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Ministry of Energy and Mines
BC Geological Survey

Assessment Report
Title Page and Summary

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

TOTAL COST: $44990.96

AUTHOR(S): Douglas Anderson **SIGNATURE(S):**

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S): N/A **YEAR OF WORK:** 2015

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 5592584 - February 27,2016

PROPERTY NAME: Silver Fox

CLAIM NAME(S) (on which the work was done): 83948,519048,519022,1030811,1030887,1030691,1030773,1030765,1030770,103076
103771,1030772,835995,835425,835426,836270,836269,836272,1030834,1030810,1037431

COMMODITIES SOUGHT: Copper-Silver

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 082GSW058

MINING DIVISION: Fort Steele **NTS/BCGS:** 082G/4 (1:50000)

LATITUDE: 49 ° 09 '00 " **LONGITUDE:** 115 ° 39 '00 " **(at centre of work)**

OWNER(S):
1) D.E. Lavoie 2)
S. Kennedy

MAILING ADDRESS:
2290 DeWolfe Ave.
Kimberley, B.C. V1A 1P5

OPERATOR(S) [who paid for the work]:
1) Kootenay Silver Inc. 2)

MAILING ADDRESS:
Suite 1820-1055 W.Hastings St. Vancouver B.C. V6E 2E9

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Middle Proterozoic age Creston Formation rocks of the Purcell Supergroup. Focus is on the middle of the Creston Formation - C2
or middle Creston is the rough equivalent to the Revett Formation of northwestern Montana. Focus is on more quartzitic-rich
sections of the C2. There is strong evidence for synsedimentary faulting which may control the weak copper mineralization
recognized thus far.

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: Assessment reports: 35377;35034;34965;3463

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	Geological mapping at 1:10000 scale	Listed above	$44990.96
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for...)			
Soil			
Silt			
Rock			
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY / PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other			
		TOTAL COST:	$44990.96

Assessment Report for Geological Mapping

Silver Fox Property

Southeastern British Columbia

NTS Mapsheet 082G/4
BCGS Map Sheets 082G022,023,032,033

Fort Steele Mining Division

Year of Work – 2015

UTMs near centre 596000E 5448000N

Latitude near centre 49.2°

Longitude 115.7°

Claim Owners:
Craig Kennedy
2290 Dewolfe Ave.
Kimberley, B.C. V1A 1P5

Operator:
Kootenay Silver Inc.
1820 – 1055 W. Hastings Street
Vancouver, B.C. V6E 2E9

Report by:
Douglas Anderson, P.Eng.
100-2100 13th Street South,
Cranbrook, B.C.
V1C 7J5

TABLE OF CONTENTS

Geological Mapping of the Silver Fox Property

1.0 Introduction

The Silver Fox Property North is a portion of the original claim block mapped in 2011, 2012 and less so in 2013. The original claims were a large block encompassing 20,741 hectares in southeastern British Columbia extending north from the United States border up to an area east of Moyie Lake. The property was designed to cover stratabound copper mineralization similar to that found at several properties in Montana. In 2013 the claim block was reduced in area, maintaining the north area which covers previously known mineralization recognized at the Silver Pipe and KRL showings but also new discoveries at Jake Hill. The property ties in with the St. Eugene and Society Girl mines which are all part of a northwest-trending structural block in which the structures have acted as feeder zones for lead-zinc-silver and copper mineralization with associated alteration.

This report deals with geological mapping done at a scale of 1:10000 which was intended to detail part of the north-central portion of the property previously done at 1:20000 scale.

All geological work from 2011 on has been designed to follow up on positive results from prospecting and rock sampling (Kennedy, 2010, 2011, and 2012), and stream silt sampling (Jackaman, 2012). There are two types of targets on the property including Pb-Zn-Ag cross-cutting zones such as at St. Eugene or possibly of the Coeur d'Alene style and stratabound, sediment-hosted Cu-Ag of the Spar Lake variety.

2.0 Claims

The Silver Fox claim block is a contiguous set of claims from Upper Ward Creek through Haller Creek, north across the Teepee Creek drainage up onto the divide before dropping west towards Moyie Lake.

There are a total of 39 mineral tenures which comprise the Silver Fox and the area around the St. Eugene Mine. They are listed in the Tables below. The claims are registered to R.D. Craig Kennedy. The exploration work over the last three years has been funded by Kootenay Silver Inc.

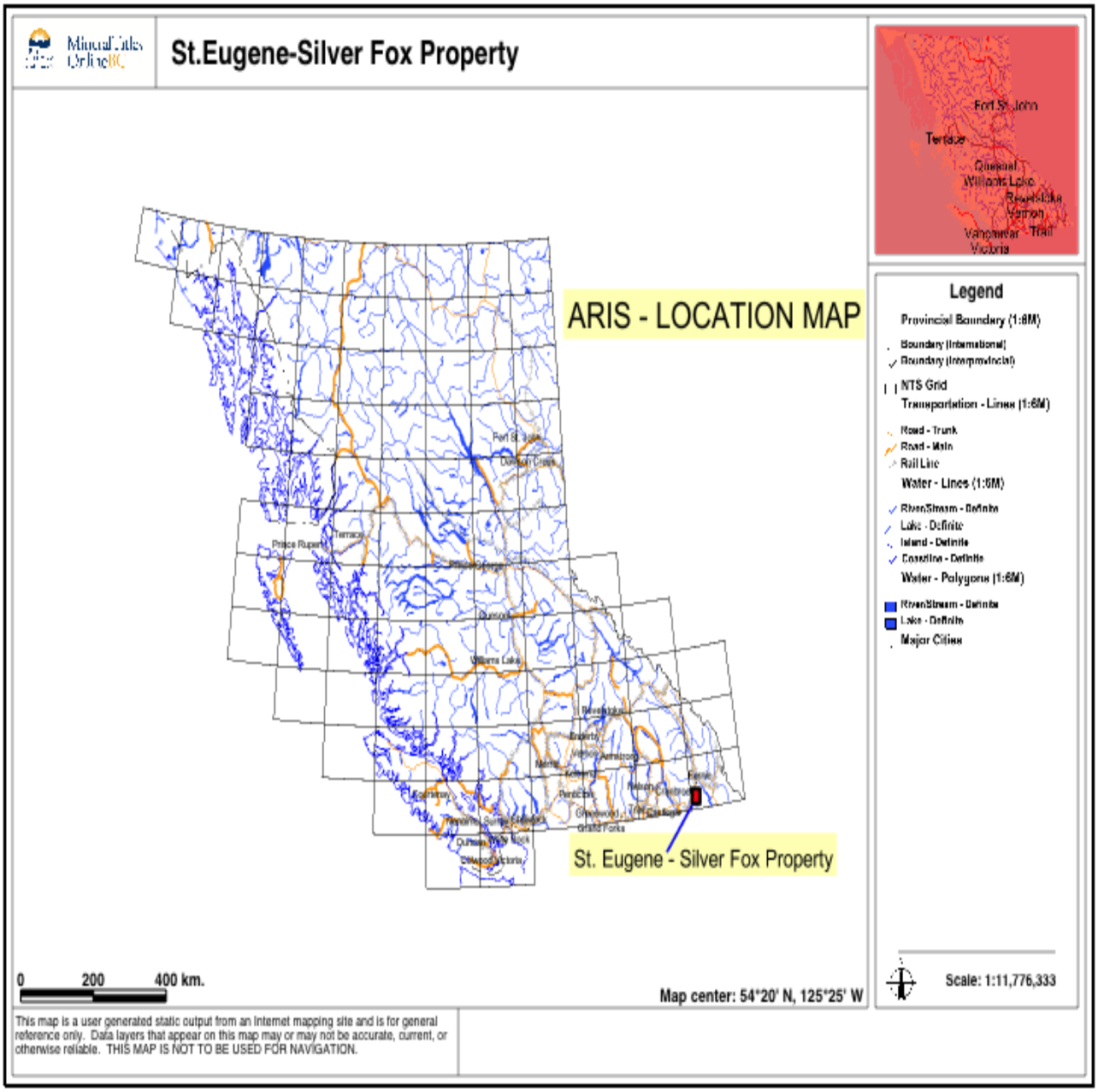
The claim block was extended south to the border again in 2015. The claim now totals 15915 hectares over a distance of about 35 kilometers.

