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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: $ 9,810.80

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): 5559985 June 25, 2015

PROPERTY NAME: Toni

CLAIM NAME(S) (on which the work was done): 1032321

COMMODITIES SOUGHT: Copper Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 092HNE295 092HNE312

MINING DIVISION: Nicola **NTS/BCGS:** 992H.099 092I.009

LATITUDE: 49 ° 56 ' 55 " **LONGITUDE:** 120 ° 20 ' 34 " **(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):
Late Triassic to Early Jurassic, Pennask Batholith, Granodiorite. Northeasterly, northwestely structures. Three cross-structures
At the Snow mineral showing, a drll-hole intersected granite with fine-grained chalcocite or bornite along the margins of a zeolite vein.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 16208 17269 17574 25663 33113 34071 33566

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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	644 hectares	1032321	$ 6,000.00
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic	2	1032321	3,810.80
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:	$ 9,810.80

VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL & GEOPHYSICAL

ASSESSMENT REPORT

(Event 5559985)

on the

Toni 1032321 Claim Group

Nicola Mining Division

BCGS Map 092H.099 & 092I.099

Work done from June 15, 2015 to January 8, 2016

on

Tenure 1032321

Centre of Work

5,536,292N, 690,6355E

10 (NAD 83).

Author & Consultant

Laurence Sookochoff, PEng
Sookochoff Consultants Inc.

Submitted

January 19, 2016

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SUMMARY

The 10 claim Toni 1032321 Claim Group covers an area of 4633 hectares and is located 200 kilometres northeast of Vancouver, 33 kilometres southeast of Merritt, 24 kilometres northwest of the formerly productive Brenda copper/molybdenum/gold porphyry deposit, and eight kilometres north of the formerly productive Elk gold-silver vein deposit.

The Elk mine was in production from 1992 and 1995 (inclusive) and produced 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver from 16,570 tonnes of ore mined and milled.

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.

Structural controls to the many mineral zones mineralization at the Elk property are indicated by mineral development at cross-structures between the major northerly trending Elk fault and a conjugate set of east-northeasterly trending structures.

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. The core of the mineral deposit is a zone of intense fracturing where fracture ranges are recorded up to 90 per metre from less than nine per metre near the periphery of the orebody.

The Toni 1032321 Claim Group, as indicated by the BC government supported MapPlace geological map, is entirely underlain by the Early Jurassic Pennask batholith with a northwesterly trending contact of the Upper Triassic Nicola volcanics in the southeast within 100 metres of Tenure 1032321, the subject of a structural analysis.

The structural analysis indicated three cross-structures that could 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 cross-structures would be the centre of a main mineralized zone with the peripheral economic zone of mineralization restricted the function of fracture (vein) density and of the thickness and mineralogy of the filling material as at the Brenda deposit.

A localized magnetometer survey which covered one cross-structure provided encouraging results to the possibility that the location of the cross-structure may be indicative of a concealed mineral resource in the central north-northwesterly, open-ended, anomalous mag LO bordered by a general mag HI. The mag LO may indicate mineral associated hydrothermal alteration within the structures of the Pennask Batholith.

The correlation of the north-northeast trend of a structure with the 100 metre wide mag LO anomaly and the inclusion of the cross-structure is a sound basis for the additional exploration in the area of all three cross-structures.

INTRODUCTION

Between June 15, 2015 and January 8, 2016, a structural analysis and a localized magnetometer survey were completed on Tenure 1032320 of the 10 claim Toni 1032320 claim group (Property). The purpose of the program was to delineate potential structures which may be integral in geological controls to potentially economic mineral zones that may occur on Tenure 1032320 or other claims of the Bertha property 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.

TONI 1032321 CLAIM GROUP DESCRIPTION AND LOCATION

The Property is comprised of 10 claims covering an area of 4633.8606 hectares. Particulars are as follows:

Table I. **Tenures of the Toni 1032321 claim group**

Tenure Number	Type	Claim Name	Good Until	Area (ha)
833943	Mineral	SNOW	20160615	415.5088
833944	Mineral	SNOW 1	20160615	415.6536
898132	Mineral	SNOW 4	20160116	415.5094
940389	Mineral	TONI 109	20160515	436.3715
940390	Mineral	TONI 110	20160515	436.2555
980252	Mineral	V4150	20160515	498.6036
980254	Mineral	V4152	20160515	456.9283
1032320	Mineral		20160331	623.5115
1032321	Mineral		20160615	644.5177
1036462	Mineral		20160601	291.0007

*Upon the approval of the assessment work filing, Event Number 5559985.

The Toni 1032321 Claim Group is located within BCGS Map 092H.099 & 092I.099 of the Nicola Mining Division, 232 kilometres northeast of Vancouver, 77 kilometres south of Kamloops, and 39 kilometres southeast of Merritt.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access to the Toni 1032321 Claim Group is southward from Merritt via Highway 5A/97C for 27 kilometres to the Aspen Grove junction thence eastward on Highway 5A or the Coquihalla connector Highway, for 15 kilometres to the Loon Lake junction, thence eastward and northward for 14 kilometres on secondary graveled and dirt roads to the southern boundary of Tenure 1032321 of the Toni 1032321 Claim Group. Forestry roads provide access to many areas of the Toni 1032321 Claim Group.

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

The region is situated within the dry belt of British Columbia with rainfall between 25 and 30 cm per year. Temperatures during the summer months could reach a high of 35°C and average 25°C with the winter temperatures reaching a low of -10°C and averaging 8°C. On the Toni 1032321 Claim Group 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 the many lakes and creeks, which are located within the confines of the Toni 1032321 Claim Group.

Merritt, and/or Kamloops, historic mining centres could be a source of experienced and reliable exploration and mining personnel and a supply for most mining related equipment. Kamloops is serviced daily by commercial airline and is a hub for road and rail transportation. Vancouver, a port city on the southwest corner of, and the largest city in, the Province of British Columbia is four hours distant by road and less than one hour by air from Kamloops.

The topography within Toni 1032321 is of gently sloped forested hills with localized logged areas. Relief is in the order of 160 metres ranging from elevations of 1,385 metres along the mid-western boundary to 1,545 metres in the mid-west portion of the claim..

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

HISTORY: PROPERTY AREA

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on and peripheral to the Toni 1032321 Claim Group are reported as follows. The distance from the Toni 1032321 Claim Group is relative to Tenure 1032321, which is the subject of the structural analysis.

