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:** $ 9,736.70

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): 5579429 November 20, 2015

PROPERTY NAME: Toni

CLAIM NAME(S) (on which the work was done): 1040063

COMMODITIES SOUGHT: Copper Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN:

MINING DIVISION: Nicola Similkameen **NTS/BCGS:** 092H.099 092H.100

LATITUDE: 49 ° 52 ' 53 " **LONGITUDE:** 120 ° 08 ' 07 " **(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):
Triassic-Jurassic, Triassic, Pennask Batholith, Granodiorite, Nicola Group, Eastern Volcanic Facies, Volcanics

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 01685 34170 34420 34574 34661 34700 34881 35155 35156 35501 35862 36155

Next Page

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	312 hectares	1040063	$ 6,000.00
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic	1.8	1040063	3,736.70
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:	$ 9,736.70

VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL & GEOPHYSICAL

ASSESSMENT REPORT

(Event 5579429)

Work done between November 18, 2015 and November 20, 2015

on

Tenure 1040063

of the nine claim

Toni 1040063 Claim Group

Nicola/Similkameen Mining Divisions

BCGS Map 092H.099/.100

Centre of Work
5,532,359N 704,435E

Author & Consultant

Laurence Sookochoff, PEng

Sookochoff Consultants Inc.

Submitted

April 17 , 2016

TABLE OF CONTENTS

Table of Contents *(cont'd)*

ILLUSTRATIONS

TABLES

APPENDICES

SUMMARY

The nine claim Toni 1040063 Claim Group (“Property”) of the TONI property covers an area of 4,056 hectares located 228 kilometres east-northeast of Vancouver and eight kilometres west-northwest of the formerly productive Brenda mine.

Production at the Brenda mine began 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 mineral deposit which is within the "Brenda stock", a composite quartz diorite/granodiorite body which forms part of the Pennask batholith, was comprised of a core of intense fracturing with mineralization decreasing outwardly from this zone; the centre of the main mineral zone. The grade of the deposit and the outward limits of the deposit was a function of fracture (vein) density and of the thickness and mineralogy of the filling material.

As indicated by the BC government supported MapPlace geological maps, the Toni 1040063 Claim Group is predominantly underlain by a localized capping of Eocene volcanic rocks which cap a succession of Upper Triassic Nicola Group sedimentary rocks which in turn cap Nicola Group volcanic rocks. In the northern and western fringes of the Property the aforementioned rocks are all in a partial contact with the Late Triassic to Early Jurassic Pennask granodioritic.

In the structural analysis of Tenure 1040063, which is underlain by Nicola sedimentary rocks, two cross-structural locations, "A" & "B", was delineated where the maximum intensity and depth of fracture development and brecciation could occur, providing a conduit for potentially tapped mineral bearing hydrothermal fluids to surface, and for the appropriate geological sequence of fluid deposition within the fractures, as transpired in the formation of the Brenda mineral deposit.

The results of the localized magnetometer survey, which covered sedimentary rocks and cross-structural location "A", a 150 metre wide open-ended general magnetic low ("mag LO") trending 700 metres west-northwesterly from the southeast corner to the northwest corner of the surveyed area could be attributed to a hydrothermally altered zone with the correlative west-northwesterly trending structure (Figure 5). Cross-structure "A" is generally located within this general zone and between the two sub-anomalous to anomalous mag LO's which could also reflect a hydrothermally altered zone associated with the northerly trending structure of cross-structure "A".

Thus, the cross-structure location “A” could be the location of a centralized breccia zone that would be a prime location 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 to follow-up exploration.

If upon a general exploration of the cross-structural area, breccia zones, alteration zones, or any other geological indication related to a mineral resource are determined, the area would warrant a comprehensive exploration program which should include an induced potential survey to test the depth potential for the increasing mineral resource indicators.

INTRODUCTION

From November 18, 2015 to November 20, 2015 a structural analysis and a localized magnetometer survey were completed on Tenure 1040063 of the nine claim Toni 1040063 claim group ("Property"). The purpose of the program was to delineate potential structures and correlative magnetic responses which may be integral in geological controls to potentially economic mineral zones that may occur on Tenure 1040063 or on other claims of the Property.

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.099/.100 of the Nicola/Similkameen Mining Divisions, 228 kilometres east-northeast of Vancouver, 51 kilometres east-southwest of Merritt and 83 kilometres south of Kamloops. The formerly productive Brenda mine is eight kilometres east-southeast.

Description

The Property is comprised of nine contiguous claims covering an area of 4,056.4446 hectares.

Particulars are as follows:

