dip and along a strike length of 925 metres. The zone remains open to depth and along strike.

Mineralization: Property Area *(cont'd)*

ELK *past producer (cont'd)*

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

In drill core, mineralization has not been affected by supergene processes. Metallic minerals in drill core include pyrite, chalcopyrite, sphalerite, galena, tetrahedrite, maldonite? pyrrhotite and native gold in order of decreasing abundance. Gold is strongly associated with pyrite and with a blue-grey mineral. Photomicrographs show the gold commonly in contact with this mineral, which may be a gold-bismuth alloy (maldonite?) or a copper-bismuth- antimony sulphosalt.

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

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

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

Mineralization: Property Area *(cont'd)*

ELK *past producer (cont'd)*

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).

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.

Mineralization: Property Area *(cont'd)*

ELK *past producer (cont'd)*

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.

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

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.

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.

Update

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 51,500 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.

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

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

MINERALIZATION: PROPERTY

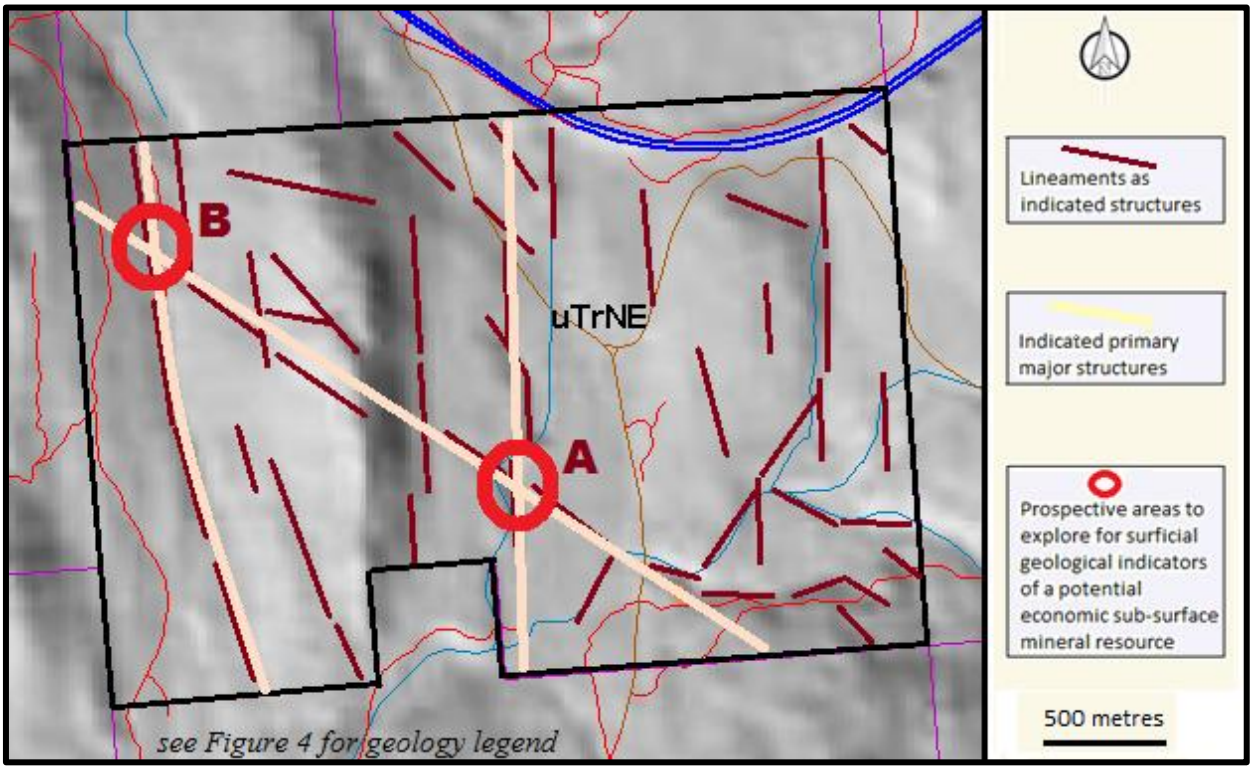
SHRIMPTON CREEK PLACER past producer (Surficial placers)
MINFILE 092HNE180
Within Tenure 994762

Particles of flat, well-worn, flaky gold, 1.5 to 3 millimetres in diameter, were recovered from unsorted glacial material. Most of the gold was found near surface. Material lying on or near bedrock was found to be barren of gold.

STRUCTURAL ANALYSIS

The structural analysis was performed utilizing a MapPlace hillside shade map of Tenure 899909 by viewing of the map and marking the lineaments, or indicated structures, thereon. A total of 45 lineaments were marked (Figure 5), compiled into a 10 degree class interval, and plotted as a Rose Diagram as indicated on Figure 6.