3.0 Location and Access

As described above, the claim block covers a total southeast to northwest distance of about 30 kilometres from Upper Ward Creek to Teepee Creek then over the divide down into the Moyie Lake area around the St. Eugene Mine. The area is principally subdued, rounded mountains ranging from 900 metres at Moyie Lake to 2400 metres at the summit of Yahk Mountain. Extensively

forested, the region has been logged throughout with the creation of road access. Access is excellent because of the widespread logging activity over the last three decades. The network of roads are accessed mainly through Glencairn and Sunrise Creek roads from the west and the Teepee Creek, Haller, and Caven Creek roads from the east.

Figure 1 - Location Map for Silver Fox



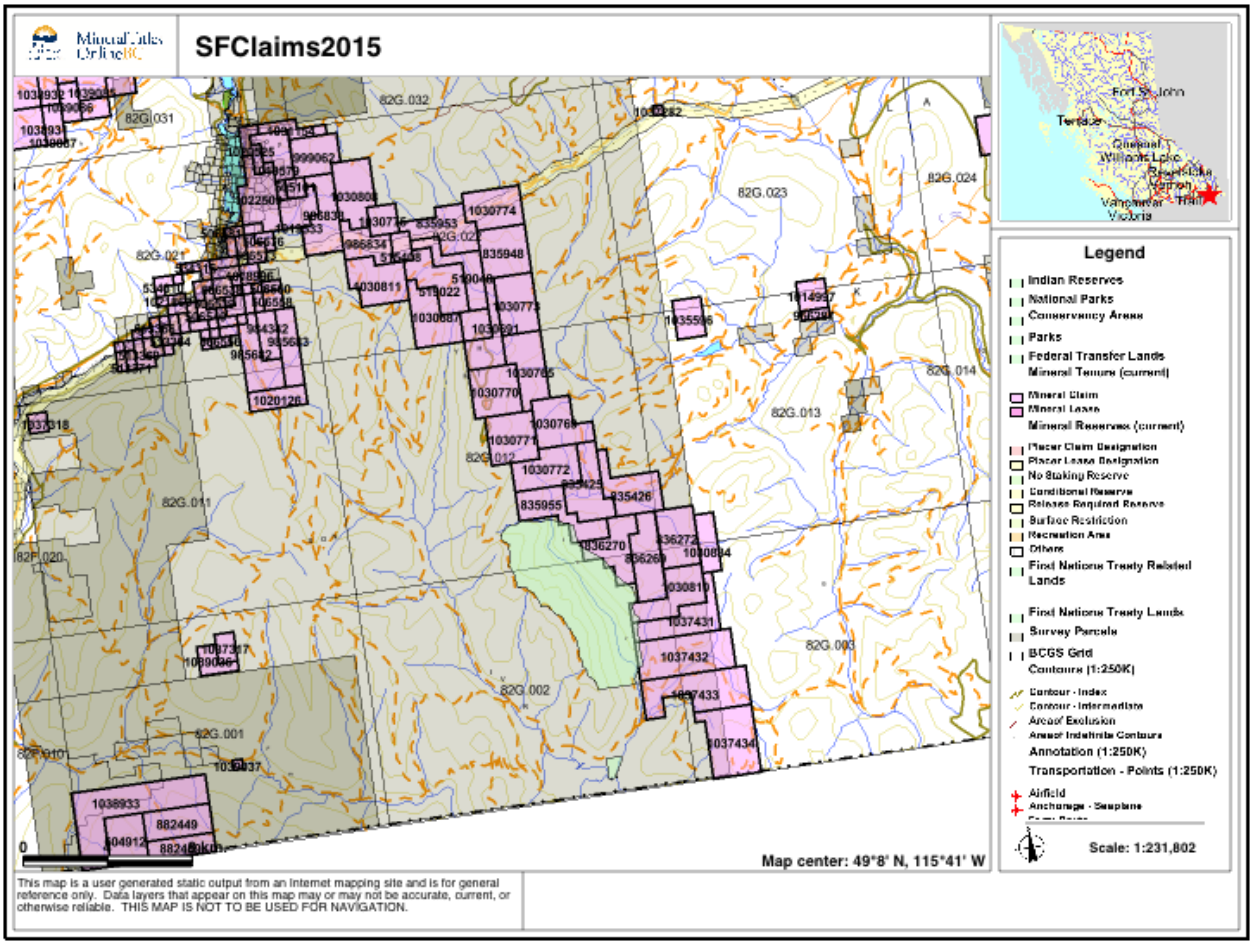


Figure 2 – Silver Fox Claim Map

4.0 History of Exploration for the Area

For the Silver Fox north area of 2013, considerable exploration has been done in the vicinity of the Silver Pipe showing, northwest towards Moyie Lake and southeastward across Teepee Creek towards the KRL (Sara) vein. The Silver Pipe (Pipeline showing) was originally staked following construction of the gas pipeline in the mid to late 1960s. The property, originally called the Dirk property, was later renamed the Teepee property and comprised the Erdaco and Dirk claims. These were optioned to Mercury Exploration in 1969 who conducted some geological mapping, a ground magnetometer survey and trenching which defined the Gossan vein system with widths up to 5 meters and a strike length of approximately 400 meters (*see* summary in Yeager and Ikona, 1983). Yeager and Ikona (*op. cit.*) also note an EM survey done by Cominco in 1971 (J. Hamilton, internal Cominco Report, 1971).

The claims were allowed to lapse and subsequently restaked in 1980, then vended to R.G. Gifford who in turn vended them to Gulf International Ltd. Work by Pamican Development Ltd for Gulf International included a soil geochemical program, trenching,

geological mapping and sampling (Yeager and Ikona, 1983). A geological map included in this 1983 report shows the location of 1982 diamond drill holes, although no reference is made to them in the text. The collars, with casing, are still visible but no core.

Kokanee Exploration staked claims in the northern part of the Silver Pipe area in the late 1980s and conducted some reconnaissance geochemical and geological mapping (*see* summary in Stephenson, 1999). Prospecting by C. Kennedy in 1989 discovered the Jake showing south of Teepee Creek. Stephenson (1999) and Pighin (2009) both report that Auckland Resources drilled 7 holes totaling 307.7 metres in the area of the KRL property and intersected "low-grade silver base metal mineralization associated with gabbro dykes". However, as noted by Pighin (2009), the exact locations of these holes are not known.

The Erin claims were staked by L. Stephenson in 1992 to locate and evaluate the projected trend of the Pipeline showing and soil sampling, mapping and prospecting were subsequently carried out (Stephenson, 1999a). Considerable more work was done by Stephenson in the mid to late 1990s on the Erin and Dek claims; the Dek claims, staked in 1997 covered both the KRL and Silver Pipe veins. This work included geological mapping, additional prospecting and ground VLF and magnetometer surveys (*see* Stephenson, 1999a, 1999b).