Property Location & Description *(cont'd)*

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

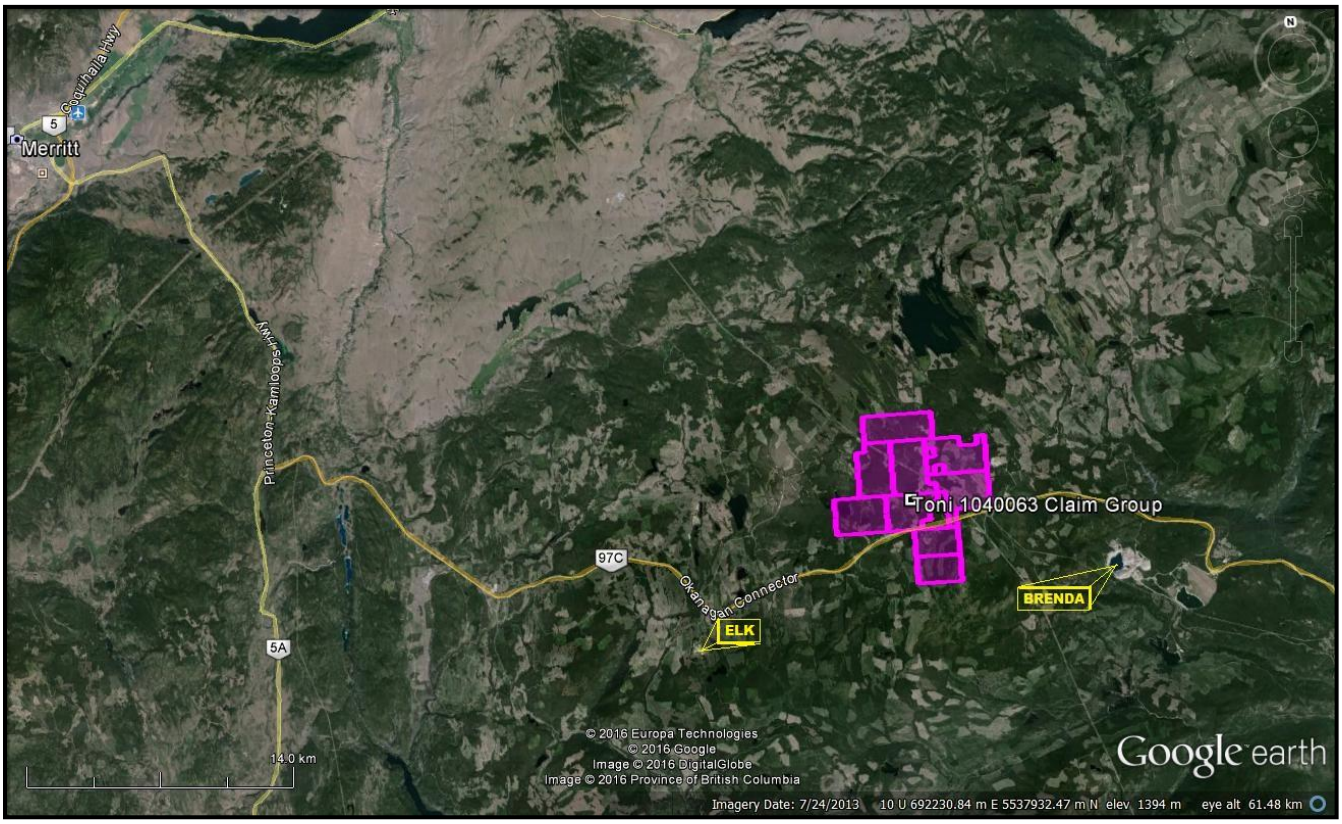
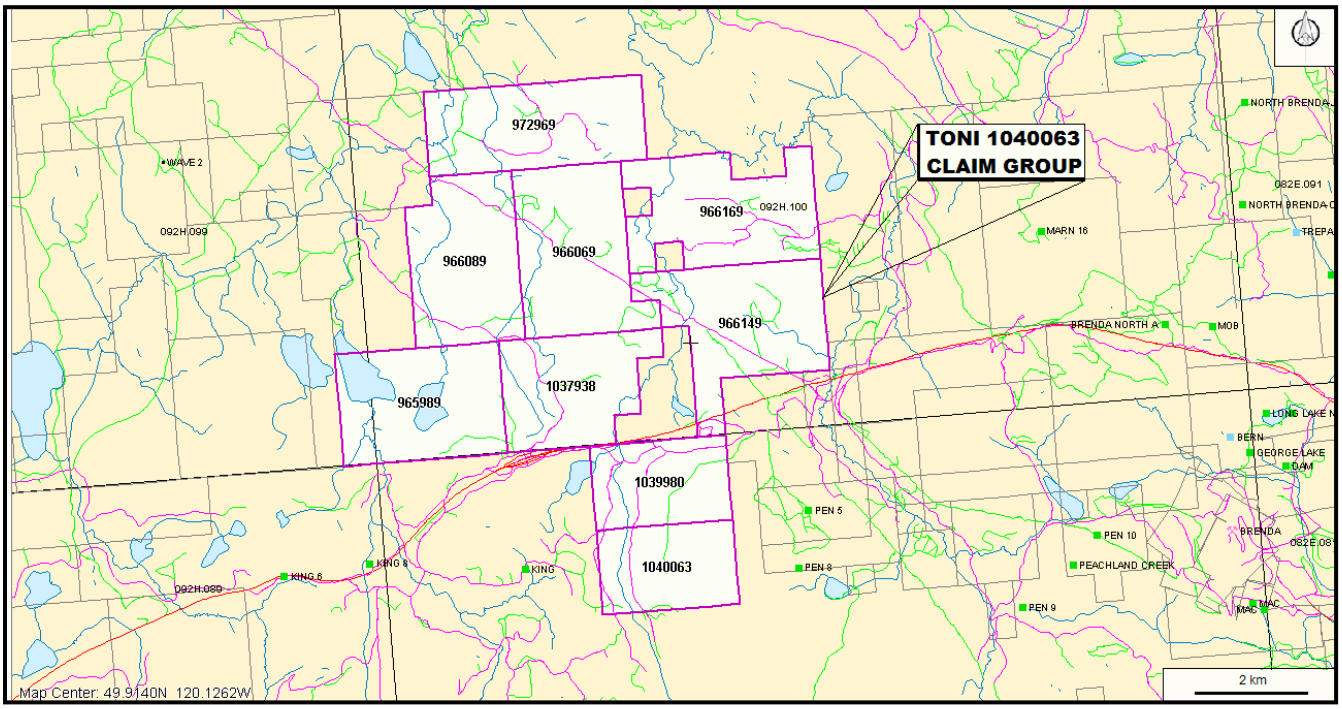


Figure 3. **Claim Map**
(*Base Map from MapPlace)*



Property Location & Description *(cont'd)*

Table I. **Tenures of Toni 1040063 Claim Group**

(from MapPlace)

Tenure Number	Type	Claim Name	Good Until*	Area (ha)
965989	Mineral	TOE122	20160430	499.3795
966069	Mineral	TOE125	20160430	519.9499
966089	Mineral	TOE126	20160515	478.3755
966149	Mineral	TOE129	20160430	520.0801
966169	Mineral	TOE110	20160430	499.1078
972969	Mineral	V3280	20160430	498.9594
1037938	Mineral		20160515	416.1259
1039980	Mineral		20161116	312.1922
1040063	Mineral		20161118	312.2743

*Upon the approval of the assessment work filing, Event Number 5579429

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 via Highway 97C or the Okanagan Connector for 39 kilometres to the southern boundary of Tenure 1037938. Many logging roads provide an access route to many areas within Tenure 1040063.

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.

Physiography

The topography of Tenure 1040063 is of a moderately sloped forested area with localized clear-cut areas. Elevations range from 1,674 metres in the northwest to 1,935 metres in the southeast.

HISTORY: PROPERTY AREA

The history on some of the more selected significant reported *MINFILE* mineral properties peripheral to the Toni 1040063 Claim Group is reported as follows. The distance from the Property is relative to the Toni 1040063 Claim Group.

MARN 16 showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE043
Three kilometres east

Kel-Glen Mines Ltd. completed geological, soil geochemical and geophysical surveys over the showing in 1966 and 1967, after staking the deposit in 1965. The company also drilled three diamond-drill holes, totalling 376 metres, and four percussion holes in 1966. The showing was restaked by Brenda Mines Ltd., operator of the nearby Brenda mine (MINFILE 092HNE047), in 1979. The company soil sampled the area in 1980 and 1981. In 1994, Cominco completed a 10.7 line-kilometre ground induced polarization survey on the area as the Pinnacle claims. During 2006 through 2012, Bitterroot Resources completed programs of rock, silt and soil sampling, geological mapping, 147.6 line-kilometres of ground magnetic surveys and a 66.2 line-kilometre ground induced polarization survey on the area as the North Brenda property.

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Eight 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.

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

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

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.

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

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

History: Property Area *(cont'd)*

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

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.

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Ten kilometres west-northwest

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

PEN 5 showing (Polymetallic veins Ag-Pb-Zn+/-Au: Au skarn)
MINFILE 092HNE300
One kilometre east

From 1986 to 1990, Fairfield Minerals Ltd. completed prospecting in the area and subsequently staked the claims in 1990.

In 1991, Fairfield Minerals Ltd. conducted soil sampling and prospecting consisting of 2886 soil samples and 35 rock samples.

In 1993, Fairfield Minerals Ltd. collected 1156 soil, 11 rock and three stream sediment samples throughout the Pen claims.

In 1994, Fairfield Minerals Ltd. executed an exploration program of infill soil sampling, trenching and rock sampling.

In 1995, Fairfield Minerals Ltd. completed soil geochemical surveys on the property and later dropped the Pen 5 claim.

In 2005, Charles Greig and Bernard Kreft staked the area over the old Pen 5 and 8 claims, which were renamed Puupster and Puupster 2, as part of the North Brenda property.

