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: $ 9,290.00

AUTHOR(S): Laurence Sookochoff, PEng

SIGNATURE(S): Digitally signed by Laurence Sookochoff Date: 2017.01.17 07:29:24 -08'00'

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

YEAR OF WORK: 2016

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 5613356, August 8, 2016

PROPERTY NAME: LS 1045809 Claim Group

CLAIM NAME(S) (on which the work was done): 1056802, 1045809, 1045810

COMMODITIES SOUGHT: Copper, Gold

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 092ISE012

MINING DIVISION: Kamloops

NTS/BCGS: 092I.047

LATITUDE: 50 ° 27 ' 0 " **LONGITUDE:** 120 ° 41 ' 10 " **(at centre of work)**

OWNER(S):

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2) Laurence Sookochoff

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PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Triassic, Nicola Group, Eastern Volcanic Facies, Central Volcanic Facies, Bertha-Molly, Cross-structures

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS: 3764, 17337, 18048, 28533, 29034, 30550, 34618

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TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping			
Photo interpretation	41 hectares	1045809, 1045810	$ 5,000.00
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic	4.0	1045802	4,290.00
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:	$ 9,290.00

VICTORY RESOURCES CORPORATION

LAURENCE SOOKOCHOFF

(Owners & Operators)

GEOLOGICAL & GEOPHYSICAL ASSESSMENT REPORT

(Event 5613356)

work done from

August 6, 2016 to August 8, 2016

on

Tenures 1045802, 1045809 & 1045810

of the four claim

LS 1045809 Claim Group

Kamloops Mining Divisions

BCGS Map 092I.047

Centre of Work

5,591,229N, 664,518E
&
5,590,875N, 665,650E

Author & Consultant

Laurence Sookochoff, PEng
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Submitted

January 17, 2017

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SUMMARY

The 987 hectare LS 1045809 Claim Group ("Property") is located 223 kilometres northeast of Vancouver within 25 kilometres of the Highland Valley Copper mine, one of the largest copper mining and concentrating operations in the world, which with the Lornex Mine has measured and indicated ore reserves of 761 million tonnes of 0.408 per cent copper and 0.0072 molybdenum.

The Highland Valley low-grade copper/molybdenum deposit lies within the Late Jurassic Guichon Creek batholith in Bethsaida phase porphyritic quartz monzonite and granodiorite. The most prominent structural features are the north trending, west dipping Lornex fault, an important mineralization conduit in the batholith, and the east trending Highland Valley fault.

The LS 1045809 Claim Group is situated within the Nicola volcanics between the Guichon Batholith, seven kilometres to the west, and an unnamed batholith three kilometres to the east. Both intrusives are in a fault contact with the Nicola volcanics and which may be intruded by more than the one stock, or localized intrusion, as indicated by an intrusive four kilometres west at the SA showing *(Minfile 092ISE167)* where mineralization occurs as stockwork and disseminations.

Some of the many types of mineralization that occur on and within seven kilometres of the Property, as indicated by the Minfile property locations on Figure 4 and described herein, may be a sign of mineralization leaking to the surface via structural conduits from a potential concealed intrusive.

The cross-structural location delineated on Tenure 1045810 of the LS 1045809 Claim Group, would be a zone of increased fractural intensity and/or a localized breccia which would be the ideal conduit for hydrothermal fluids to surface or be deposited within any well fractured intervening area to create a potential economic zone of porphyritic mineralization. The Highland Valley porphyry deposit is a prime example of a structurally controlled porphyry deposit.

The cross-structural location would be a prospective area to explore for these surficial indicators of a potential concealed mineral resource.

The magnetometer results derived from a survey over two of the three cross-structures delineated in a 2014 structural analysis over adjacent ground, may have revealed hydrothermally altered (mag LO) structures. The mag HI zones may be indicative of unaltered volcanics or structures hosting polymetallic vein material which can be related to a porphyry resource.

Although the approximate locations of the two 2014 cross-structures are not directly associated with a localized anomalous 2016 mag LO or mag HI, cross-structure "B" is indicated proximal to a localized sub-anomalous mag HI at an indicated mag HI cross-structure, whereas the approximate location of cross-structure "A" is proximal to a localized sub-anomalous mag LO which may indicate a breccia pipe and/or hydrothermal alteration.

INTRODUCTION

In August, 2016 a structural analysis was completed on Tenures 1045809 & 1045810 for the purpose of delineating potential structures which may be integral in geological controls to potentially economic mineral zones. In addition, a magnetometer survey was completed on the adjacent Tenure 1045802 over one of three delineated cross-structures in 2014; the purpose was to determine any potential mineral zones and/or associated hydrothermal zones that may reflect potential zones of mineralization.

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

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

PROPERTY LOCATION & DESCRIPTION

Location

The LS 1045809 Claim Group is located within BCGS Map 092I.047 of the Kamloops Mining Division, 223 kilometres northeast of Vancouver, 39 kilometres north of Merritt, 33 kilometres southwest of Kamloops, and within 25 kilometres east of the world-class producing Highland Valley Copper (*Minfile 092ISW012)* mine.