D. Lavoie and S. Kennedy staked the area around the Jake and Silver Pipe veins in 2005 and optioned them to Grandeur Resources Ltd. who conducted a program of prospecting and rock and soil geochemistry, mainly in the vicinity of the KRL (renamed Sara) showings (Kennedy, 2005; 2006; 2008). Many of the collected rock samples were float but returned high values in lead (>10,000 ppm), zinc (up to 4903 ppm, silver (>100 ppm) and gold (up to 4226 ppb). Detailed mapping by Pighin (2009) in the vicinity of the Sara vein differentiated the Creston Formation, outlined areas of intense alteration, defined structural controls and better defined and delineated the Sara vein.

A regional exploration and prospecting program, carried out mainly by Craig and Sean Kennedy for Kootenay Gold, recognized extensive alteration in the Creston Formation that locally extended south to the United States border. Further prospecting and reconnaissance mapping, with discovery of stratabound copper mineralization, led to comparisons with stratabound copper-silver mineralization in northern Montana and subsequently a large tract of land, the Silver Fox property, was staked.

Work during the 2011 field season included a reconnaissance silt geochemical program (Jackaman, 2012), additional prospecting (Kennedy, 2012) and geological mapping (Hoy et al, 2012). Mapping at 1:20000 scale started at the south end of the property and continued north in 2012 (Anderson2012, 2013).

The St. Eugene portion of the claim block has a long and varied history. Mining of the vein system was earliest from the late 1890's through to 1916. Production totalled 1.47 million tonnes of about 7.7% Pb, 124 g/tonne Ag, 1% Zn (very low recovery), and 0.05 g/tonne Au. Small tonnages were extracted from extensions on the west side of the lake (Aurora and Guindon) and to southeast at the Society Girl. The operators of the day did exploration underground and later in the 1930's, 1940's, and 1960's more mapping and drilling was done but records are poor to non-existent.

The St. Eugene Vein System is comprised of several cross-cutting veins which transect the upper part of the Middle Aldridge, becoming less pronounced up into the Upper Aldridge. The northwest-striking, steeply south dipping veins extend from the Aurora/Guindon on the west side of the lower Moyie Lake southeast about 5 kilometres, over a vertical range of at least 1200 metres. It is primarily a lead-zinc-silver system with a variety of trace elements including copper, gold, arsenic, antimony, and mercury. The mine produced primarily lead and silver with the sphalerite discarded for most of the production history. Most of the tonnage was contained within the north and south veins, particularly where the south vein converged on the north vein and cross structures (linking shears) yielded significant production as well. The best developed veins and mineralization were confined to two intervals of quartzite-dominated stratigraphy designated the Lakeshore and Moyie zones.

Early exploration at the St. Eugene is generally described but specific results are lacking. During mining, levels were extended and a few holes drilled from surface. Later in the 1930's and 1940's several reviews were conducted of the property and some dewatering of workings took place. During the late 1940's mapping was conducted and a magnetometer survey completed. In 1964 and 1965 exploration consisting of mapping, soil geochem, trenching on the upper St. Eugene area and across the lake at the Aurora. Two drill holes were done on the upper St. Eugene Baltimore claim. During the 1960's Cominco Ltd. drilled three deeper holes along the east shore of the lower lake apparently to test the ground south of the St. Eugene for parallel veins but also to try to intersect the St. Eugene system at depth which was not accomplished.

In 1988, after completion of the d-8-c well hole by Duncan Oil and Gas at the south end of the lower Moyie Lake, the cuttings from 3 metre intervals were sampled and analyzed. This identified some anomalous Pb-Zn intervals and a deeper anomalous copper zone. In 1990, a UTEM geophysics survey was completed over the St. Eugene mine area. Also in 1990, Noranda completed a one year program of mapping and soil geochem on the Beach property, 4 kilometres to the north, in response to anomalous copper in an RGS sample. In 1992, Cominco Ltd. did some soil sampling on the Cherry claims just to the south, again in response to a positive RGS sample, in this instance for lead,zinc, and silver. In 2005, St. Eugene Mining Corp. launched a four year program including: EM on the ground; an airborne EM and Mag in 2006; diamond drilling on the Society Girl area and across at the Aurora in 2007; and diamond drilling on a structural zone north of the mine in 2008. (see St. Eugene Mining assessment reports)

In 2013 a mapping program was started at 1:10000 scale on the St. Eugene area. This encompassed north to Barkshanty Creek and south to about Sunrise Creek. (Anderson, 2014).

5.00 Regional Geological Setting for the Silver Fox Property

5.10 Stratigraphy

The property lies within the Purcell anticlinorium, a gently north plunging structure that is cored by Paleoproterozoic sedimentary and minor volcanic rocks of the Purcell Supergroup and flanked by unconformably overlying Neoproterozoic clastic and

carbonate rocks of the Windermere Supergroup. These are generally overlain by either Cambrian or Devonian rocks, part of the North American "miogeoclinal" sequence. The Purcell Supergroup, and correlative Belt Supergroup in the United States, comprises a syn-rift succession, the Aldridge Formation, and an overlying, generally shallow water post-rift or rift fill sequence, including the Creston and Kitchener Formations, and younger Purcell rocks (Höy, 1993) (Figures 3, 4).

The exposed part of the Aldridge Formation comprises more than 3000 meters of mainly turbidite deposits and numerous, laterally extensive gabbroic sills referred to as the Moyie intrusions. The gabbroic sills are laterally extensive, typically up to several hundred meters thick and can be traced over hundreds of square kilometers. Locally, particularly in areas of growth faulting, they cut across stratigraphy as dykes. Some of the Moyie sills have contact features that suggest intrusion into wet and partially consolidated sediments (Höy, 1993).

The Creston Formation, host to mineralization on the Silver Fox property, is described in considerable more detail below. It comprises dominantly green, mauve and grey siltstone, argillite and quartzite with numerous structures indicative of shallow-water to subaerial deposition. It conformably overlies upper Aldridge argillite and siltstone and is overlain by carbonate rocks of the Kitchener Formation. The Creston Formation correlates with the Burke, Revett and St. Regis formations of the Ravalli Group in the United States (Harrison, 1972; Winston, 1986) and the Appekunny and Grinnell formations in the southwestern Clark Range (Price, 1964). In the Purcell Mountains, the Creston Formation comprises three main subdivisions: a basal silty succession of thin-bedded grey to green siltstone and argillite, a middle succession of mauve, green and grey, thin to medium bedded siltstone quartzite and quartz arenite, and an upper succession of intermixed green argillaceous siltstone and minor quartz arenite (Hoy, 1993).

The Kitchener Formation is dominantly a carbonate unit between the Creston Formation and overlying siltites of the Van Creek Formation. It correlates with Empire and Helena Formations in western Montana (Winston, 1986) and the middle part of the Siyeh Formation in the Galton and Clark Ranges (Price, 1964). The formation is divisible into two members, a lower green dolomitic siltstone and an upper dark grey, carbonaceous, silty dolomite and limestone (Höy, 1993).

5.2 Structure and Tectonics

The Silver Fox property is within the Foreland Thrust and Fold belt, the most eastern physiographic belt in the Canadian Cordillera (Monger *et al*., 1982). The belt is characterized by shallow, east verging thrust faults and generally broad open folds in rocks that range in age from the middle Proterozoic Purcell Supergroup to Phanerozoic miogeoclinal rocks. The Purcell Supergroup is mainly exposed in a broad, shallow north plunging anticlinal structure, the Purcell anticlinorium in the Purcell Mountains west of the Rocky Mountain trench.