History: Property Area *(cont'd)*

Pen 5 showing *(cont'd)*

In 2006, Bitterroot Resources Ltd. optioned the North Brenda property from Charles Grieg and Bernard Kreft.

In 2009 and 2010, Bitterroot Resources Ltd. completed stream sediment sampling near the Pen 5 showing.

PEN 8 showing (Polymetallic veins Ag-Pb-Zn+/-Au: Au skarn)
MINFILE 092HNE301
One kilometre east

The showing was prospected and sampled by Fairfield Minerals Ltd. in 1991.

PEN 9 showing (Polymetallic veins Ag-Pb-Zn+/-Au: Au skarn)
MINFILE 092HNE302
Four kilometres east

The area was originally explored in the 1960s for copper-molybdenum mineralization similar to that of the Brenda (MINFILE 092HNE047) deposit to the east.

From 1986 to 1990, Fairfield Minerals Ltd. completed prospecting in the area and subsequently staked the claims in 1990.

In 1991, Fairfield Minerals Ltd. conducted soil sampling and prospecting consisting of 2886 soil samples and 35 rock samples.

In 1993, Fairfield Minerals Ltd. collected 1156 soil, 11 rock and three stream sediment samples throughout the Pen claims.

In 1995, Fairfield Minerals Ltd. completed soil geochemical surveys on the property.

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
Five kilometres northwest

Between 1986 and 1995, Fairfield Minerals conducted exploration, including a program of wide-spaced grid soil sampling. The Wave 1 and 2 claims were staked to cover areas of mineralized quartz float and coincidental soil and stream anomalies. Recently, the area has been explored by Sookochoff Consultants as a part of the Toni property.

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

Between 1986 and 1995, Fairfield Minerals explored the area and completed 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. 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). Recently, the area has been explored by Sookochoff Consultants as a part of the Toni property.

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, and 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 1040063 Claim Group.

MARN 16 showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE043
Three kilometres east

The Marn 16 occurrence is situated in the vicinity of the contact between tuffaceous siltstone and bedded ash tuff of the Upper Triassic Whistle Creek Formation (Nicola Group) and coarse-grained, hornblende porphyritic granodiorite of the Early Jurassic Pennask Batholith. The siltstone and tuff are contained in a large pendant of Nicola Group volcanics and sediments lying immediately southwest of the showing.

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Eight 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. 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.

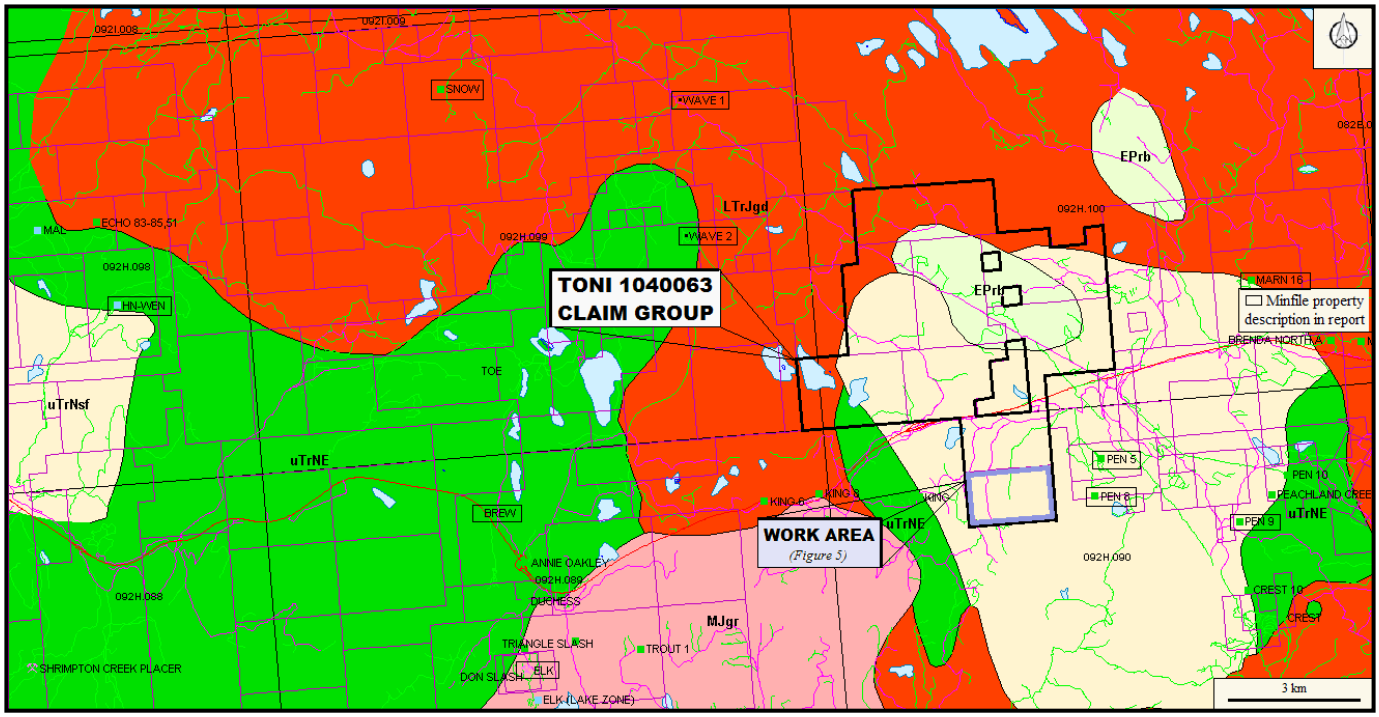
Nicola Group tuffs, volcanic breccias and flows adjacent to the Brenda stock have been altered to "schistose hornfels". This hornfels, which is as wide as 450 metres, is characterized by the development of bands and aligned lenses of felted brown to black biotite. Schistosity generally strikes roughly 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.

Geology: Property Area *(cont'd)*

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

(Base Map from MapPlace)



GEOLOGY MAP LEGEND

Pleistocene to Holocene

Qvk

Unnamed alkalic volcanic rocks

Eocene

EPrb**: Princeton Group**

andesitic volcanic rocks

Upper Triassic: Nicola Group

Eastern Volcanic Facies

uTrNE

basaltic volcanic rocks

uTtNsf

mudstone, siltstone, shale, fine clastic sedimentary rocks

uTrNMl

basaltic volcanic rocks

uTrJum

unnamed ultramafic 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)*

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.

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

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)*

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

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
Eight kilometres west

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.

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Ten kilometres west-northwest

A sample of drill core from 28.0 metres depth contained fine-grained magnetite accompanied by fine-grained chalcocite or bornite along the margins of a zeolite vein. Copper mineralization also occurs along fractures and as disseminations in the granite. Two assays of a grab sample taken in the vicinity of the drillhole yielded less than 0.3 gram per tonne gold, 3.1 grams per tonne silver and 0.54 per cent copper, and 0.45 gram per tonne gold, 3.1 grams per tonne silver and 0.30 per cent copper, respectively (Assessment Report 3415, assay certificates).

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

PEN 5 showing (Polymetallic veins Ag-Pb-Zn+/-Au: Au skarn)
MINFILE 092HNE300
One kilometre east

The occurrence is hosted in a small elongate stock of granodiorite, near its eastern margin. This north-trending stock is 1.8 kilometres long and intrudes andesitic ash and lapilli tuff of the Upper Triassic Whistle Creek Formation (Nicola Group). The stock may be related to the Early Jurassic Pennask batholith, which surrounds the Nicola Group volcanics and sediments comprising this roof pendant.