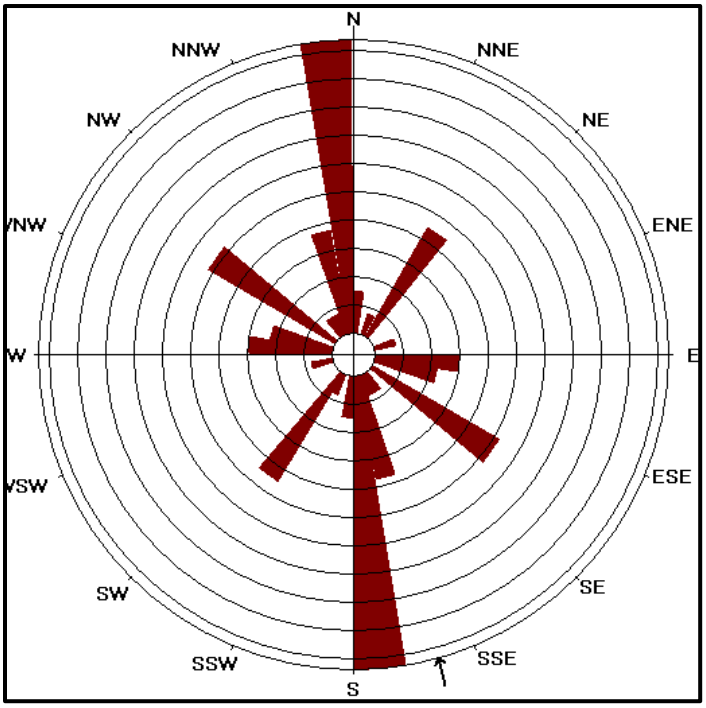
Figure 5. **Lineaments as Indicated Structures on Tenure 899909***
(Base map from MapPlace)



- **see Figure 4 for location*

Structural Analysis *(cont'd)*

Figure 6. **Rose Diagram from indicated structures (lineaments) of Figure 5.**



STATISTICS

Axial (non-polar) data
No. of Data = 45
Sector angle = 10°
Scale: tick interval = 3% [1.4 data]
Maximum = 31.1% [14 data]
Mean Resultant dir'n = 164-344
[Approx. 95% Confidence interval = ±28.3°]
(valid only for unimodal data)

_____

Mean Resultant dir'n = 164.4 - 344.4
Circ.Median = 172.0 - 352.0
Circ.Mean Dev.about median = 29.8°
Circ. Variance = 0.22
Circular Std.Dev. = 40.45°
Circ. Dispersion = 2.63
Circ.Std Error = 0.2417
Circ.Skewness = 2.63
Circ.Kurtosis = -5.94

kappa = 0.79
(von Mises concentration param. estimate)

Resultant length = 16.61
Mean Resultant length = 0.3691

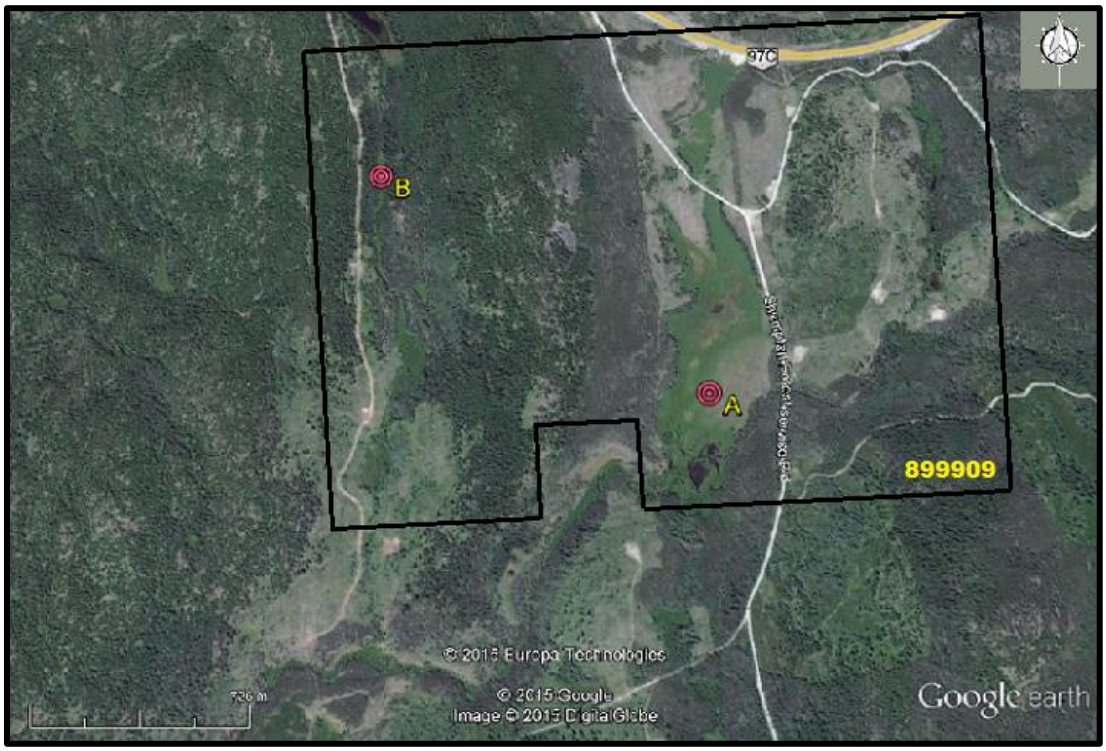
'Mean' Moments: Cbar = 0.3158; Sbar = -0.191
'Full' trig. sums: SumCos = 14.2132; Sbar = -8.5962
Mean resultant of doubled angles = 0.2837
Mean direction of doubled angles = 006