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

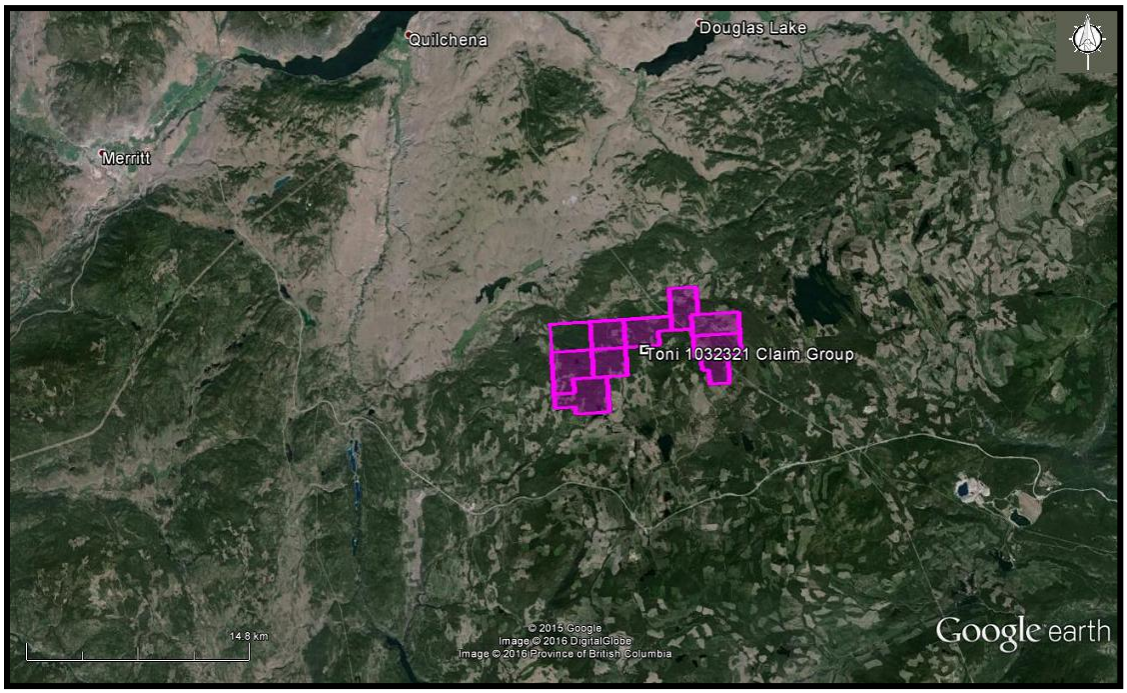
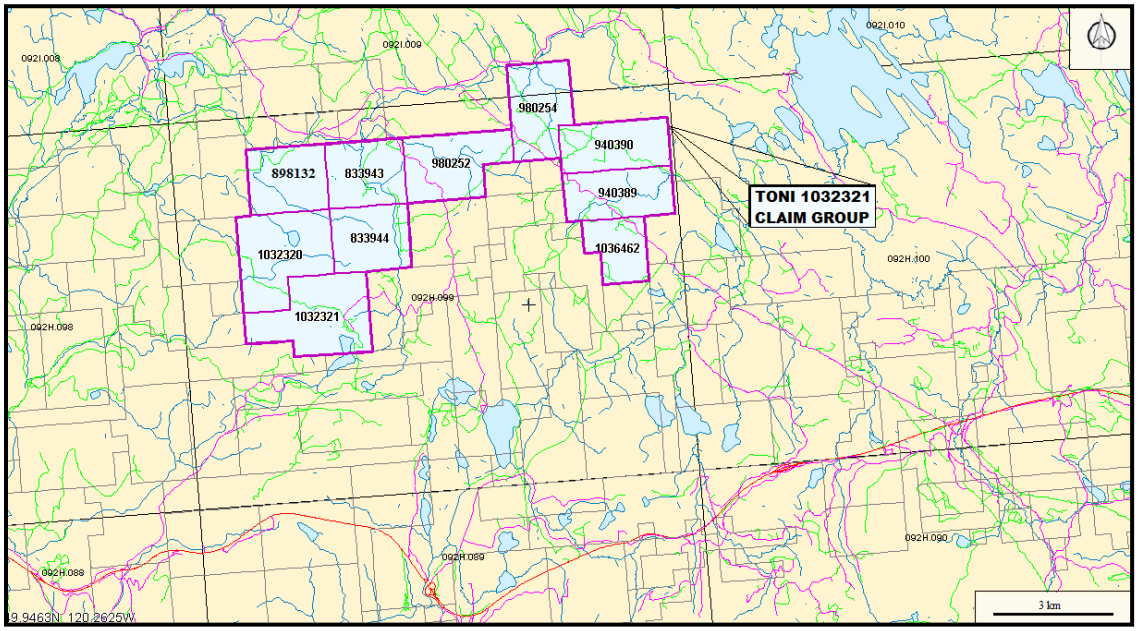


Figure 3. **Claim Map (Toni 1032321 Claim Group)**
(from MapPlace)



History: Property Area *(cont'd)*

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

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

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

ECHO showing (Volcanic redbed Cu)
MINFILE 092HNE059
Seven kilometers 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.

BIG SIOUX past producer (Volcanic redbed Cu; Alkalic porphyry Cu-Au
MINFILE 092HNE073
Twenty kilometres west

This deposit was one of the first showings to be explored in the Aspen Grove copper camp. It was staked in 1899, and investigated periodically by H.H. Schmidt up to 1914. One shaft, 10 metres deep, an adit, 46 metres long, and numerous pits and trenches were excavated during this time. Forty-four tonnes of ore were shipped in 1918 grading 9.78 per cent copper and 67.9 grams per tonne silver. David Minerals Ltd., Amax Exploration Inc. and Norranco Mining and Refining completed soil and rock geochemical and geophysical surveys over the deposit between 1968 and along the north side of the recently completed Coquihalla Highway (Phase 3 - Okanagan Connector). The deposit was subsequently mapped and sampled by Amex Exploration Services Ltd. in 1990, Northair Mines Ltd. in 1991 and Placer Dome Inc. in 1992. Christopher James Gold Corp. drilled the area, including the Big Kidd (092HNE074) in 1997.

BOOMERANG showing (Volcanic redbed Cu)
MINFILE 092HNE087
Twenty kilometres southwest

This showing was explored as early as 1901. Several trenches and shallow shafts were excavated by 1904 and two diamond-drill holes were drilled by 1928. Scope Development Ltd. and Alscope Consolidated Ltd. conducted trenching, soil sampling, geophysical surveying and some diamond drilling in 1964 and 1967. Various geological, geochemical and geophysical surveys were completed by F. Gingell between 1976 and 1981, Vanco Explorations Ltd. in 1985 and Laramide Resources Ltd. in 1987.

History: Property Area *(cont'd)*

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

WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE312
One kilometre southwest

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.

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

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
Within Tenure 940369

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.

History: Property *(cont'd)*

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 Highland Valley, Craigmont, Copper Mountain, Afton, Brenda, in addition to the historic Hedley gold camp.