PEN 8 showing (Cu skarn, Au skarn)
MINFILE 092HNE301
One kilometre east

The showing occurs in tuffaceous siltstone and argillite of the Upper Triassic Whistle Creek Formation (Nicola Group), at the south end of a small north-trending stock of granodiorite, 1.8 kilometres long. This stock may be related to the Early Jurassic Pennask batholith, which surrounds the Nicola Group volcanics and sediments comprising this roof pendant.

PEN 9 showing (Polymetallic veins Ag-Pb-Zn+/-Au: Au skarn)
MINFILE 092HNE302
Four kilometres east

Narrow quartz veins cut black argillite of the Upper Triassic Stemwinder Mountain Formation (Nicola Group). Dark-grey to black limestone is locally interbedded with the argillite.

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
Five kilometres northwest

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

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

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

GEOLOGY: PROPERTY

As indicated by the BC government supported MapPlace geological maps, the Toni 1040063 Claim Group is predominantly underlain by a localized capping of Eocene volcanic rocks which cap a succession of Upper Triassic Nicola Group sedimentary rocks which in turn cap Nicola Group volcanic rocks. In the northern and western fringes of the Property the aforementioned rocks are all in a partial contact with the Late Triassic to Early Jurassic Pennask granodioritic.

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 1040063 Claim Group.

Mineralization: Property Area *(cont'd)*

MARN 16 showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE043
Three kilometres east

The granodiorite is cut by fractures and quartz± orthoclase veins, 1 to 2 centimetres wide, containing blebs and plates of molybdenite and blebs of chalcopyrite and pyrite. Minor chalcopyrite occurs along chlorite± pyrite and epidote± pyrite fractures and stringers. The mineralized veins and fractures are widely spaced and have various attitudes. A bulk sample of mineralized granodiorite assayed 0.088 per cent molybdenum and 0.045 per cent copper (Assessment Report 875, part 2, page 9).

This mineralization is exposed over a distance of 45 metres along the southeast-striking granodiorite-siltstone contact, usually within tens of metres of the contact. Traces of chalcopyrite are also found within the siltstone. Diamond drilling intersected traces of chalcopyrite and molybdenite in three holes spaced over a distance of 150 metres.

BRENDA past producer (Porphyry Cu +/- Mo +/- Au)
MINFILE 092HNE047
Eight 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).

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

The mineralization is restricted to the volcanics. It is exposed in 3 adits and at least 8 trenches, and is marked by alteration, mainly epidotization, silicification, carbonatization, moderate chloritization and local pyritization.

Chalcopyrite is the only copper mineral: it is disseminated, or concentrated in quartz and calcite veins and veinlets between 0.3 and 30 centimetres thick, usually about 8 centimetres thick. Pyrite, pyrrhotite and rare specular hematite are also present in the veins. Locally oxidation has produced abundant malachite, azurite and limonite.

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

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).

Pyrite, pyrrhotite, chalcopyrite and arsenopyrite are disseminated sporadically in the tuffaceous rocks and argillite, up to about 1 per cent, and also occur in fractures (Assessment Reports 11241, 16008).

Mineralization: Property Area *(cont'd)*

HN-WEN *prospect (cont'd)*

Native gold is associated with the sulphides in narrow quartz-filled fractures in these rocks (Assessment Report 16008). Minor malachite occurs in volcanics.

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

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.

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.

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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.

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.

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

Reserve calculations by the company and consultant Roscoe Postle gave the following results (Explore B.C. Program 95/96 - A38):

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

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

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

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

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

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

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

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

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

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

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

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

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

Mineralization: Property Area *(cont'd)*

Elk *past producer (cont'd)*

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
Eight kilometres west

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).

SNOW showing (Porphyry Cu +/- Mo +/- Au; Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE292
Ten kilometres west-northwest

A sample of drill core from 28.0 metres depth contained fine-grained magnetite accompanied by fine-grained chalcocite or bornite along the margins of a zeolite vein. Copper mineralization also occurs along fractures and as disseminations in the granite. Two assays of a grab sample taken in the vicinity of the drillhole yielded less than 0.3 gram per tonne gold, 3.1 grams per tonne silver and 0.54 per cent copper, and 0.45 gram per tonne gold, 3.1 grams per tonne silver and 0.30 per cent copper, respectively (Assessment Report 3415, assay certificates).

PEN 5 showing (Polymetallic veins Ag-Pb-Zn+/-Au: Au skarn)
MINFILE 092HNE300
One kilometre east

Selected grab samples of sericite and chlorite-altered granodiorite, with clots and stringers of arsenopyrite, sphalerite and pyrite, assayed 1.6 grams per tonne gold and 5.0 grams per tonne silver (Assessment Report 22304, page 17, Table 2, sample PEN91-R8).

Mineralization: Property Area *(cont'd)*

Pen 5 *showing (cont'd)*

The volcanics near the granodiorite contact contain small massive sulphide pods in skarn and quartz-arsenopyrite veins. Selected grab samples of angular quartz vein float fragments up to 4 centimetres wide, with sparse to abundant arsenopyrite, yielded 3.77 grams per tonne gold and 3.2 grams per tonne silver (Assessment Report 22304, page 17, Table 2, sample PEN91-R9).

PEN 8 showing (Cu skarn, Au skarn)
MINFILE 092HNE301
One kilometre east

The siltstone and argillite are hornfelsed and intercalated with calc-silicate and quartz-garnet bands. The bands are mineralized with disseminated pyrrhotite, arsenopyrite, chalcopyrite and sphalerite (?). Selected grab samples of outcrop and talus analysed 0.0075 gram per tonne gold and 1.0 gram per tonne silver (Assessment Report 22304, page 18, Table 2, sample PEN91-R19).

PEN 9 showing (Polymetallic veins Ag-Pb-Zn+/-Au: Au skarn)
MINFILE 092HNE302
Four kilometres east

Grab samples of quartz veins containing scattered grains of pyrite and galena have assayed up to 4.92 grams per tonne gold and 31.2 grams per tonne silver (Assessment Report 22304, page 11).

WAVE 1 anomaly (Polymetallic veins Ag-Pb-Zn+/-Au)
MINFILE 092HNE311
Five kilometres northwest

Locally, mineralized quartz vein float was found and contain disseminated pyrite and limonite with occasional specks of chalcopyrite, galena or sphalerite.

Between 1986 and 1995, Fairfield Minerals conducted exploration, including a program of wide-spaced grid soil sampling. 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). Recently, the area has been explored by Sookochoff Consultants as a part of the Toni property.

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

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).