Structures within the Purcell anticlinorium include east verging thrust faults, northeast trending, right lateral reverse faults, and open to tight folds (Höy, 1993). A complex array of normal faults that trend dominantly northward parallel to the Rocky Mountain trench cut the earlier thrust faults and associated faults.

The northeast-trending structures, including the St. Mary and Moyie faults, are within or parallel to a broad structural zone that cuts the Purcell anticlinorium, crosses the Rocky Mountain trench and extends northeastward across the Foreland thrust belt (Kanasewich, 1968). This zone is marked by a conspicuous change in the structural grain, from northerly north of the zone to northwesterly south of the zone, and by pronounced and fundamental changes in the thickness and facies of sedimentary rocks that range in age from Middle Proterozoic to early Paleozoic (Höy, 1993). Furthermore, the zone appears to have focused a variety of deposit and metallotects that range in age from the stratiform middle Proterozoic Sullivan deposit to Paleozoic carbonate replacement base metal deposits to gold and copper mineralization related to Jurassic and Cretaceous magmatism (Höy, 1982). The Silver Fox property lies along the southern edge of this structural zone, south of the east-northeast trending Moyie fault.

Closer in to the St. Eugene, the claims cover the east limb of the north-plunging Moyie Anticline closer to the fold closure. Strata includes the upper Middle Aldridge through Upper Aldridge into Lower Creston and the basal part of the Middle Creston. The anticlinal axis is northerly at the US border, curving to the northeast maintaining a parallelism with the regional Moyie fault. There is evidence of secondary folding of the east limb of the Moyie anticline to the southeast where a broad south-plunging syncline is separated from the main fold by faulting. Additionally, the drainages to the south of the St. Eugene contain abundant outcrop with visual evidence of folding of the Middle Aldridge (not mapped). Folding at the St. Eugene is restricted to small scale, narrow fold zones trending north.

5.30 Depositional Setting of the Creston Formation

A consideration of the depositional setting for the Creston Formation is considered important because of the presence of Sediment-Hosted Copper/Silver deposits in equivalent stratigraphy in western Montana. All current evidence from the ore deposits and numerous occurrences in the Middle Creston-equivalent Revett Formation is that lithology and its distribution are critical factors in the localization of the copper and silver. In an area such as the Silver Fox property with its subdued relief and low percentage of outcrop, it is essential to try to predict the distribution of all lithofacies, particularly quartzites, the expected principal host.

D. Winston (University of Montana), a longtime expert on the clastic rocks of the Belt, including those of the Ravalli Group and the Revett in particular and others familiar with the Creston Formation in B.C., consider the source area to be to the southwest as major alluvial aprons feeding a mixture of fine detritus and sand.

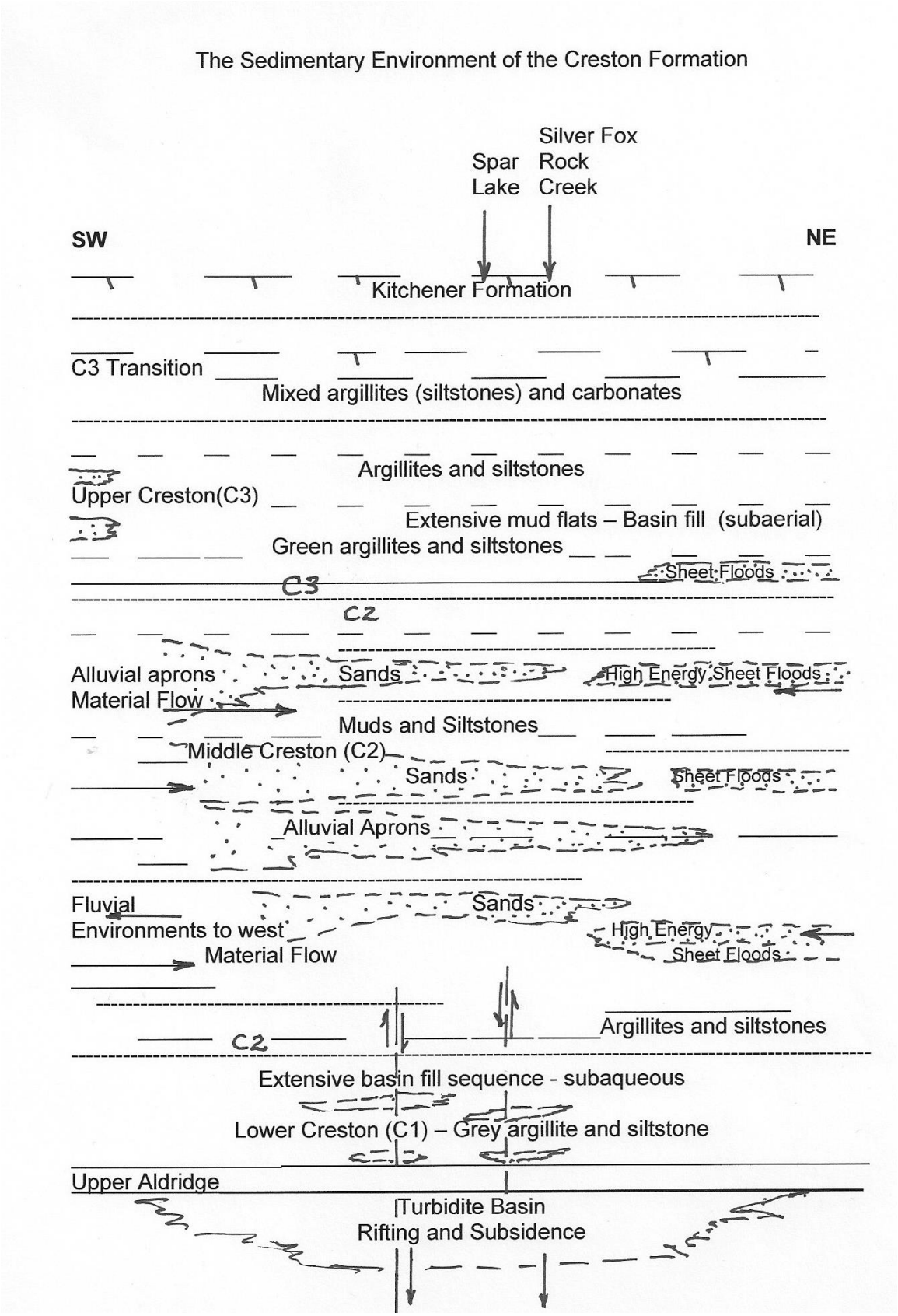

The Sedimentary Environment of the Creston Formation
Silver Fox
Spar Rock
Lake Creek
SW
NE
Kitchener Formation
C3 Transition
Mixed argillites (siltstones) and carbonates
Argillites and siltstones
Upper Creston(C3)
Extensive mud flats – Basin fill (subaerial)
Green argillites and siltstones
Sheet Floods
C3
C2
Alluvial aprons
Material Flow
Sands
High Energy Sheet Floods
Muds and Siltstones
Middle Creston (C2)
Sands
Sheet Floods
Alluvial Aprons
Fluvial
Environments to west
Material Flow
Sands
High Energy
Sheet Floods
C2
Argillites and siltstones
Extensive basin fill sequence - subaqueous
Lower Creston (C1) – Grey argillite and siltstone
Upper Aldridge
Turbidite Basin
Rifting and Subsidence

Figure 3

The change from the muds and silts of the Lower Creston to the frequent vertical and lateral lithofacies changes in the thickened (relative to Montana) 1500 metres of the Middle Creston (C2) suggest tectonism in the source area. The shedding of material out across a broad, shallow basin from an extensive apron may allow for units (packages of similar lithologies) to be extensive but individual beds may be more discontinuous.