The Nicola Group has been divided into western, central, and eastern belts on the basis of lithology and lithogeochemistry and by major fault systems. Variation from calc-alkaline to shoshinitic compositions from west to east has been interpreted to reflect eastward dipping subduction in the Nicola arc. The Toni 1032321 Claim Group is situated within the eastern belt of the Nicola Group which is bounded on the west by the northerly striking Kentucky-Alleyne fault zone.

GEOLOGY: PROPERTY AREA

The geology on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on the Toni 1032321 Claim Group and peripheral to the Toni 1032321 Claim Group (Figure 4) are reported as follows. The distance from the Toni 1032321 Claim Group is relative to Tenure 1032321, which is the subject of the structural analysis.

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

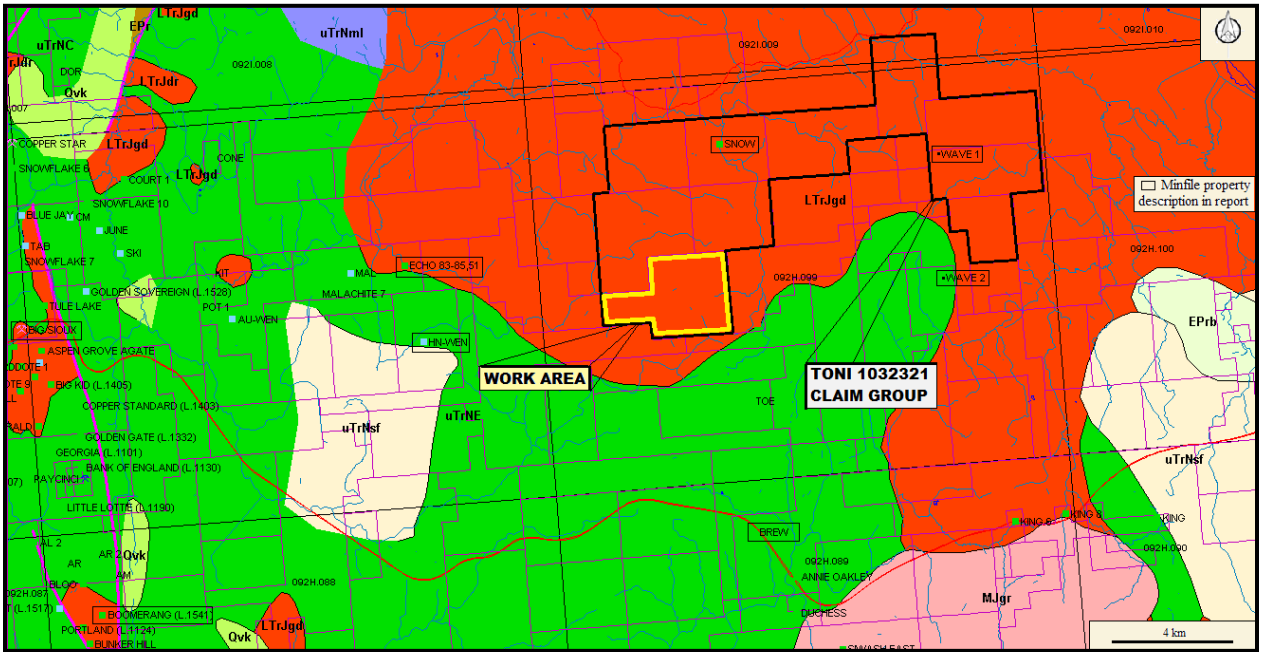
The Pennask Mountain area is mainly underlain by a roof pendant comprising westerly younging, Upper Triassic sedimentary and volcaniclastic rocks of the Nicola Group. These are intruded and enclosed to the north, east and south by plutonic rocks of the Early Jurassic Pennask batholith and Middle Jurassic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

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



GEOLOGY MAP LEGEND

Pleistocene to Recent

PlRal
Unnamed alluvial till

PlRvk
Unnamed alkalic volcanic rocks

Upper Triassic

Eastern Volcanic Facie

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 *(cont'd)*

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. 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.

Geology: Property Area *(cont'd)*

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
Thirteen 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).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, fragmental rocks including tuff and breccia, and argillites (Assessment Reports 1586, 4230). The argillites are dark grey to black, well bedded, and locally limy. They are somewhat carbonaceous and pyritic. Minor rock types present include feldspar porphyry and locally lenses of diorite. About 2.5 kilometres to the northeast is the contact with the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

The contact between the volcanic rocks and the argillites passes through the centre of the mineralized area. The contact is parallel to bedding, striking 130 degrees and dipping 40 degrees southwest, with the volcanic rocks on the northeast side (Assessment Report 4230).

ECHO showing (Volcanic redbed Cu)
MINFILE 092HNE059
Seven kilometers 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 .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.

Geology: Property Area *(cont'd)*

BIG SIOUX past producer (Volcanic redbed Cu; Alkalic porphyry Cu-Au
MINFILE 092HNE073
Twenty kilometres west

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.

BOOMERANG showing (Volcanic redbed Cu)
MINFILE 092HNE087
Twenty kilometres southwest

Chalcocite, bornite and malachite occur along fractures in fine- grained diorite (microdiorite) or dioritized volcanics of the Upper Triassic Nicola Group (Central belt, Bulletin 69).

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

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

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.

Geology: Property Area *(cont'd)*

Brew *showing (cont'd)*

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.

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.

WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE312
One kilometre southwest

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

GEOLOGY: PROPERTY

The Toni 1032321 Claim Group, as indicated by the BC government supported MapPlace geological map, is entirely underlain by the Early Jurassic Pennask batholith with a northwesterly trending contact of the Upper Triassic Nicola volcanics in the southeast within 100 metres of Tenure 1032321, the subject of a structural analysis.

Three prominent directional contacts, northwesterly, northerly, and northwesterly, are evident in the water course pattern of the immediate area within the Nicola rocks and the Pennask intrusive, indicating prevailing tectonic forces prior to, contemporaneous, and subsequent to, the emplacement of the Pennask Batholith. This compressional tectonic force is reported as east-west in the Brenda.

One of the resultant major structures is the area is the northerly trending Elk fault system which is evidenced topographically for a minimum of 20 kilometres from, and not necessarily restricted to the limits of, the formerly productive Elk property in the south, to and beyond the Snow mineral showing *(Minfile 092HNE292)* in the north. The Elk fault is offset twice for up to two kilometres in the Elk/Snow section; at the Brew mineral showing *(Minfile 092HNE275)* by the 280 degree striking Magwump fault and by an indicated northwesterly trending fault (Snow fault) at the Snow mineral showing *(Minfile 092H295).*

Geology: Property *(cont'd)*

SNOW showing (Porphyry Cu+/-Mo+/-; 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.

WAVE 1 *anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)*
MINFILE 092HNE311
Within Tenure 940369

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

MINERALIZATION: PROPERTY AREA

The mineralization on some of the more significant mineral MINFILE reported showings, prospects, and past producers on the Toni 1032321 Claim Group and peripheral to the Toni 1032321 Claim Group are reported as follows. The distance from the Toni 1032321 Claim Group is relative to Tenure 1032321, which is the subject of the structural analysis.