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

STRUCTURAL ANALYSIS

a) Purpose

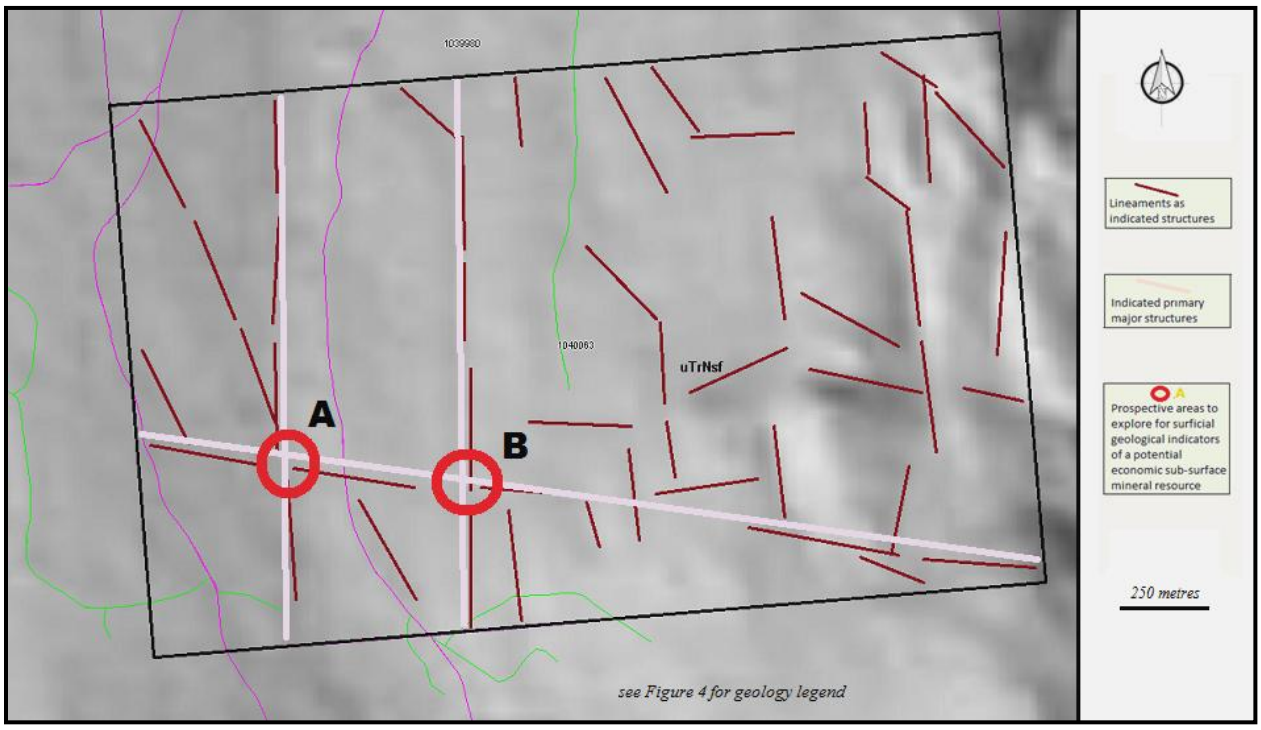
The purpose of the structural analysis was to delineate any area of major fault intersections which location could be the centre of maximum brecciation and be depth intensive to provide the most favourable feeder zone to any convective hydrothermal fluids sourced from a potentially mineral laden reservoir. The fluid constituents and/or the indications thereof could 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.

These surficial indications such as prime minerals, indicator minerals, or alteration patterns, may be an indication of a masked mineral resource. Thus, a cross-structural location would be the prime area to initially prospect for the surficial indicators which may be revealed as pathfinder minerals, minerals and/or alteration products that would be subject to interpretation as economic mineral indicators.

b) Method

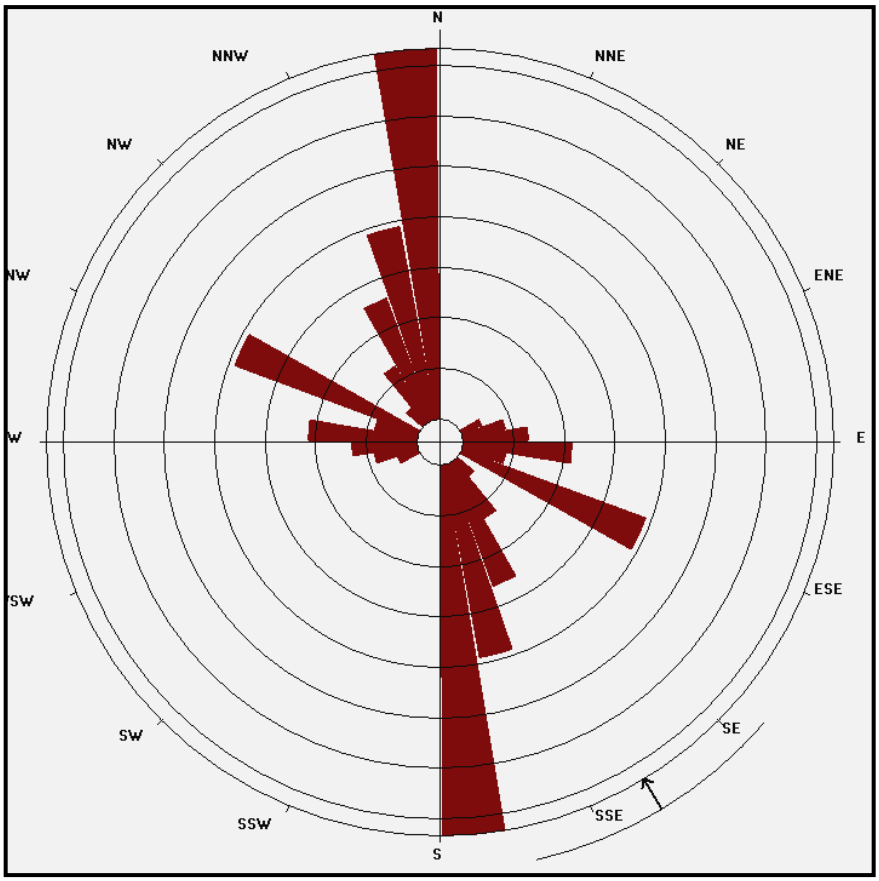
The structural analysis was performed on a MapPlace hillside shade map of Tenure 1040063 by viewing of the map and marking the lineaments, or indicated structures, thereon. A total of 58 lineaments were marked as shown on Figure 5. The lineaments were compiled into a 10 degree class interval and plotted as a rose diagram as shown on Figure 6. The indicated primary structural trend was then plotted on the lineament map with the general trend influenced by the predominant lineaments as shown by the Rose Diagram.

Figure 5. **Lineaments as Indicated Structures on Tenure 1040063**



Structural Analysis *(cont'd)*

Figure 6. **Rose Diagram from indicated structures on Tenure 1040063**



STATISTICS

Axial (non-polar) data
No. of Data = 58
Sector angle = 10°
Scale: tick interval = 4% [2.3 data]
Maximum = 29.3% [17 data]
Mean Resultant dir'n = 149-329
[Approx. 95% Confidence interval = ±18.1°]
(valid only for unimodal data)

_____

Mean Resultant dir'n = 148.9 - 328.9
Circ.Median = 001.0 - 181.0
Circ.Mean Dev.about median = 38.0°
Circ. Variance = 0.19
Circular Std.Dev. = 37.60°
Circ. Dispersion = 1.46
Circ.Std Error = 0.1584
Circ.Skewness = 5.60
Circ.Kurtosis = -12.57

kappa = 0.93
(von Mises concentration param. estimate)

Resultant length = 24.51
Mean Resultant length = 0.4226

'Mean' Moments: Cbar = 0.1964; Sbar = -0.3741
'Full' trig. sums: SumCos = 11.3938; Sbar = -21.6986
Mean resultant of doubled angles = 0.4802
Mean direction of doubled angles = 166