(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 of Figure 6 on Google Earth**

(Base map from MapPlace & Google Earth)



- *Table II.* **Approximate location of cross-structures**

10U-(NAD 83)

Cross-Structures	UTM East	UTM North	Elevation *(metres)*
A	682,397	5,527,211	1,219
B	681,174	5,528,139	1,242

Magnetometer Survey

a) Instrumentation

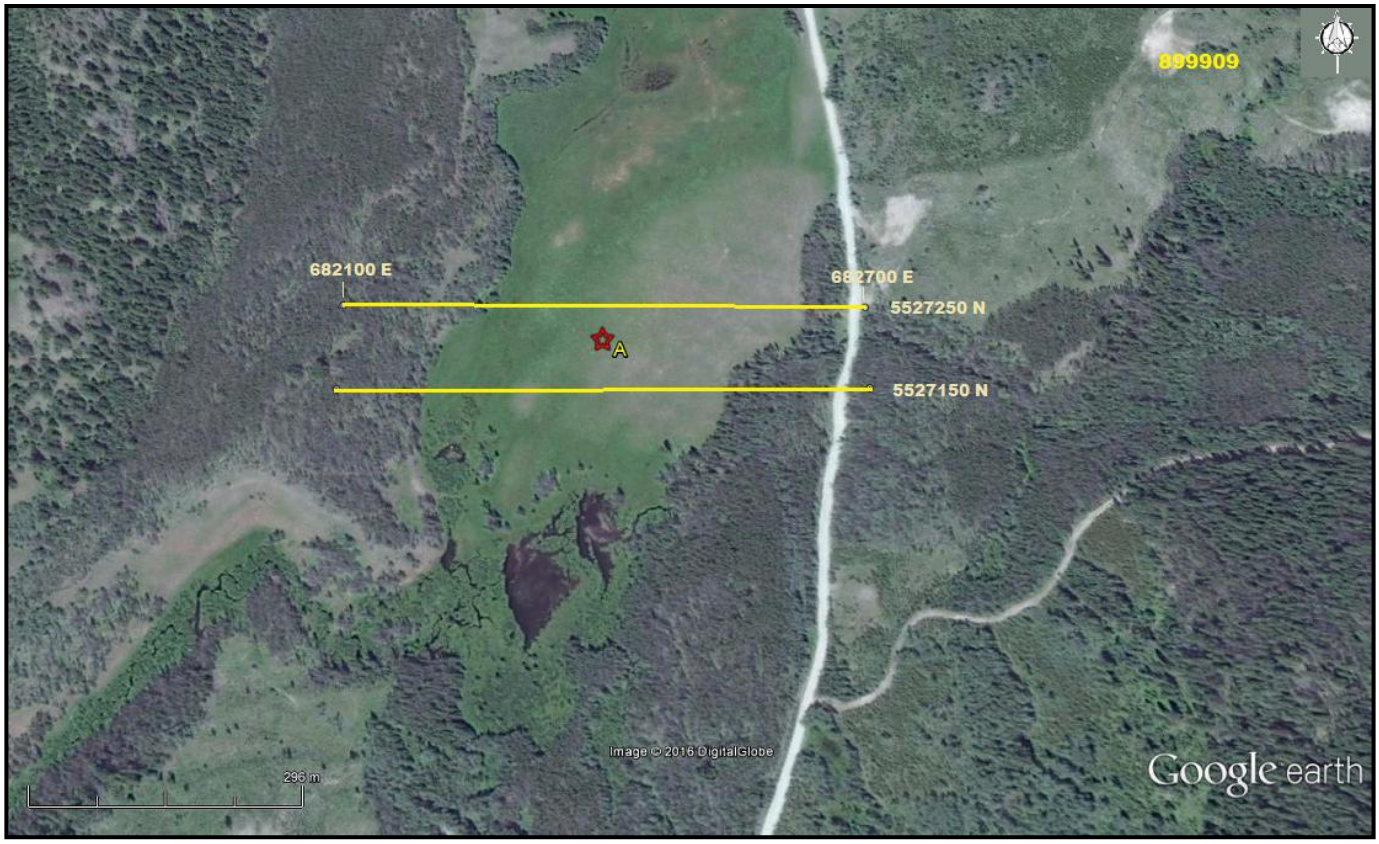
A Scintrex MF 2 Model magnetometer was used for the magnetometer survey. Diurnal variations were corrected by taking repeated readings at a base point throughout the day. Magnetometer values are total intensity and relative.