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

Mineralization: Property Area *(cont'd)*

Brenda *past producer (cont'd)*

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.

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.

Mineralization: Property Area *(cont'd)*

Brenda *past producer (cont'd)*

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).

HN-WEN prospect (Volcanic redbed Cu)
MINFILE 092HNE058
Thirteen 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.

Mineralization: Property Area *(cont'd)*

HN-WEN *prospect (cont'd)*

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

Rather, the veins hosting the mineralization are structurally controlled by numerous faults and fractures which consistently strike 160 degrees and dip 85 degrees east (Assessment Report 4230). Incidentally, the Echo occurrence (092HNE059) lies on this trend, 2 kilometres to the north-northwest, and the mineralization may also extend south-southeast of the HN-WEN occurrence (Assessment Report 4230).

Some significant copper and silver values have been obtained from the workings and diamond drill core. A 1.5-metre chip sample from Adit Number 1 was assayed at 4.39 per cent copper, 92.6 grams per tonne silver, and 0.7 gram per tonne gold (Assessment Report 4230).

A grab sample from here was assayed at 4.84 per cent copper, 46.6 grams per tonne silver and 0.7 gram per tonne gold (Assessment Report 4230). Both samples were from oxidized material and may not be representative of grade throughout the deposit (Assessment Report 4230). A drill core sample (hole HNS 72-1) assayed 1.12 per cent copper and 3.4 grams per tonne silver (Assessment Report 4230).

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

ECHO showing (Volcanic redbed Cu)
MINFILE 092HNE059
Seven kilometers 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).

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).

BIG SIOUX past producer (Volcanic redbed Cu; Alkalic porphyry Cu-Au
MINFILE 092HNE073
Twenty kilometres west

The overall extent of the mineralization has not been determined, although diamond drilling has demonstrated that minor pyrite, pyrrhotite and chalcopyrite, disseminated or associated with quartz or calcite fracture veinlets, does persist below the surface (Assessment Reports 11241, 16008).

Gold values in the area are generally low, but high values have been obtained from trench sampling and drill core at the main showing. Significant gold assays in chip samples range from 6.8 grams per tonne over 5.1 metres to 10.8 grams per tonne over 4.9 metres (Assessment Report 16008).

Mineralization: Property Area *(cont'd)*

BOOMERANG showing (Volcanic redbed Cu)
MINFILE 092HNE087
Twenty kilometres southwest

Chalcocite, bornite and malachite occur along fractures in fine- grained diorite (microdiorite) or dioritized volcanics of the Upper Triassic Nicola Group (Central belt, Bulletin 69). The diorite is chloritized and occasionally brecciated. Where brecciated, blebs and stringers of bornite, chalcocite and malachite occur between the fragments. Abundant disseminated magnetite, calcite and epidote are reported to accompany the brecciation. The mineralized zone appears to trend northwest.

Three of five rock samples analysed 0.183 to 2.34 per cent copper, 0.4 to 7.9 grams per tonne silver and 0.016 to 0.980 gram per tonne gold (Assessment Report 14141, Drawing 5b, samples 2003, 2205, 2563).A selected sample assayed 14.7 per cent copper, 4.1 grams per tonne gold and 74.1 grams per tonne silver (Minister of Mines Annual Report 1901, page 1183).

Similar mineralization occurs 350 metres northwest, where chalcocite, malachite and azurite form fracture coatings in several narrow, north-striking shears in chloritized diorite.

Additional mineralization is found 200 metres west of the shears, where malachite and chalcocite occur at the intersections of shears striking 060 and 150 degrees in red andesite breccia.

ELK past producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn +/-Au; Au-quartz veins)
MINFILE 092HNE096
Eight 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 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: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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.

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.

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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).

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.

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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.

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

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

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

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

WAVE 2 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE312
One kilometre southwest

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+/-; Polymetallic veins Ag-Pb-Zn+/-Au
MINFILE 092HNE292
Within Tenure 833943

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

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
Within Tenure 940369

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).

STRUCTURAL ANALYSIS

The structural analysis was performed on a DEM image hillside shade map of Tenure 1032321 by viewing of the map and marking the lineaments, or indicated structures, thereon. A total of 57 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 5,536,292N, 690,635E 10(NAD 83).

Structural Analysis *(cont'd)*

Figure 5. **Indicated Lineaments on Tenure 1032321**

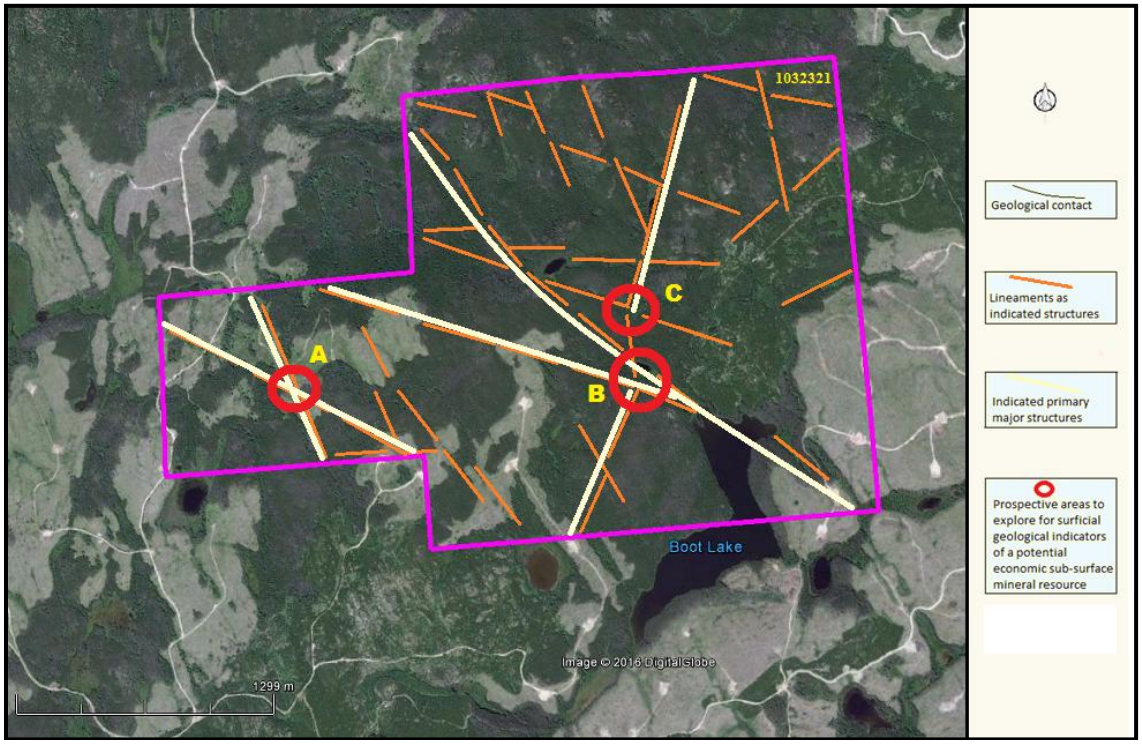
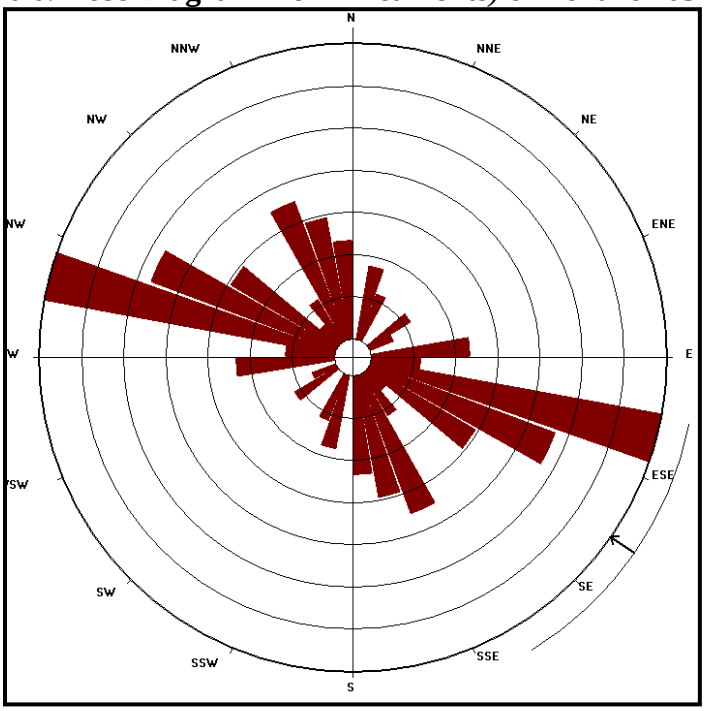