Description

The Property is comprised of four contiguous claims covering an area of 987.7997 hectares. Particulars are as follows:

Property Location and Description *(cont'd)*

Table I. **Tenures of LS 1045809 Claim Group**

Tenure Number	Type	Claim Name	Good Until	Area (ha)
522351	Mineral	MIKE	20180514	370.452
1045802	Mineral		20180514	576.1952
1045809	Mineral		20180514	20.5771
1045810	Mineral		20180514	20.5754

Total Area: 987.7997 ha

*Upon the approval of the assessment work filing, Event Number 5613356.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access

From Logan Lake, the LS 1045809 claim group can be accessed by traveling east from Logan Lake on Highway 97D for 16 kilometres to the junction with the Desmond Lake road thence southerly on the for four kilometres to junction with a road leading westerly and northerly for 1.6 kilometres to the southeastern corner of Tenure 1045802 of the LS 1045809 Claim Group.

Access on the Property is provided by numerous secondary roads.

Climate

The local climate is typical of south central British Columbia. Annual temperatures range from 35^{o}C to -40^{o}C. Negative temperatures can be typically expected between late October and late March. Annual precipitation ranges around an average of 30 cm.

Local Resources & Infrastructure

Merritt, or Kamloops, historic mining centres could be a source of experienced and reliable exploration and mining personnel and a supply for most mining related equipment. Kamloops is serviced daily by commercial airline and is a hub for road and rail transportation. Vancouver, a port city on the southwest corner of, and the largest city in the Province of British Columbia is four hours distant by road and less than one hour by air from Kamloops. Logan Lake, where many of the Highland Valley Copper Mine employees reside, has many facilities to accommodate any preliminary exploration crew.

Physiography

The Property covers a forested area with gentle to moderate slopes and elevations ranging from 1,205m along the northeastern most boundary to 1,525 along the west-northwest boundary.

WATER & POWER

There would be an ample water supply for any exploration program requirements from the rivers or streams within the confines of the Property.

A 550 KV power line traverses the central portion of the Property.

HISTORY: LS 1045809 CLAIM GROUP AREA

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to the LS 1045809 Claim Group is reported as follows. The distance to the Minfile locations is relative to the LS 1045809 Claim Group.

HIGHLAND VALLEY COPPER producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW012
Twenty three kilometres west

Highland Valley Copper was created in mid-1986 by bringing together the Highland Valley mining operations of Lornex Mining Corporation Ltd. and Cominco Ltd. into a new single entity, structured as a partnership.

On the south side of the valley was the Lornex mine which started mining in 1972. In 1981, the Lornex concentrator had been expanded to become one of the largest in the industry.

On the north side was Bethlehem Copper (092ISE001) which started mining in 1963. In 1981, this operation was absorbed by Cominco who already owned the Valley orebody (092ISW012) located west of the Lornex pit on the south side of the valley. Mining of the original Bethlehem Copper pits ceased in 1982.

Production from the Lornex mine (092ISW045) was combined with the Valley operations in 1987.

The Highmont mill on the south side of the valley was acquired in 1988 when Highmont Mining Company joined the partnership. This mill had been closed down in 1984 when the Highmont deposit (092ISE013) became uneconomical.

Lornex Mining Corporation Ltd. was wound up at the end of 1988 with the result that Rio Algom Limited, Teck Corporation and Highmont Mining Company obtained direct participation in the cash flow from the partnership.

In 1995, with Explore B.C. Program support, Highland Valley Copper carried out 197 line kilometres of high-powered induced polarization surveys for very deep penetration, and drilled 1701 metres in 4 holes. This work was done on the Lornex SW Extension, Roscoe Lake and JA zones. No anomalies of merit were detected in Lornex SW Extension, and Roscoe Lake gave only limited encouragement. IP work on the JA zone detected an anomaly extending to the south, well beyond the limits of known mineralization, and another anomaly 2000 by 1500 metres in size at the east end of the grid. Both anomalies warrant drill testing (Explore B.C. Program 95/96 - M80).

At the end of 1996, mine plans called for another 200 metres in depth in the Valley pit to the 2008. In addition, the partnership may consider mining the remaining 120 million tonnes grading 0.33 per cent copper estimated to exist in the Lornex pit (Information Circular 1997-1, page 8).

Highland Valley Copper suspended mining on May 15, 1999; they resumed August 30, 1999.

In September 2005, Highland Valley announced that mine life would be extended by five years to 2013. Very late in the year, Teck Cominco also announced that it is considering building a modern hydrometallurgical refinery on site.

Most ore comes from the Valley pit, augmented by a small amount from the Lornex pit. Following a successful 300,000 tonne bulk sample test, the Highmont East pit, closed since the mid-1980s, was re-opened in the fall of 2005 to take advantage of higher molybdenum prices. In addition, exploration drilling was conducted nearby in the Highmont South area and results are being evaluated.