b) Theory

Only two commonly occurring minerals are strongly magnetic, magnetite and pyrrhotite; magnetic surveys are therefore used to detect the presence of these minerals in varying concentrations. Magnetics is also useful is a reconnaissance tool for mapping geologic lithology and structure since different rock types have different background amounts of magnetite and/or pyrrhotite.

Figure 8. **Magnetometer Grid Index Map**

(Base from MapPlace)



Magnetometer Survey *(cont'd)*

c) Survey Procedure

From a base line station at 5527150N 682100E, one additional base-line stations was established 100 metres north at 5527250N 682100E. Magnetometer readings were taken at 25 metre intervals easterly along the two grid lines from 672700E to 672100E. The grid line stations were established with a GPS instrument. Line kilometres of magnetometer survey completed was 1.2. The field data is reported herein in Appendix I.

d) Data Reduction

The field results were initially input to an Exel spreadsheet whereupon a Surfer 31 program was utilized to create maps from the data results. The field results are included herein as Appendix I.

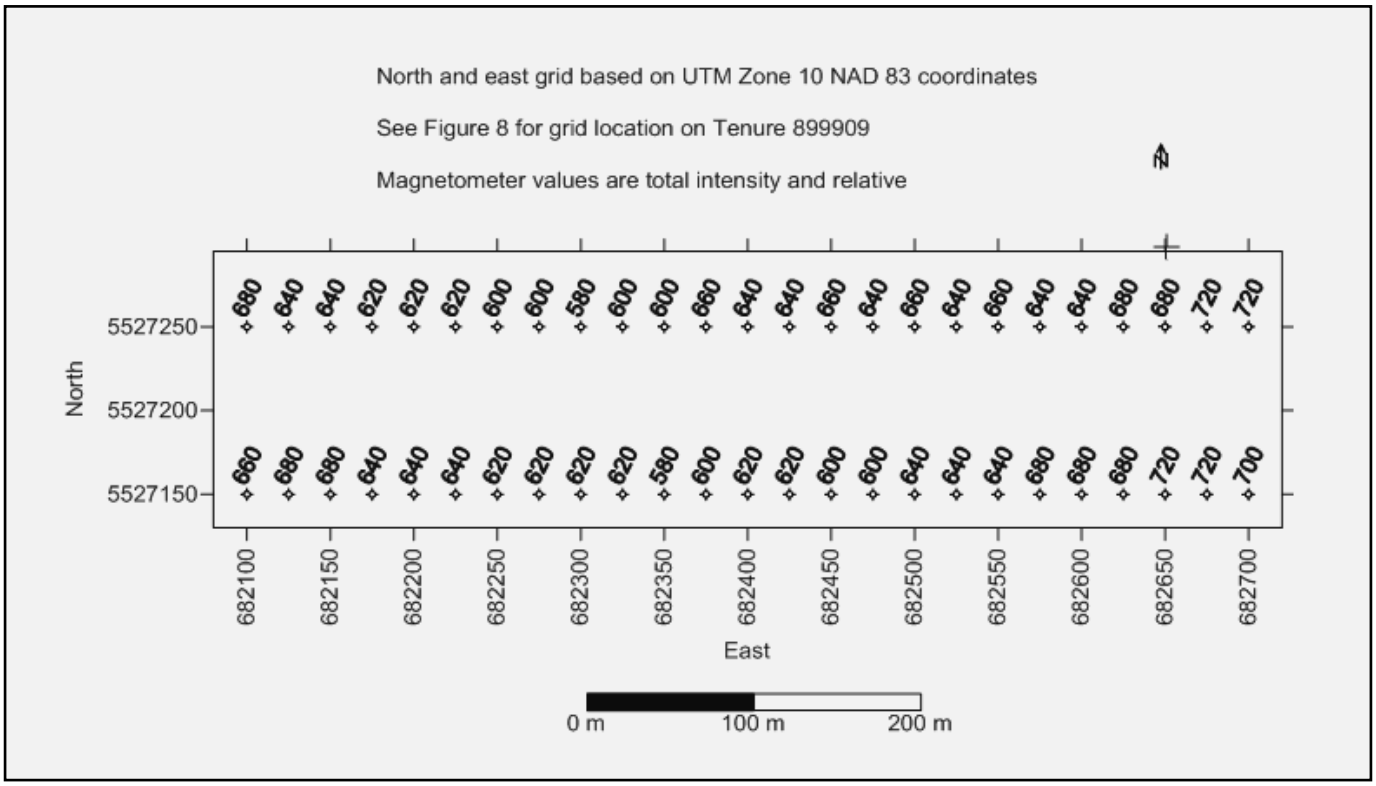
e) Results

The results of the magnetometer survey, which was completed over an area of basaltic volcanic rocks, indicated a mid 400 meter wide magnetometer low (mag LO) bordered to the east and to the west by increasing sub-anomalous to anomalous open magnetic high's (mag HI).

The mag LO contains a 50 to 100 meter central north-northwesterly to northwesterly trending anomalous mag LO. The approximate location of cross-structure A is on the fringe of the anomaly with the trend of the anomaly correlating with the northwesterly trend of structure AB (Figure 5)>

Figure 9 .**Magnetometer Survey Grid Data**

(Base from MapPlace)