Figure 6. **Rose Diagram from lineaments) of Tenure 1032321**.



Structural Analysis *(cont'd)*

STATISTICS

Axial (non-polar) data
No. of Data = 57
Sector angle = 10°
Scale: tick interval = 3% [1.7 data]
Maximum = 21.1% [12 data]
Mean Resultant dir'n = 125-305
[Approx. 95% Confidence interval = ±23.6°]
(valid only for unimodal data)

Mean Resultant dir'n = 124.8 - 304.8
Circ.Median = 115.0 - 295.0
Circ.Mean Dev.about median = 30.4°
Circ. Variance = 0.20
Circular Std.Dev. = 38.77°
Circ. Dispersion = 2.38
Circ.Std Error = 0.2042
Circ.Skewness = -2.58
Circ.Kurtosis = -9.50

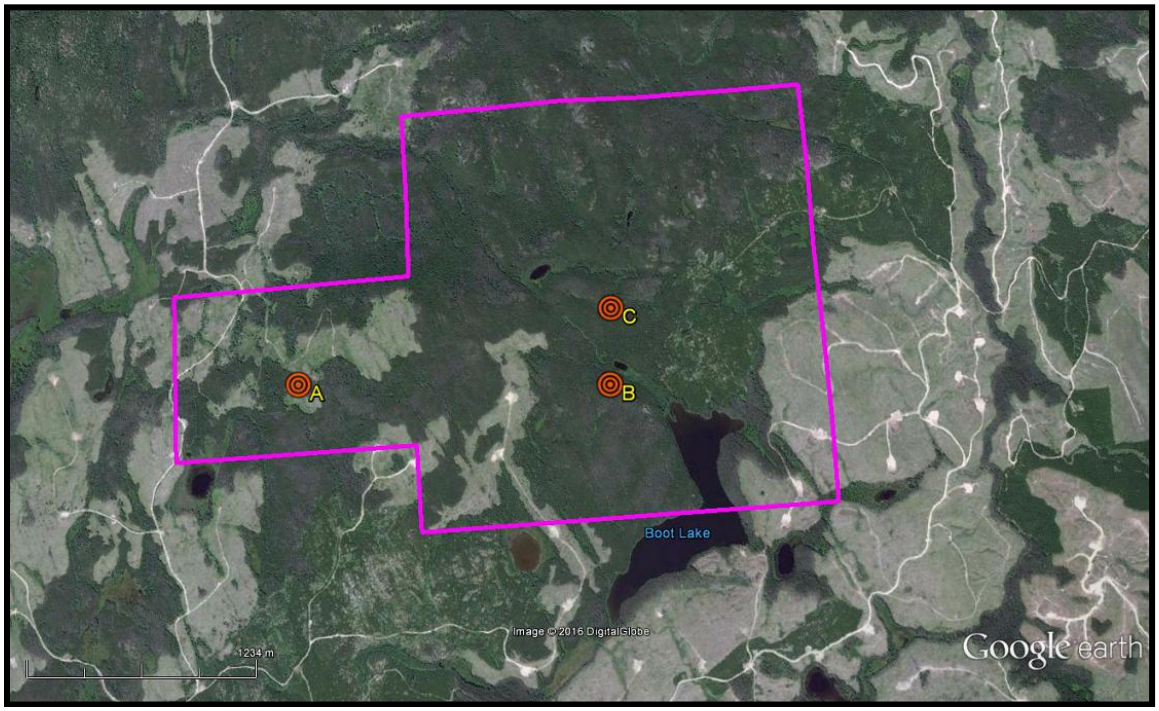
kappa = 0.87
(von Mises concentration param. estimate)

Resultant length = 22.81
Mean Resultant length = 0.4002

'Mean' Moments: Cbar = -0.1393; Sbar = -0.3752
'Full' trig. sums: SumCos = -7.9379; Sbar = -21.3853
Mean resultant of doubled angles = 0.2387
Mean direction of doubled angles = 025

(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'

Figure 7. **Cross structural locations** *(Figure 5)* **on Tenure 1032321**
(Base Map: Google Earth)



Structural Analysis *(cont'd)*

Table II. **Approximate UTM locations of cross-structures**
10 (NAD 83)

Location	UTM East	UTM North	Elevation
A	688,948	5,535,830	1,448
B	690,655	5,535,754	1,509
C	690,676	5,536,173	1,495

Magnetometer Survey

a) Instrumentation

A Scintrex MF 2 Model magnetometer used for the magnetometer survey. Diurnal variation was 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.

c) Survey Procedure

From a northerly base line at 5,538,100N 699,700E, one station was established at 5,538,200N. Magnetometer readings were taken at 25 metre intervals westerly along each of the two grid lines to 698,700E. The grid line stations were located by a GPS instrument. Line kilometres of magnetometer survey completed was 2.0. 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..

e) Results

The localized magnetometer survey which covered a portion of the Pennask Batholith indicated a central north-northwesterly, open-ended, anomalous magnetic low (mag LO) bordered by a general magnetic high (mag HI) with inclusive localized sub-anomalous and rare spotty mag HI's.