(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 on Google Earth**
(Base map from MapPlace & Google Earth)

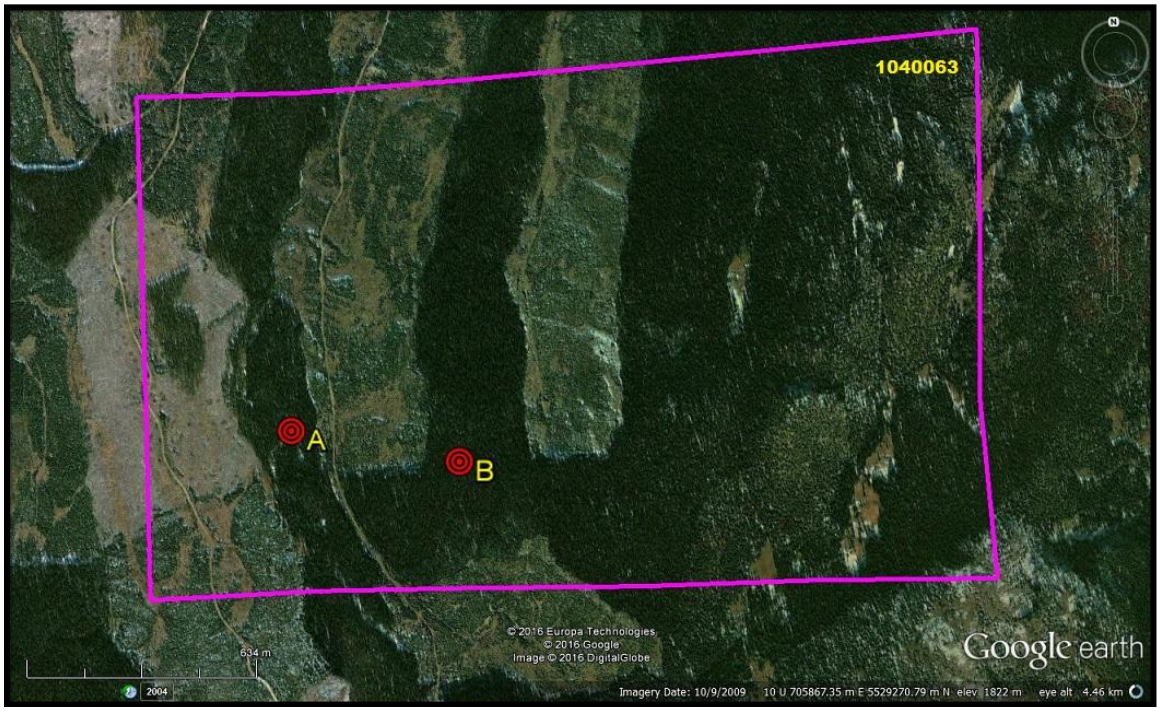


Table II. **Approximate location of cross-structures**
(UTM 10NAD 83)

Cross-Structure	UTM East	UTM North	Elevation *(metres)*
A	705,059	5,529,067	1,711
B	705,533	5,528,985	1,765

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.

c) Survey Procedure

From an initial grid station at 5529175N 704700E two additional base-line station was established southerly at 100 metre intervals located at 5529075N and 5528975N. Magnetometer readings were taken at 25 metre intervals along each of the three grid lines from 704700E to 705300E. The grid line stations were located with a GPS instrument. Line kilometres of magnetometer survey completed was 1.8. The field data is reported herein in Appendix I.

Magnetometer Survey *(cont'd)*

Figure 8. **Magnetometer Survey Grid Index Map**

(Base map from Google Earth)

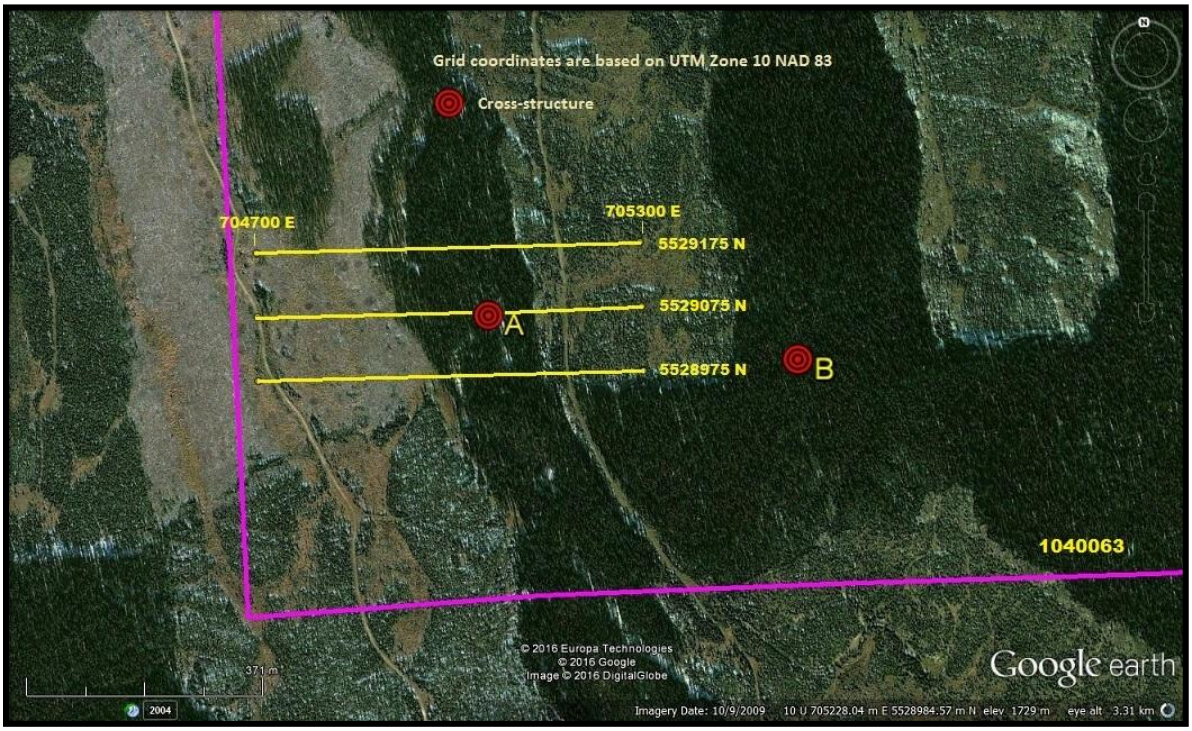
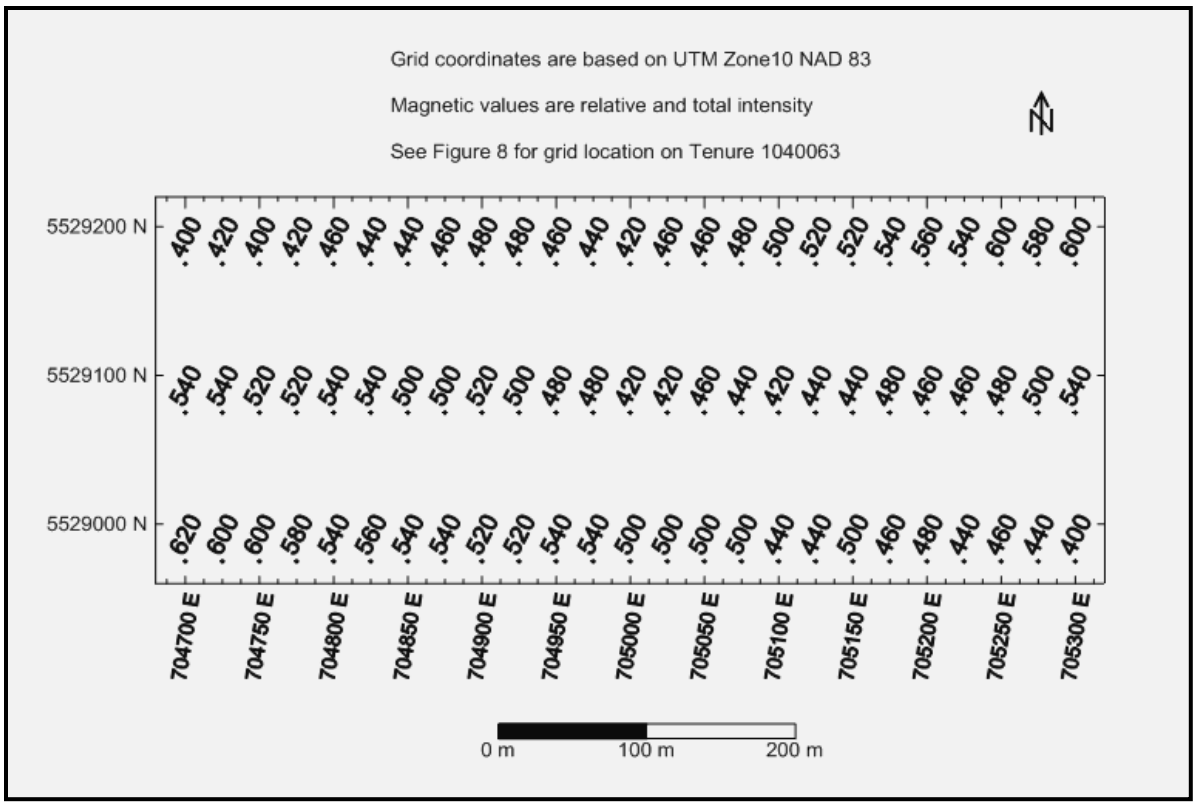