Magnetometer Survey *(cont'd)*

Figure 10. **Magnetometer Survey Data Contour Map**

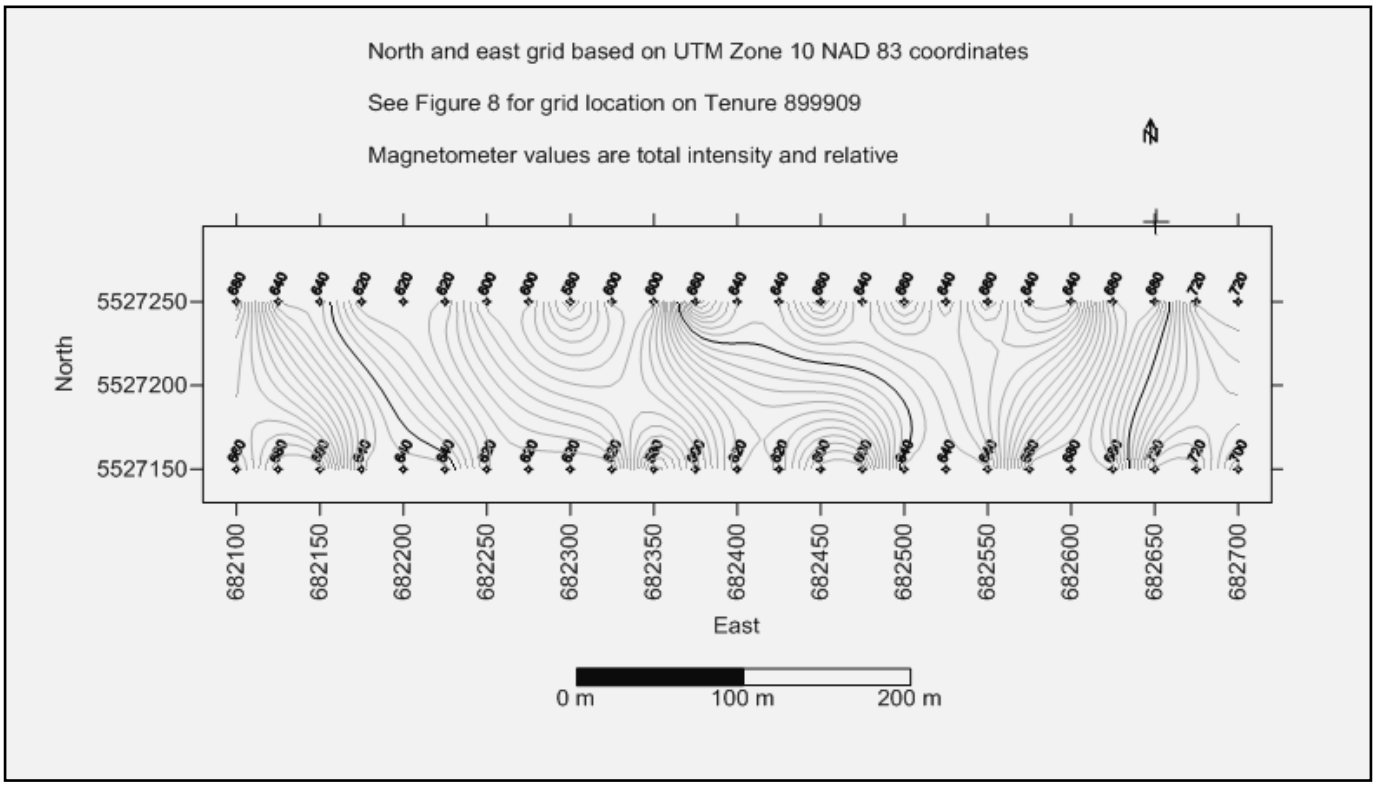


Figure 11. **Magnetometer Survey Coloured Data Contour Map**