The approximate located cross-structure "A", which was covered by the magnetometer survey, is located at the mag HI/mag LO transitional zone .

***Magnetometer Survey** (cont'd)*

Figure 8. **Magnetometer Grid Index Map**
(Base Map: Google Earth)

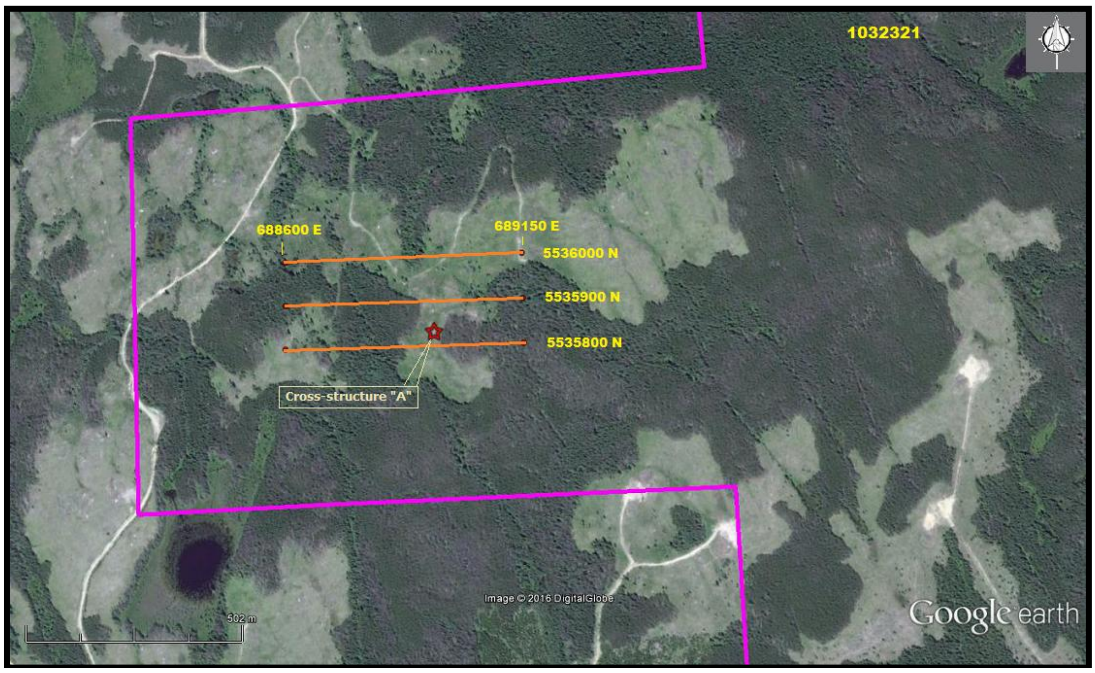
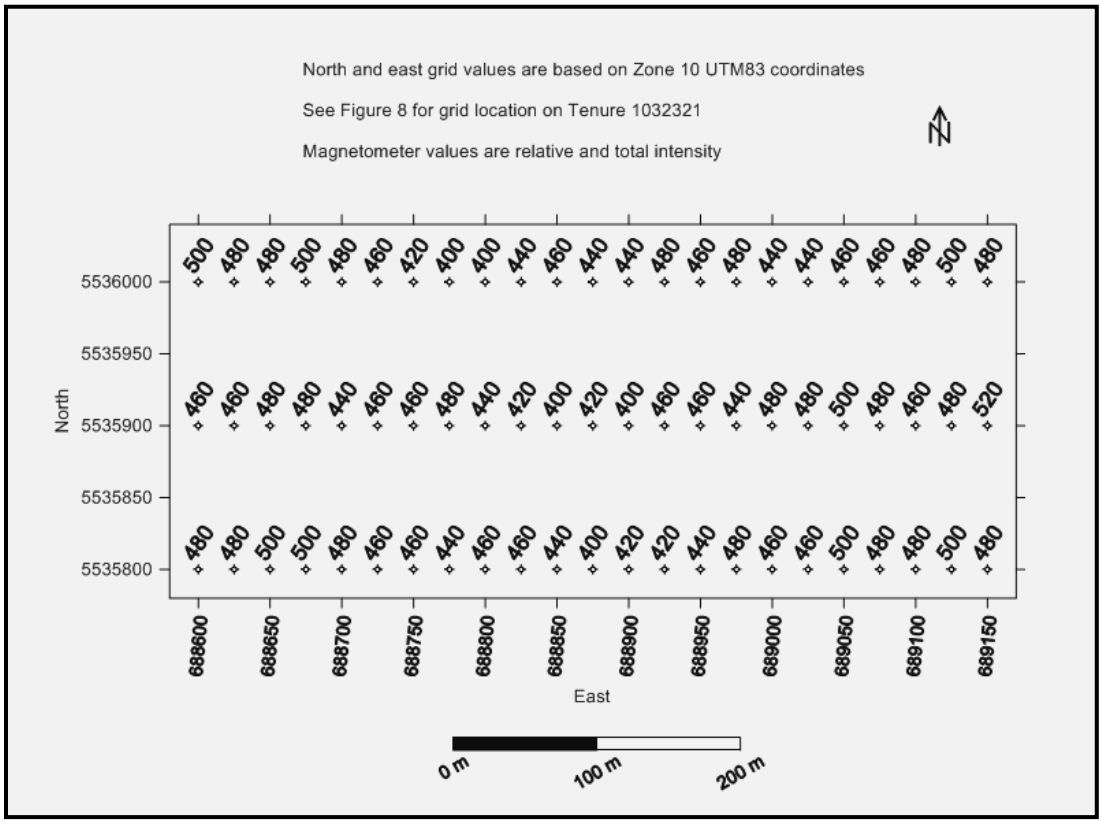