Figure 9 .**Magnetometer Survey Data**



Magnetometer Survey *(cont'd)*

d) Data Reduction

The field results were initially input to an Exel spreadsheet whereupon a Surfer 31 program was utilized to create the maps exemplified herein as Figures 9, 10, & 11.

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

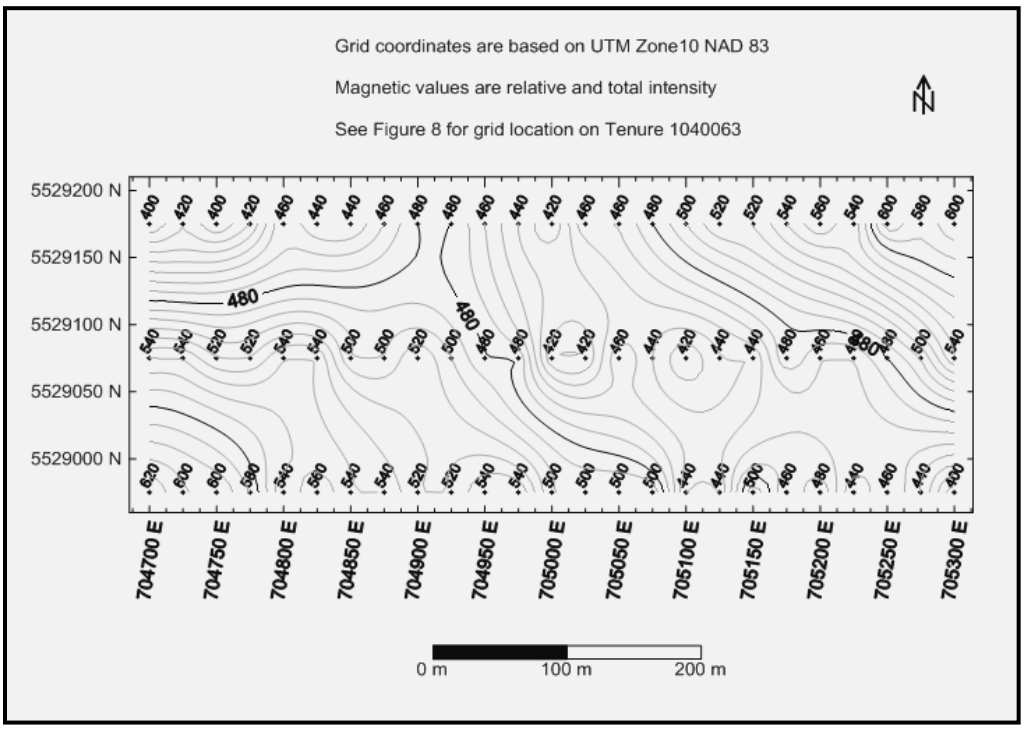
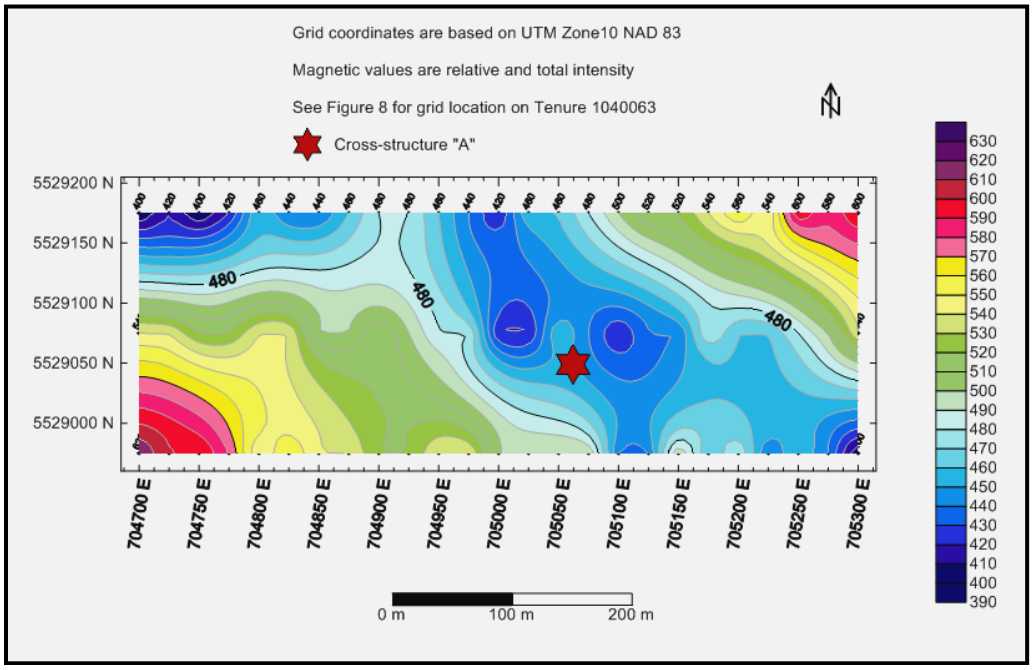


Figure 11. **Magnetometer Survey Data Coloured Contour Map**



e) Results

The localized magnetometer survey which covered Nicola Group sedimentary rocks capping Nicola Group volcanics, indicated a 150 metre open-ended wide general magnetic low ("mag LO") trending 700 metres north-northwesterly from the southwest corner to the northeast corner of the surveyed area. Within the central portion of the general mag LO are two adjacent 25 to 50 metre wide, 75 metre long, north-south trending, sub-anomalous to anomalous mag LO's; one is open to the north and one open to the south. Two localized, open-ended, anomalous mag LO's also occur within the general mag LO; one at the northwest corner and one at the southeast corner of the survey area.