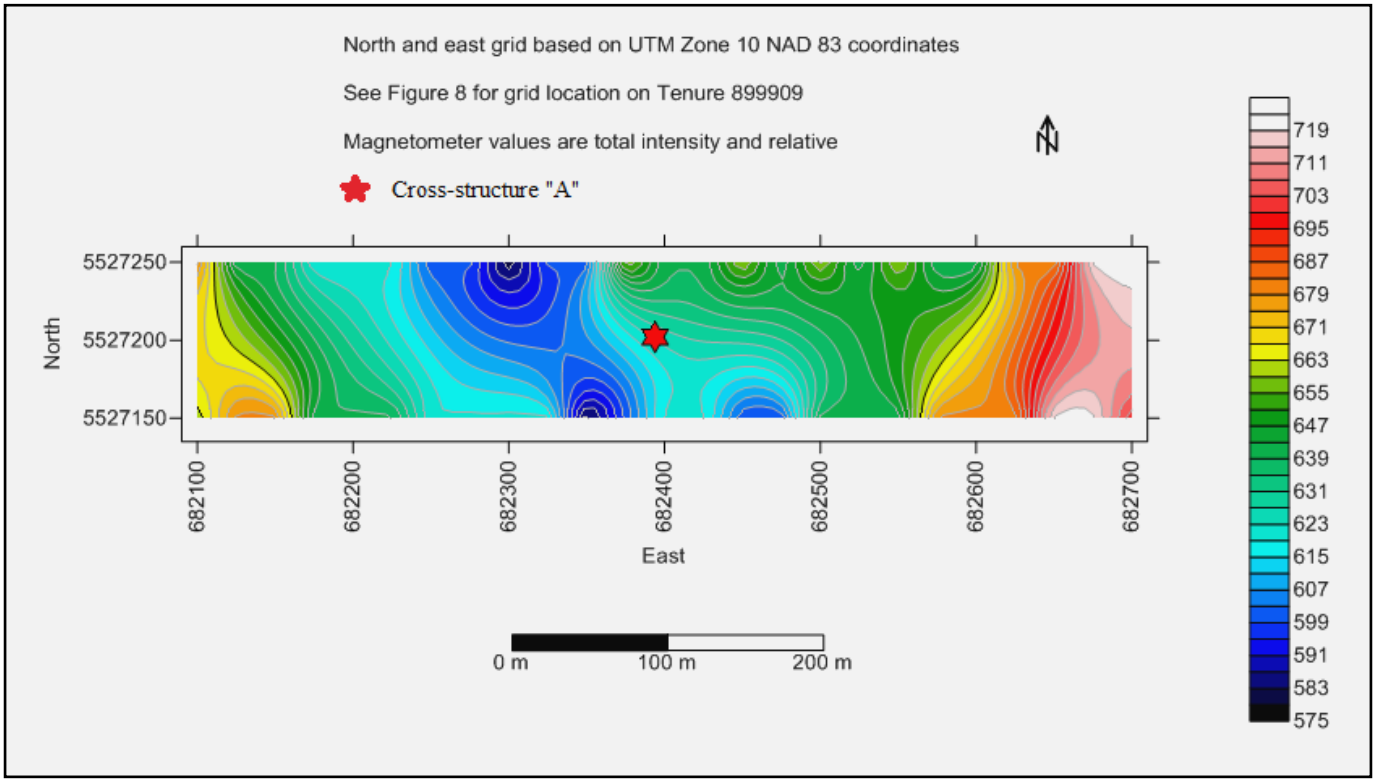
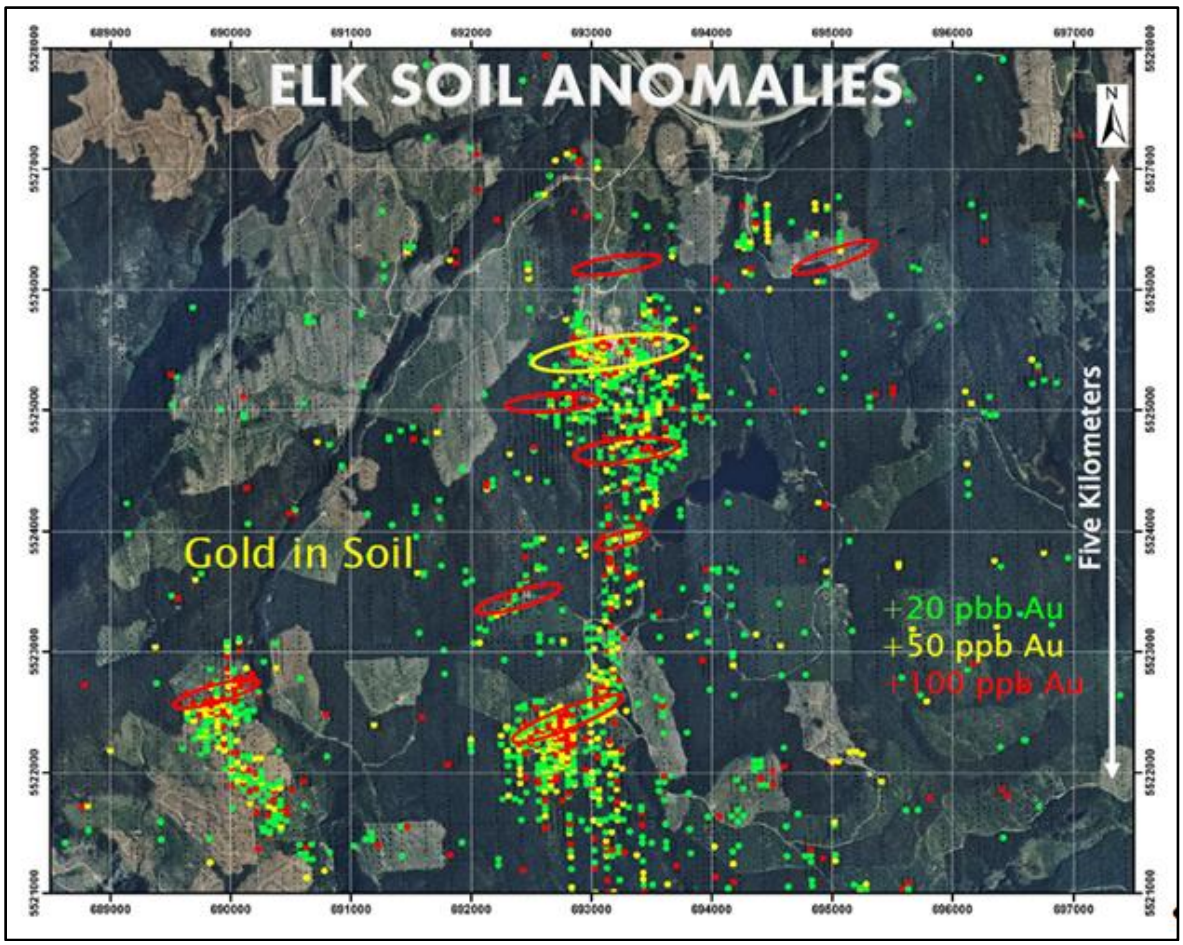