Figure 9 .**Magnetometer Survey Grid & Raw Data**



***Magnetometer Survey** (cont'd)*

Figure 10. **Magnetometer Survey Contour Map**

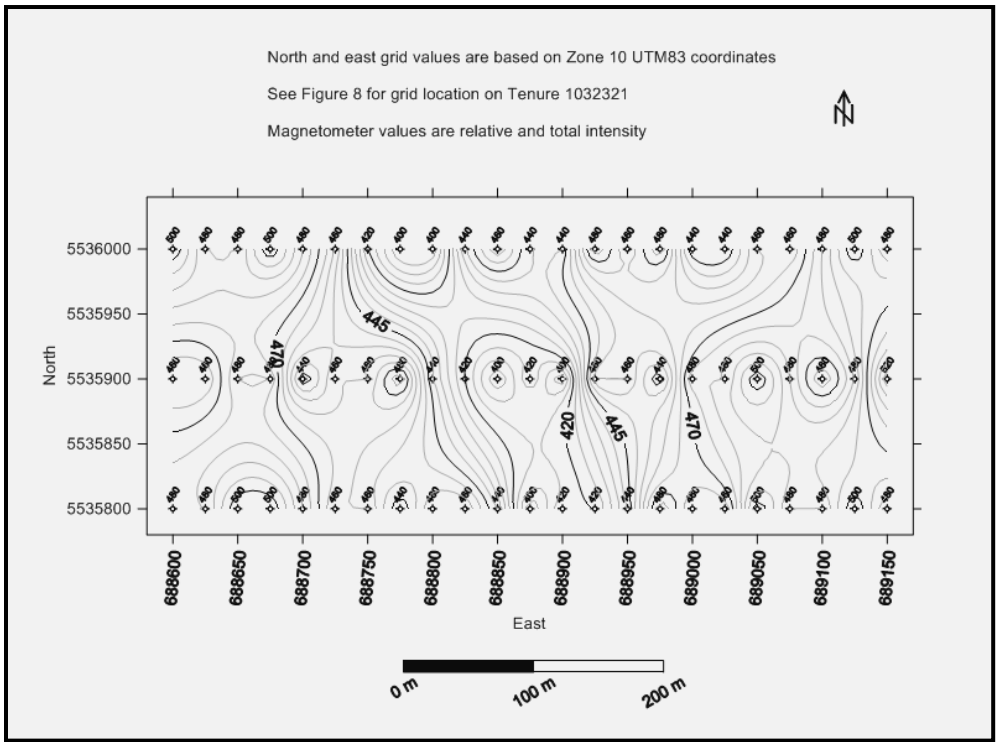


Figure 11. **Magnetometer Survey Coloured Contour Map**

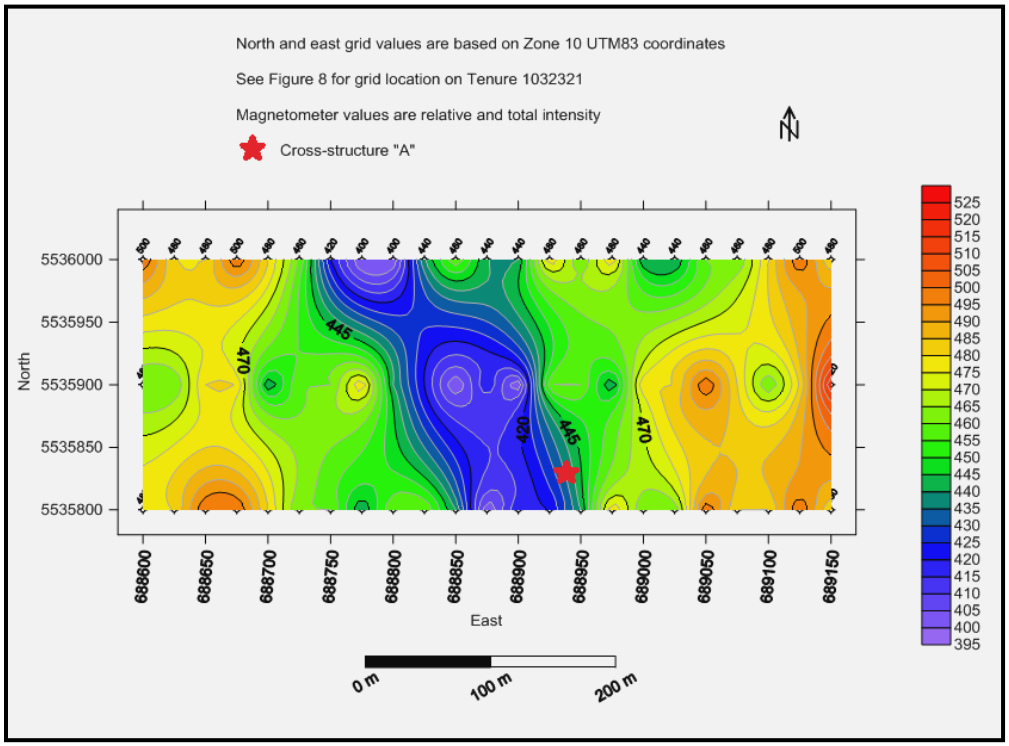
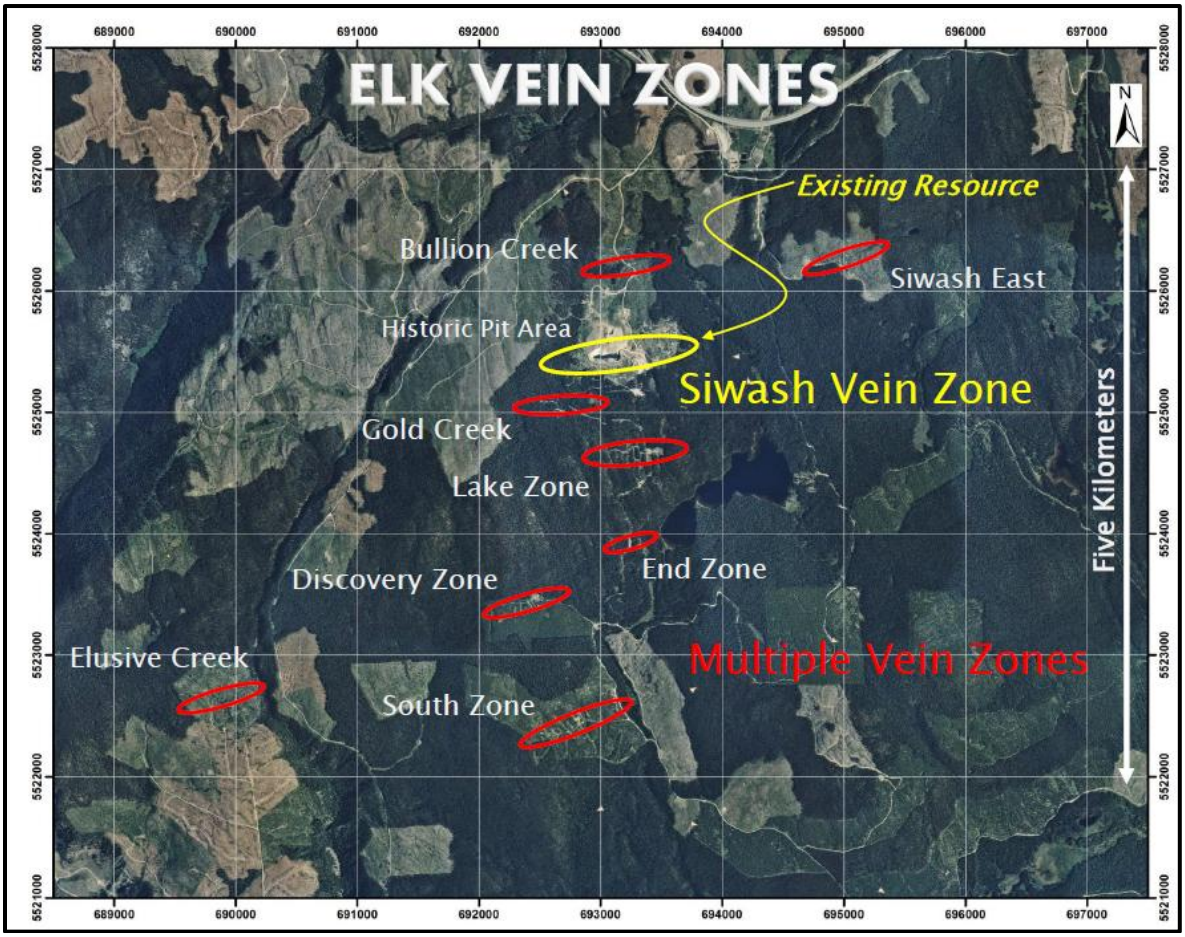