The Creston Formation consists of three sub-divisions which have succeeded the Aldridge Formation, a thick sequence of turbidites representing a rift-fill stage. The Upper Aldridge division is a unique sequence (300 metres) of thin-bedded to laminated, pyrrhotitic argillaceous sediments capping the turbidites as the basin filled.

The Lower Creston(C1) continues the basin fill stage. It is dominated by grey to green argillites and siltstones in couplets, thin to medium bedded totaling 800 to 1000 metres in southeastern B.C. Rusty weathering near its base, the sediments become more green up-section with various bedforms with wavy and lenticular bedding, syneresis cracks, cross-bedding, and ripples. All suggest a shallow, generally subaqueous environment with periodic shallowing and infrequent subaerial exposure.

The Middle Creston(C2) is roughly equivalent to the Revett Formation of the U.S. and hosts most of the copper-silver. In southeast B.C., the C2 is 1500 to 1800 metres thick and is dominated by more quartz-rich sediments interbedded with argillites and siltstones. Mapping documents there are at least four main intervals which are consistently quartzites with varying purity levels in each on a bed by bed basis. (Figure 4)

Overall the C2 is higher energy deposits with common cross-bedding, ripples, lenticular bedding, mud-chip breccias, internal lamination, mud-cracks, scattered carbonate present in fine to medium to coarse-grained units. The quartzites of C2 generally contain disseminated magnetite and thus are readily identified on aeromag surveys. Colors range from grey to green to mauve with these changes reflected on a bed by bed basis or by more formational changes indicative of reducing to oxidizing conditions.

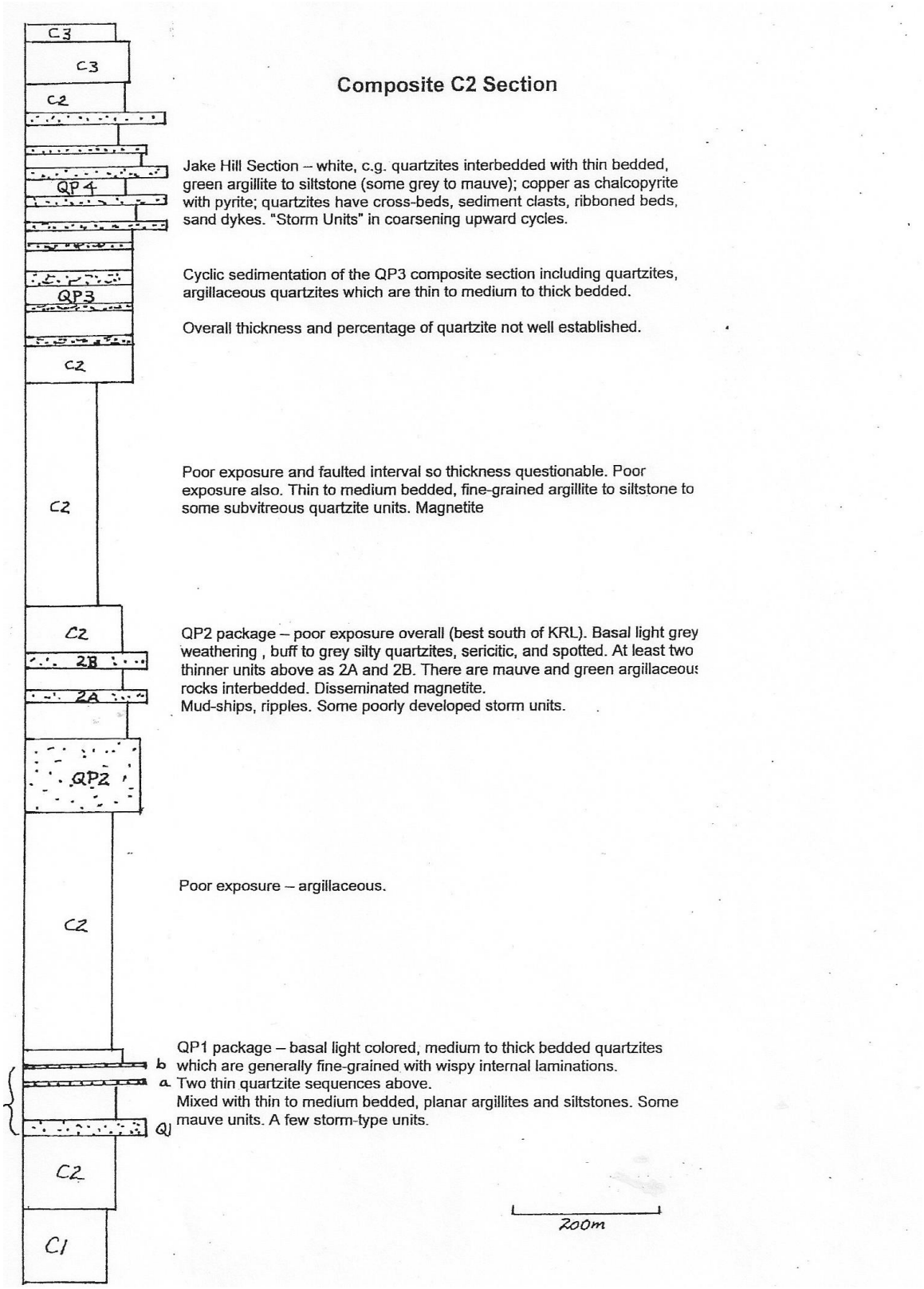

C3
C3
C2
QP4
QP3
C2
C2
C2
2B
2A
QP2
C2
b
a
QJ
C2
C1
Composite C2 Section
Jake Hill Section – white, c.g. quartzites interbedded with thin bedded, green argillite to siltstone (some grey to mauve); copper as chalcopyrite with pyrite; quartzites have cross-beds, sediment clasts, ribboned beds, sand dykes. "Storm Units" in coarsening upward cycles.
Cyclic sedimentation of the QP3 composite section including quartzites, argillaceous quartzites which are thin to medium to thick bedded.
Overall thickness and percentage of quartzite not well established.
Poor exposure and faulted interval so thickness questionable. Poor exposure also. Thin to medium bedded, fine-grained argillite to siltstone to some subvitreous quartzite units. Magnetite
QP2 package – poor exposure overall (best south of KRL). Basal light grey weathering , buff to grey silty quartzites, sericitic, and spotted. At least two thinner units above as 2A and 2B. There are mauve and green argillaceous rocks interbedded. Disseminated magnetite.
Mud-ships, ripples. Some poorly developed storm units.
Poor exposure – argillaceous.
QP1 package – basal light colored, medium to thick bedded quartzites which are generally fine-grained with wispy internal laminations.
Two thin quartzite sequences above.
Mixed with thin to medium bedded, planar argillites and siltstones. Some mauve units. A few storm-type units.
200m
Figure 4

Figure 5 – Formational Redox Front

Difficult to document on the Silver Fox are apparent vertical and lateral lithofacies changes suggestive of alternating depositional conditions. The more argillaceous intervals are thin medium bedded argillites and siltstones with the same color variations. Throughout the Creston but particularly abundant within the C2 are short-lived, higher energy deposits from 0.5 to 3 metres thick. These storm or sheet-flood deposits are undulating, often lenticular argillaceous bedforms at the base becoming even more disrupted with interbedded white sand often containing clasts. The upper part of an individual storm deposit is often capped by white, coarse-grained quartzites of varying thicknesses. At several locales, these quartzites can dominate a section of stratigraphy over several hundred metres such as at Jake Ridge and north of Haller Creek. This is happening as the QP4 (quartzite package) immediately below the C3.