Figure 12. **Elk Mineral Zones showing the indicated localized association to structural intersections of the major north trending Elk or Siwash fault and a subsidiary set of easterly to east-northeasterly trending faults.**

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



INTERPRETATION and CONCLUSIONS

Two cross structures delineated from the results of the structural analysis on Tenure 899909 of the Toni 899909 Claim Group, were from the intersection of northerly and northwesterly trending major structures. The cross-structural locations are important geological features to the creation of locations for the placement of mineralizing fluids or generally, mineral controlling locations. Should the source of the minerals be derived from an underlying intrusive, the positioning of the maximum structural deformation for the deposition of minerals could be associated with the intrusive contact as at Copper Mountain (Minfile 092HSE001} located some 70 kilometres to the south.

Interpretation and Conclusions *(cont'd)*

At Copper Mountain, , three former major mined orebodies, occur chiefly in a 1100 by 4300 metre northwest-trending belt of Nicola Group rocks which have been intruded by stocks and bounded on the west by a major normal fault system known as the Boundary fault. Part of the area, characterized by brittle deformation, produced a large number of faults, and locally, intense fracturing.

This structural/mineral relationship was developed in the Pennask intrusive which hosted the past productive Brenda *(Minfile 092HNE047*) deposit 30 kilometres to the east of the Toni property. 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.

Nearer the Toni property, cross-structural controls to mineralization is shown at the Elk property *(Minfile 092HNE096),* nine kilometres east, where the major northerly trending Elk fault is intersected by numerous east-northeasterly trending structures. The structural intersections are indicated as the controlling features to the multiple mineral zones.

The major 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.

In the interpretation of the magnetometer survey results;

- the anomalous mag HI's at either end of the 600 meter survey indicates the unaltered basaltic volcanics;
- the mid 400 metre wide general mag LO may be an indication of an alteration zone created by the structures that developed cross-structure A;
- the central anomalous mag LO may indicate the main structural zone and/or hydrothermal alteration;
- the configuration of the anomalous mag LO may indicate the two structures that create cross-structure A;
- if the maximum mag LO would define the actual location of cross-structure A, the more definitive location would be 95 metres northwest of the location shown on Figure 11;
- the general mag LO may also be interpreted to indicate the northerly trend of the barren area as shown on Figure 8, however, this indicated overburdened and moistened depression may also be indicative of a structure.
- the Figure 8 Google Earth map does not clearly indicate any northwesterly trending structures in the survey area, however, there are obvious indications to the south and obscure indications of west-northwesterly structures near the road at the northeastern corner.

The results of the magnetometer survey were successful in indicating potential mineral controlling structures and more definitive locations of cross-structural locations as prospective areas to explore for surficial geological indicators of a potential concealed mineral resource.

These geological indicators may be revealed as pathfinder minerals, minerals and/or alteration products that would be subject to interpretation as economic mineral indicators. The anomalous mag LO of cross-structural location “A” area should be the initial priority to explore for these geological indicators.

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, PEng

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Kierans, M.D., Mineral Exploration Report on the Hill Group, Wart Mountain Area for Nitracell Canada Ltd. AR 4,230.

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MtOnline - MINFILE downloads.

092HNE047 – BRENDA
092HNE084 – PAYCINCI
092HNE088 – PORTLAND
092HNE089 – BUNKER HILL
092HNE096 – ELK
092HNE180 – SHRIMPTON CREEK PLACER
092HNE275 – BREW

Sookochoff, L. – Structural Analysis on Tenure 589852 of the 9 Tenure 589852 Claim Group of the Toni Property for Victory Resources Corporation. February 5, 2012. AR 32,705.

Sookochoff, L. – Structural Analysis on Tenure 589872 of the five Tenure 589872 Claim Group of the Toni Property for Victory Resources Corporation. November 3, 2013. AR 34,403

STATEMENT OF COSTS

The work on Tenure 899909 was completed from March 5, 2015 to January 10, 2016 to the value as follows.

Structural Analysis	
Laurence Sookochoff, P Eng. 3 days @ $ 1,000.00/day ----------	$ 3,000.00
Magnetometer Survey	
Christopher Delorme & Guy Delorme	
January 9-10, 2016	
Four man days @ $300.00 per day ----------	1,200.00
Truck rental, kilometre charge, fuel, room & board,	
mag rental ----------	1,235.60
	$ 5,235.60
Maps ----------	750.00
Report ----------	3,000.00
	$ 8,985.60
	=======

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-nine 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.

Appendix I

Magnetometer Data

E5547548 T899909

East	North	Mag	East	North	Mag
682700	5527250	720	682700	5527150	700
682675	5527250	720	682675	5527150	720
682650	5527250	680	682650	5527150	720
682625	5527250	680	682625	5527150	680
682600	5527250	640	682600	5527150	680
682575	5527250	640	682575	5527150	680
682550	5527250	660	682550	5527150	640
682525	5527250	640	682525	5527150	640
682500	5527250	660	682500	5527150	640
682475	5527250	640	682475	5527150	600
682450	5527250	660	682450	5527150	600
682425	5527250	640	682425	5527150	620
682400	5527250	640	682400	5527150	620
682375	5527250	660	682375	5527150	600
682350	5527250	600	682350	5527150	580
682325	5527250	600	682325	5527150	620
682300	5527250	580	682300	5527150	620
682275	5527250	600	682275	5527150	620
682250	5527250	600	682250	5527150	620
682225	5527250	620	682225	5527150	640
682200	5527250	620	682200	5527150	640
682175	5527250	620	682175	5527150	640
682150	5527250	640	682150	5527150	680
682125	5527250	640	682125	5527150	680
682100	5527250	680	682100	5527150	660