Figure 12. **Elk Property of Gold Mountain Mining Corporation showing the north trending vein zones as an indicated mineral control by the north trending Elk Fault**

(Map from Gold Mountain Mining Corporation 2012)



INTERPRETATION and CONCLUSIONS

The location of the three cross-structures delineated on Tenure 1032321, the result of intersecting northeasterly and northwesterly trending structures, would be the prime areas to explore for any surficial geological indications of any concealed mineral resource hosted by the Pennask Batholith. The cross-structures are a significant geological ingredient to localizing the emplacement of porphyry mineral resource.

These locations could 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.

Interpretation and Conclusions *(cont'd)*

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 major 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 12.

The Elk/Siwash structural zone, which is indicated within one kilometer east of Tenure 1032321, is indicated topographically over a distance of at least 20 kilometres from south of the Elk mineral zones to north of the SNOW *(Minfile 092HNE292)* mineral showing. At the SNOW mineral showing, which is within the Toni 1032321 Claim Group and within four kilometers north of Tenure 1032321, it is reported that a drill hole intersected minor copper mineralization in weakly to moderately chloritized granite of the Pennask batholith.

Other examples of mineral structural controls are reported herein in the eight Minfile descriptions copied from the BC Government supported Minfile records.

Thus, the three structural intersections, A, B, and C, as indicated on Figures 5 and 7 would be prime areas to explore for surficial indicators of potentially economically potential sub-surface mineralization.

The localized magnetometer survey which covered cross-structure "A" supplied encouraging results to the possibility that the location of cross-structure "A" may indicate a concealed mineral resource. A central north-northwesterly, open-ended, anomalous mag LO bordered by a general mag HI may indicate mineral associated hydrothermal alteration within the structures of the Pennask Batholith.

The correlation of the north-northeast trend of a structure with the 100 metre wide mag LO anomaly and the inclusion of the cross-structure is a sound basis for the additional exploration in the area of all three cross-structures.

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, PEng

SELECTED REFERENCES

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John, D.A. - Porphyry Copper Deposit Model. Scientific Investigations Report 2010-5070-B. U.S. Department of the Interior. U.S. Geological Survey, Reston, Virginia: 2010.

Kierans, M.D. -1972: Mineral Exploration Report on the Hill Group, Wart Mountain Area for Nitracell Canada Ltd. AR 4,230.

MapPlace – Map Data downloads

092HNE047 – BRENDA
092HNE058 – HN-WEN
092HNE059 – ECHO .
092HNE073 – BIG SIOUX
092HNE087 – BOOMERANG
092HNE096 – ELK
092HNE275 – BREW
092HNE295 – SNOW
092HNE311 – WAVE 1
092HNE312 – WAVE 2

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

Mohebi, A. et al - Controls on porphyry Cu mineralization around Hanza Mountain, south-east of Iran: An analysis of structural evolution from remote sensing, geophysical, geochemical and geological data. Ore Geology Reviews. Volume 69. September 2015, Pages 187-198.

MtOnline - MINFILE downloads.

Sookochoff, L. - Geological Assessment Report on Tenure 833944 of the Toni 833944 Claim Group for Victory Resources Corporation. May 18, 2012. AR 34,071.

Sookochoff, L. 2013: Geological Assessment Report on Tenure 589941 of the Toni 589941 Claim Group for Victory Resources Corporation. February 3, 2013. AR 33,566.

STATEMENT OF COSTS

Work on Tenure 1032321 was done from June 15, 2015 to January 8, 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 15-16, 2016	
Four man days @ $300.00 per day ----------	1,200.00
Truck rental, kilometre charge, fuel, room & board,	
mag rental ----------	1,360.80
	$ 5,560.80
Maps ----------	750.00
Report ----------	3,500.00
	$ 9,810.80
	======

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 Toni 1032321 Claim Group as described herein.

6) I am a director of Victory Resources Corporation.

Laurence Sookochoff, P. Eng.

Appendix I

Magnetometer Data

VR E 5559985 T 1032321								
East	North	Mag	East	North	Mag	East	North	Mag
688600	5536000	500	688600	5535900	460	688600	5535800	480
688625	5536000	480	688625	5535900	460	688625	5535800	480
688650	5536000	480	688650	5535900	480	688650	5535800	500
688675	5536000	500	688675	5535900	480	688675	5535800	500
688700	5536000	480	688700	5535900	440	688700	5535800	480
688725	5536000	460	688725	5535900	460	688725	5535800	460
688750	5536000	420	688750	5535900	460	688750	5535800	460
688775	5536000	400	688775	5535900	480	688775	5535800	440
688800	5536000	400	688800	5535900	440	688800	5535800	460
688825	5536000	440	688825	5535900	420	688825	5535800	460
688850	5536000	460	688850	5535900	400	688850	5535800	440
688875	5536000	440	688875	5535900	420	688875	5535800	400
688900	5536000	440	688900	5535900	400	688900	5535800	420
688925	5536000	480	688925	5535900	460	688925	5535800	420
688950	5536000	460	688950	5535900	460	688950	5535800	440
688975	5536000	480	688975	5535900	440	688975	5535800	480
689000	5536000	440	689000	5535900	480	689000	5535800	460
689025	5536000	440	689025	5535900	480	689025	5535800	460
689050	5536000	460	689050	5535900	500	689050	5535800	500
689075	5536000	460	689075	5535900	480	689075	5535800	480
689100	5536000	480	689100	5535900	460	689100	5535800	480
689125	5536000	500	689125	5535900	480	689125	5535800	500
689150	5536000	480	689150	5535900	520	689150	5535800	480