The Upper Creston(C3) in the Silver Fox area is 400 to 500 metres of thin to medium bedded argillaceous to silty sediments representing a basin-wide transgression. They are green to locally mauve in color. Sedimentary structures include mud-cracks, ripples and mud-chip breccias. Up section, the C3 appears as extensive, shallow-water mud flats with increasing carbonate content. Magnetite can be present but generally in lower concentrations. Enigmatic is the presence of iron spotting and cubic pyrite immediately above the C2.

Above the C3 is a section with increasing carbonate content but still interbedded with green, fine-grained argillaceous rocks separated out as the C3 Transition. This unit is

overlain by the carbonate-dominated Kitchener Formation, initially argillites and dolomitic carbonate gradually succeeded by darker colored argillites and carbonates.

6.0 Mapping Results for the Three Blocks

6.1 Jake Ridge, KRL, Oke Creek Areas

This area is bound on the north by 1:10000 mapping reported on in 2014. More detail was required for the following reasons:

1. Previous mapping was mostly 1:20,000 scale.
2. Because of the low percentage of outcrop – needed to cover the area more thoroughly to define:
    a. Internal stratigraphy for the Middle Creston
    b. Through 2014 most obvious copper occurs on Jake Ridge
    c. Area includes the entire Middle Creston section (not seen elsewhere).
    d. Help establish the lower and upper contacts for the Middle Creston
    e. Better define structure
3. Provide continuity for stratigraphy going south.

Results for 2015:

At Jake Ridge there at least five coarse-grained white quartzite horizons, all with evidence of copper. They are part of the QP4 package and are offset by northwest oriented faults. Quartz veins oriented NW-SE and N-S are proximal to or within the quartzites. They contain copper mineralization as chalcopyrite (bornite). The quartzite horizons outcrop less but are identified at least 3 kilometres to the south. On the north, the Jake Ridge fault juxtaposes C2 against C3 Transition with some localized folding. This sequence has a higher percentage of storm (sheet flood) deposits than seen elsewhere on the property but these do occur throughout the property. The JR fault continues to the NW and is still defined as a fault system with several faults across a 200 metre width.

South of the KRL fault the two main quartzite horizons in the lower Middle Creston (QP1 and QP2) were defined along strike and were sampled. On the southeast portion of the map, the collection of siltstone and quartzite previously identified as QP3 continues to the south. The JR stratigraphy is less obvious. General impression is that oxide facies occur at depth changing to reduced facies higher in the section.

6.2 Middle Block – Yahk Mountain to Haller Creek

Mapping was justified to provide more detail on the stratigraphy and structure for the area. Doing more detail also led to more comprehensive prospecting.

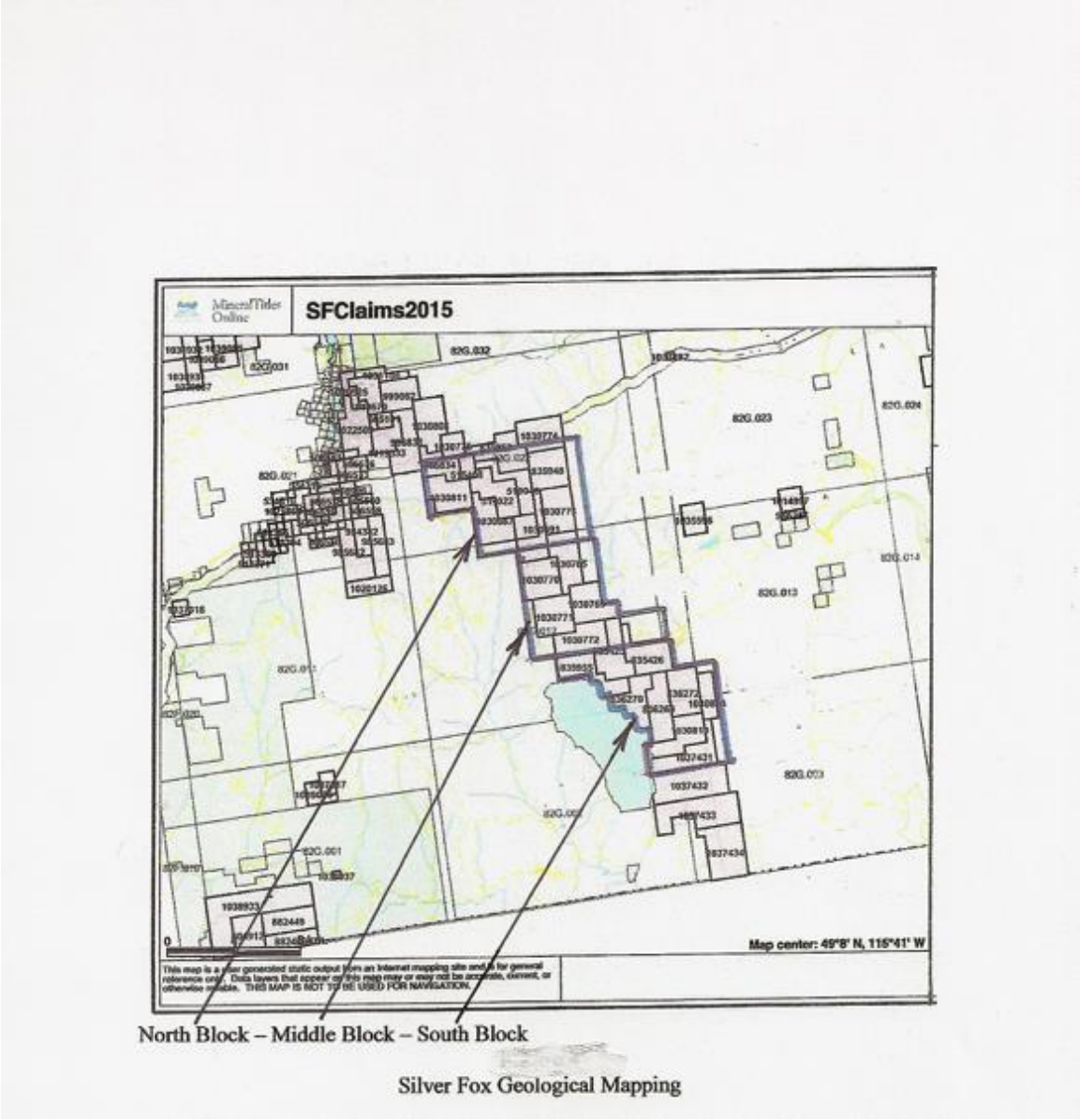


Figure 6

It was recognized that the C3 cover is more extensive on the property than previously recognized. On the west flank of Yahk Mountain there are some medium to thick bedded quartzites but extensive talus is a problem. Copper is present in some of the sandy lenses in the more argillaceous intervals. Grey copper and chalcopyrite are the most common copper minerals. On the east flank, there are some thicker bedded quartzite intervals but they are not as numerous as at Jake Ridge.

Structurally there are several north-trending faults with the Yahk Mountain fault central to the map area. It is a normal fault with modest movement juxtaposing middle against upper C2. Several northwest-trending faults were identified – they are normal faults with west side down.

In the Haller Creek north area in a fault block of C2 there are once again several fine to coarse-grained, lighter grey, vitreous quartzites in packages (Jake Ridge equivalent?). Some copper minerals were noted.