Localized sub-anomalous magnetometer HI's are indicated to flank the general mag LO at the northeast corner and at the southwest corner of the survey area.

Cross-structure "A" is located between the two central sub-anomalous to anomalous mag LO's.

INTERPRETATION and CONCLUSIONS

The two cross-structures delineated on Tenure 1040063 should be the centre of intense brecciation where, during several stages of time, a breccia pipe with associated peripheral fractures, may have developed. This highly fractured zone may have tapped a hydrothermal source which could have provided vein material to heal the fractures. If the hydrothermal fluids were mineral bearing, the grade of mineralization would be a function of vein thickness and density, and the mineralogy of the filling material.

This structural/mineral relationship was shown at the Brenda copper-molybdenum deposit (*MINFILE 092HNE047)* which is within the "Brenda stock", a composite quartz diorite/granodiorite body which forms part of the Pennask batholith. The Brenda stock was intensely fractured during several stages of time and tapped a hydrothermal source. As each stage of fractures developed, hydrothermal fluids introduced vein material which healed the fractures. where mineralization decreased outwardly from the most intensely fractured/mineralized rock and the centre of the main mineral zone.

In the interpretation of the magnetometer survey results, it is assumed that the relative magnetometer values were predominantly derived from the Nicola volcanics, and that the magnetometer low (mag LO) values are attributed to an altered structural zone. Based on this premise, the 150 metre wide open-ended general magnetic low ("mag LO") trending 700 metres west-northwesterly from the southeast corner to the northwest corner of the surveyed area, could be attributed to a dynamic or hydrothermally altered zone correlative with the west-northwesterly trending structure (Figure 5). Cross-structure "A" is generally located within this general zone and between the two sub-anomalous to anomalous mag LO's which could also reflect a hydrothermally altered zone associated with the northerly trending structure of cross-structure "A".

Thus, the cross-structure location “A” as indicated on Figures 5 & 7 with the approximate location reported in Table II, would be a prime location 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 to follow-up exploration.

If upon a general exploration of the cross-structural area, breccia zones, alteration zones, or any other geological indication related to a mineral resource are determined, the area would warrant a comprehensive exploration program which should include an induced potential survey to test the depth potential for the increasing mineral resource indicators.

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, PEng

SELECTED REFERENCES

Gold Mountain Mining Corporation – 2012 Corporate Presentation

Guilbert, J.M., Park Jr., C.F. - The Geology of Ore Deposits. Waveland Press, Inc. 2007.

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.

kisgeo.com/SC09.htm – PROFESSIONAL DEVELOPMENT COURSE "Epithermal and Porphyry Ore Deposits- Field Aspects for Exploration Geologists-with Field visits" With Dr. Greg Corbett. Biga Peninsula, Turkey. March 11 to March 14, 2014.

MapPlace – Map Data downloads

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

MtOnline - MINFILE downloads.

092HNE043 – MARN 16
092HNE047 – BRENDA
092HNE058 – HN-WEN
092HNE096 – ELK
092HNE275 – BREW
092HNE292 – SNOW
092HNE300 – PEN 5
092HNE301 – PEN 8
092HNE302 – PEN 9
092HNE311 – WAVE 1
092HNE312 – WAVE 2

Pareta, K., Pareta, U. – Geomorphological Interpretation Through Satellite Imagery & DEM Data. American Journal of Geophysics, Geochemistry and Geosystems. Vol 1, No. 2 , pp19-36.

Solgold.plc: www.solgold.com.au – Characteristics of Porphyry Copper Deposits.

Sookochoff, L. – Structural Analysis on Tenure 966089 of the eight Claim Toni 966089 Claim Group of the Toni Property for Victory Resources Corporation. August 31, 2013. AR 34,170.

Sookochoff, L. – Structural Analysis on Tenure 966069 of the 11 Claim Toni 966069 Claim Group of the Toni Property for Victory Resources Corporation. September 5, 2013. AR 34,420.

Sookochoff, L. – Structural Analysis on Tenure 965989 of the five Claim 965989 Claim Group of the Toni Property for Victory Resources Corporation. December 10, 2014. AR 34,043.

Sookochoff, L. – Geological & Geophysical Assessment Report on Tenure 966009 of the seven Claim Toni 966009 Claim Group of the Toni Property for Victory Resources Corporation. August 14, 2015. AR 35,501.

STATEMENT OF COSTS

Work on Tenure 1040063 was completed from November 18, 2015 to November 20 2015 to the value as follows:

Structural Analysis	
Laurence Sookochoff, P Eng. 3 days @ $ 1,000.00/day ----------	$ 3,000.00
Magnetometer Survey	
Rick Pearson & Ross Heyer	
November 19-20, 2015	
Four man days @ $300.00 per day ----------	1,200.00
Truck rental, mag rental, kilometre charge, fuel, room & board, ----------	1,286.70
	$ 5,486.70
Maps ----------	750.00
Report ----------	3,500.00
	$ 9,736.70
	======

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

			E 5579429 T 1040063					
East	North	Mag	East	North	Mag	East	North	Mag
704700	5528975	620	704700	5529075	540	704700	5529175	400
704725	5528975	600	704725	5529075	540	704725	5529175	420
704750	5528975	600	704750	5529075	520	704750	5529175	400
704775	5528975	580	704775	5529075	520	704775	5529175	420
704800	5528975	540	704800	5529075	540	704800	5529175	460
704825	5528975	560	704825	5529075	540	704825	5529175	440
704850	5528975	540	704850	5529075	500	704850	5529175	440
704875	5528975	540	704875	5529075	500	704875	5529175	460
704900	5528975	520	704900	5529075	520	704900	5529175	480
704925	5528975	520	704925	5529075	500	704925	5529175	480
704950	5528975	540	704950	5529075	480	704950	5529175	460
704975	5528975	540	704975	5529075	480	704975	5529175	440
705000	5528975	500	705000	5529075	420	705000	5529175	420
705025	5528975	500	705025	5529075	420	705025	5529175	460
705050	5528975	500	705050	5529075	460	705050	5529175	460
705075	5528975	500	705075	5529075	440	705075	5529175	480
705100	5528975	440	705100	5529075	420	705100	5529175	500
705125	5528975	440	705125	5529075	440	705125	5529175	520
705150	5528975	500	705150	5529075	440	705150	5529175	520
705175	5528975	460	705175	5529075	480	705175	5529175	540
705200	5528975	480	705200	5529075	460	705200	5529175	560
705225	5528975	440	705225	5529075	460	705225	5529175	540
705250	5528975	460	705250	5529075	480	705250	5529175	600
705275	5528975	440	705275	5529075	500	705275	5529175	580
705300	5528975	400	705300	5529075	540	705300	5529175	600