South of Haller Creek the mapping has not been as extensive and outcrop is even more limited so a lack of geological definition is evident.

6.3 South Block – Gilnockie to North Ward

The north half of this map sheet (Gilnockie Creek area) is difficult to deal with due to a serious paucity of outcrop. Of significant help is the aeromag for the area as it defines the extent of the Middle Creston (C2) because of its relative concentration of magnetite in comparison to the Lower and Upper Creston. (Magnetite is found more sporadically in the C1 and C3, at times in sufficient quantity to produce a mag response.) This area contains numerous faults – trending N-S, NW-SE, and E-W. These faults, reflected in the mag survey, segment the Middle Creston through Upper Creston into the C3Tr and Kitchener Formation. A significant portion of the map sheet is C3 with the C2 probably at a shallow depth beneath this cover. Portions of the map sheet potentially containing C2 have not been sufficiently examined but generally the north half of the map is lacking evidence of quartzites. Copper is evident locally near faults and along fractures.

The south half of the map sheet around Ward Creek has far more detail because of the amount of outcrop with C2 dominating the area. Generally shallow to moderate east dips dominate. The C2 is more widely quartzitic than on the mapsheets to the north. Overall the quartzites are grey to light grey, thin to medium to thick bedded, mostly finer-grained with various forms of alteration including chlorite (disseminated and on fractures); manganese oxide and limonite spotting; carbonate and sericite. Mauve(oxide) and green-grey (reducing) facies are present without a consistent pattern on a larger scale basis. Weakly disseminated chalcopyrite(lesser bornite) and pyrite are present on a widespread basis through the considerable thickness of C2 which bears the closest resemblance to the Revett of NW Montana. Northwest oriented quartz veins are quite common. Along the eastern flank of the area is a N-S major reverse fault system with several faults across a 300 metre width. (This is likely a continuation of part of the Libby thrust belt mapped in Montana.) The sediments steepen and are tightly folded against this system. Narrow, north-trending gabbro dykes are noteable within the C2 and the higher stratigraphy to the east.

7.00 Summary and Conclusions for the Silver Fox Mapping Program

7.10 Four main packages (QP) dominated by fine to medium to coarse-grained quartzites confirmed. QP1 to QP4 define the Middle Creston and boundaries to more argillaceous rocks below (C1) and above (C3).

7.20 Silver Fox at this stage covers QP3 and QP4 for most of its extent. These packages of quartzite have been traced by mapping and prospecting for the entire length of the property, albeit with significant outcrop limitations.

7.30 Greater definition (1:20 to 1:10 scale) of structures including NW-SE and N-S faults and localized areas with subtle folding.

7.40 Aeromag survey data proved essential for establishing map units in covered areas. The Middle Creston (C2) is most consistently magnetic helping to identify structures as well.

7.50 Prospecting and mapping has identified some alteration zones where sufficient outcrop enabled recognition to the north at Silver Pipe, KRL, and Jake Ridge of oxides of iron and manganese together with possible sericite, chlorite, and carbonate. Such are present proximal to Pb-Ag or Cu mineralization. At Ward Creek on the south sheet – alteration with chlorite and sericite occurs with widely scattered pyrite and chalcopyrite. These alteration zones appear to be present along redox fronts where purple-mauve sediments are succeeded by green to grey to white quartzites.

7.60 Copper mineralization has been previously recognized at Jake Ridge, Yahk Mountain, Haller Creek north, and Ward Creek. More definition was achieved for the settings with chalcopyrite the most widespread sulfide. Grey copper was identified more commonly at Yahk Mountain and to the south for several kilometers.

8.00 Statement of Costs for the 2015 Geological Work

Claims worked on:
83948,519048,519022,1030811,1030887,1030691,1030773,1030765,1030770,1030769,
1030772,835995,835425,835426,836270,836269,836272,1030834,1030810,1037431.

Type of work: Geological mapping at a Scale of 1:10000.
Work completed by: Douglas Anderson, P.Eng. (with assistance from S. and T. Kennedy)
Event #5592584 Start – End Dates were: August 4 to November 28, 2015

Doug Anderson
Aug 4-10, 13-15, 19, 20, 25, 26, 28, Sept 1, 7-16, 18, 20-22, 27, 30,
Oct 1-5, 7-10, 12-17, 20, 21, 24, 26, 31, Nov 3, 7, 9, 10, 13, 15, 20, 21, 23-28

60 man-days @ $500/d	$30,000.00
Truck and Mileage	5733.00
Field Assistant (JLA) 6 days @ $200/d	1200.00
Field and miscellaneous supplies	331.51
Admin. and Overhead (10%)	3726.45
Report and Maps	4000.00
Program Total	$44,990.96

9.00 References:

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Appendices:

1.0 List of Claims

	Tenure Number	Claim Name	Owner		Map Number	Orig. Stake Date	Good To Date	Status	Area
1.	515408	SP	113931	CK	082G.022	Jun-27-2005	Mar-28-2016	GOOD	126.5350
2.	519022	KRL	113931	CK	082G.022	Aug-13-2005	Mar-28-2016	GOOD	527.4060
3.	519048	KRL 2	113931	CK	082G.022	Aug-14-2005	Mar-28-2016	GOOD	400.8020
4.	1030689	KRL 03-05-14	113931	CK	082G.022	Sep-04-2014	Mar-28-2016	GOOD	189.9456
5.	1030687	KRL 04-10-14	113931	CK	082G.022	Sep-04-2014	Mar-28-2016	GOOD	527.5704
6.	1030691	KRL 04-10-14 S/B 05-10-14	113931	CK	082G.012/022	Sep-04-2014	Mar-28-2016	GOOD	379.9387
7.	1030770	KRL 06-10-14	113931	CK	082G.012	Sep-06-2014	Mar-28-2016	GOOD	527.935
8.	1030771	KRL 07-10-14	113931	CK	082G.012	Sep-06-2014	Mar-28-2016	GOOD	528.1525
9.	1030772	KRL 08-10-14	113931	CK	082G.012	Sep-06-2014	Mar-28-2016	GOOD	528.3202
10.	835425	KRL 09-10	113931	CK	082G.012	Oct-08-2010	Mar-28-2016	GOOD	528.4385
11.	835426	KRL 10-10	113931	CK	082G.012/013	Oct-08-2010	Mar-28-2016	GOOD	528.4733
12.	835948	KRL 12-10	113931	CK	082G.022	Oct-14-2010	Mar-28-2016	GOOD	527.3183
13.	1030773	KRL 13-10-14	113931	CK	082G.022	Sep-06-2014	Mar-28-2016	GOOD	506.4601
14.	1030765	KRL 14-10-14	113931	CK	082G.012	Sep-06-2014	Mar-28-2016	GOOD	527.8481
15.	1030769	KRL 15-10-14	113931	CK	082G.012	Sep-06-2014	Mar-28-2016	GOOD	507.0073
16.	835953	KRL 16-10	113931	CK	082G.022	Oct-14-2010	Mar-28-2016	GOOD	527.1879
17.	1030775	KRL 17-10-14	113931	CK	082G.022	Sep-06-2014	Mar-28-2016	GOOD	189.7623
18.	835955	KRL 18-10	113931	CK	082G.012	Oct-14-2010	Mar-28-2016	GOOD	524.5569
19.	1030774	KRL 21-10-14	113931	CK	082G.022	Sep-06-2014	Mar-29-2016	GOOD	484.9516
20.	1030808	KRL 22-10-14	113931	CK	082G.022	Sep-07-2014	Mar-29-2016	GOOD	526.9818
21.	836269	KRL 26-10	113931	CK	082G.002/012	Oct-19-2010	Mar-29-2016	GOOD	528.7888
22.	836270	KRL 27-10	113931	CK	082G.002/012	Oct-19-2010	Mar-29-2016	GOOD	483.4412
23.	836272	KRL 28-10	113931	CK	082G.003/013	Oct-19-2010	Mar-29-2016	GOOD	507.5639
24.	1030810	KRL 29-10-14	113931	CK	082G.002/003	Sep-07-2014	Mar-29-2016	GOOD	528.9604
25.	1030811	KRL 111-11-14	113931	CK	082G.022	Sep-07-2014	Mar-29-2016	GOOD	527.3772
26.	1030834	KRL 113-11-14	113931	CK	082G.003/013	Sep-08-2014	Mar-29-2016	GOOD	253.8027
27.	986834	KRL 114-12	113931	CK	082G.022	May-16-2012	Mar-29-2016	GOOD	337.4181
28.	986838	KRL 115-12	113931	CK	082G.022	May-16-2012	Mar-29-2016	GOOD	505.999
29.	999062	KRL 116-12	113931	CK	082G.022	Jun-19-2012	Mar-29-2016	GOOD	400.3609
30.	1019533	KRL 117-13	113931	CK	082G.021/022	May-16-2013	Mar-29-2016	GOOD	252.9734
31.	1019579	KRL 118-13	113931	CK	082G.021	May-17-2013	Mar-29-2016	GOOD	294.9824
32.	1019682	KRL 119-13	113931	CK	082G.021	May-21-2013	Mar-29-2016	GOOD	21.0726
33.	1031154	KRL 120-13-14	113931	CK	082G.022/031/032	Sep-25-2014	Mar-29-2016	GOOD	168.5311
34.	1020525	KRL 121-13	113931	CK	082G.021/031	Jun-26-2013	Mar-29-2016	GOOD	147.4793
35.	1022509	KRL 122-13	113931	CK	082G.021	Sep-22-2013	Mar-29-2016	GOOD	484.7929
36.	1037431	KRL 30-15	113931	CK	082G.002/003	Jul-20-2015	Jul-20-2016	GOOD	529.073
37.	1037432	KRL 31-15	113931	CK	082G.002/003	Jul-20-2015	Jul-20-2016	GOOD	841.8493
38.	1037433	KRL 32-15	113931	CK	082G.002/003	Jul-20-2015	Jul-20-2016	GOOD	804.6822
39.	1037434	KRL 33-15	113931	CK	082G.002/003	Jul-20-2015	Jul-20-2016	GOOD	762.6852

Appendix 2 – Statement of Qualifications

Author's Qualifications

I, Douglas Anderson, Consulting Geological Engineer, have my office at #100 – 2100 13th St. South in Cranbrook, B.C. V1C 7J5.

I graduated from the University of British Columbia in 1969 with a Bachelor of Applied Science in Geological Engineering.

I have practiced my profession since 1969, mainly with one large mining company, in a number of capacities all over Western Canada and since 1998 within southeastern B.C. as a mineral exploration consultant.

I am a Registered Professional Engineer and member of the Association of Professional Engineers and Geoscientists of B.C., and I am authorized to use their seal.

D. Anderson

Douglas Anderson, P. Eng.

Silverfox Geology-North Sheet

Legend

- Gabbro
- Kitchener Fm
- C3 Transition (Lower Kitchener)
- Upper Creston-C3/Pc3
- Middle Creston-C2/Pc2
- Quartzite dominated sequence
- Lower Creston-C1/Pc1
- Upper Aldridge-UA/Pa3
- Middle Aldridge-MU/Pa2

Geological Contact (defined, approximate, assumed)

Reverse Fault

Normal Fault

Anticline

Syncline

Bedding, inclined

Bedding, vertical

Bedding Horizontal

Cleavage

Vein

Float

Cu Copper in outcrop/subcrops

Pb Lead in outcrop/subcrops

Road system

Rivers and Streams

Minor Contours

Major Contours

Parks

Lakes

N

Lithologies:

Q=Quartzite

S = Siltstone

A = Argillite

Th.B = Thick bedded

m.b. = medium bedded

t.b. = thin bedded

rw = rusty weathering

bx = breccia

mag = magnetite

Qv = quartz vein

Qp1 to 4 = Quartzite Packages

Alteration zone

Ser.=sericite
Chl.=chlorite
Mag.=magnetite
Hem.=hematite
Goe.=goethite
Carb.=carbonate

0 200 400 metres

Scale 1:10,000

UTM NAD 83 Zone 11

591,000 mE 592,000 mE 593,000 mE 594,000 mE 595,000 mE 596,000 mE 597,000 mE 598,000 mE

5,460,000 mN 5,459,000 mN 5,458,000 mN 5,457,000 mN 5,456,000 mN 5,455,000 mN 5,454,000 mN 5,453,000 mN 5,452,000 mN 5,451,000 mN 5,450,000 mN

Silverfox Geology-Middle Sheet

Legend

- Gabbro
- Kitchener Fm
- C3 Transition (Lower Kitchener)
- Upper Creston-C3/Pc3
- Middle Creston-C2/Pc2
- Quartzite dominated sequence
- Lower Creston-C1/Pc1
- Upper Aldridge-UA/Pa3
- Middle Aldridge-MU/Pa2

- Geological Contact (defined, approximate, assumed)
- Reverse Fault
- Normal Fault
- Anticline
- Syncline
- Bedding, inclined
- Bedding, vertical
- Bedding Horizontal
- Cleavage
- Vein

- Float
- Cu Copper in outcrop/subcrops
- Pb Lead in outcrop/subcrops
- Road system
- Rivers and Streams
- Minor Contours
- Major Contours
- Parks
- Lakes

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0 200 400 metres

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UTM NAD 83 Zone 11

N

592,000 mE 593,000 mE 594,000 mE 595,000 mE 596,000 mE 597,000 mE 598,000 mE 599,000 mE 600,000 mE 601,000 mE

5,450,000 mN 5,449,000 mN 5,448,000 mN 5,447,000 mN 5,446,000 mN 5,445,000 mN 5,444,000 mN 5,443,000 mN

592,000 mE | 593,000 mE | 594,000 mE | 595,000 mE | 596,000 mE | 597,000 mE | 598,000 mE | 599,000 mE | 600,000 mE | 601,000 mE | 602,000 mE | 603,000 mE | 604,000 mE | 605,000 mE

5,442,000 mN | 5,441,000 mN | 5,440,000 mN | 5,439,000 mN | 5,438,000 mN | 5,437,000 mN | 5,436,000 mN | 5,435,000 mN | 5,434,000 mN

Upper Creston C3

Upper Creston

Kitchener Fm

C3 Trans

C3 Transition

C3 Tr.

C3

C2

C2?

C27

C3?

C3T?

TR?

KF

Fault

Silverfox Geology-South Sheet

Legend

- Gabbro
- Kitchener Fm
- C3 Transition (Lower Kitchener)
- Upper Creston-C3/Pc3
- Middle Creston-C2/Pc2
- Quartzite dominated sequence
- Lower Creston-C1/Pc1
- Upper Aldridge-UA/Pa3
- Middle Aldridge-MU/Pa2

Geological Contact (defined, approximate, assumed)

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Normal Fault

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Syncline

Bedding, inclined

Bedding, vertical

Bedding Horizontal

Cleavage

Vein

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Cu Copper in outcrop/subcrops

Pb Lead in outcrop/subcrops

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Scale 1:10,000

UTM NAD 83 Zone 11