History: LS 1045809 Claim Group Area (cont'd)

MEADOW CREEK showing *(*Volcanogenic)
MINFILE 092ISE155
Four kilometres east

The Meadow Creek occurrence is located on the southern side of Meadow Creek, approximately 15.5 kilometres south east of the community of Logan Lake. It has been explored in conjunction with the nearby Plug occurrence

In 1986 through 1988, Western Resources Technologies completed programs of geological mapping, prospecting, soil geochemical sampling and geophysical (VLF-EM and magnetometer) surveys. In 1992, G.F. Crooker completed a program of magnetometer and VLF-EM surveys on the JB claims. In 1995, Goldcliff Resource acquired the property as the S 1 to 48 claims and completed programs of prospecting, geochemical sampling, geophysical surveys, trenching and drilling through 2006.

QUEN showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE190
Three kilometres south

Showing located along the shore of a small, unnamed lake along Quenville Creek, about 11 kilometres south-southeast of the community of Logan Lake (Property File - Geology map).

GENSTAR showing (Disseminated)
MINFILE 092ISE195
Six kilometres east

Between 1992 and 1994, a program of prospecting, magnetic surveys and geochemical sampling was completed on the showing as a part of the Genesis property.

PLUG showing *(*Volcanogenic)
MINFILE 092ISE196
Two kilometres east

Plug occurrence is located on the southern side of Meadow Creek, approximately 13 kilometres southeast of the community of Logan Lake.

Between 1986 and 1988, Western Resources Technologies completed programs of geological mapping, prospecting, soil geochemical sampling and geophysical (VLF-EM and magnetometer) surveys. In 1992, G.F. Crooker completed a program of magnetometer and VLF-EM surveys on the JB claims.

In 1995, Goldcliff Resource acquired the property as the S 1 to 48 claims and between then and 2006 they completed programs of prospecting, geochemical sampling, geophysical surveys, trenching and drilling.

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

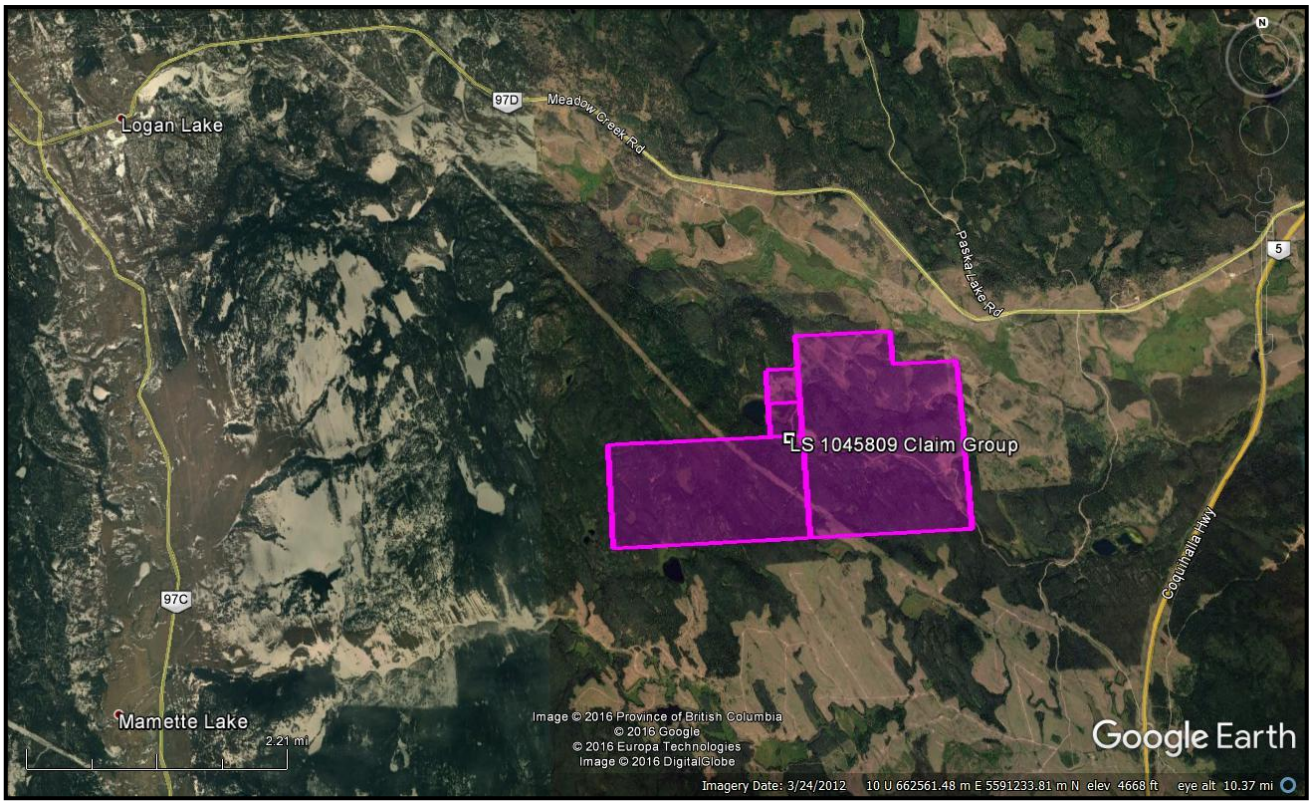
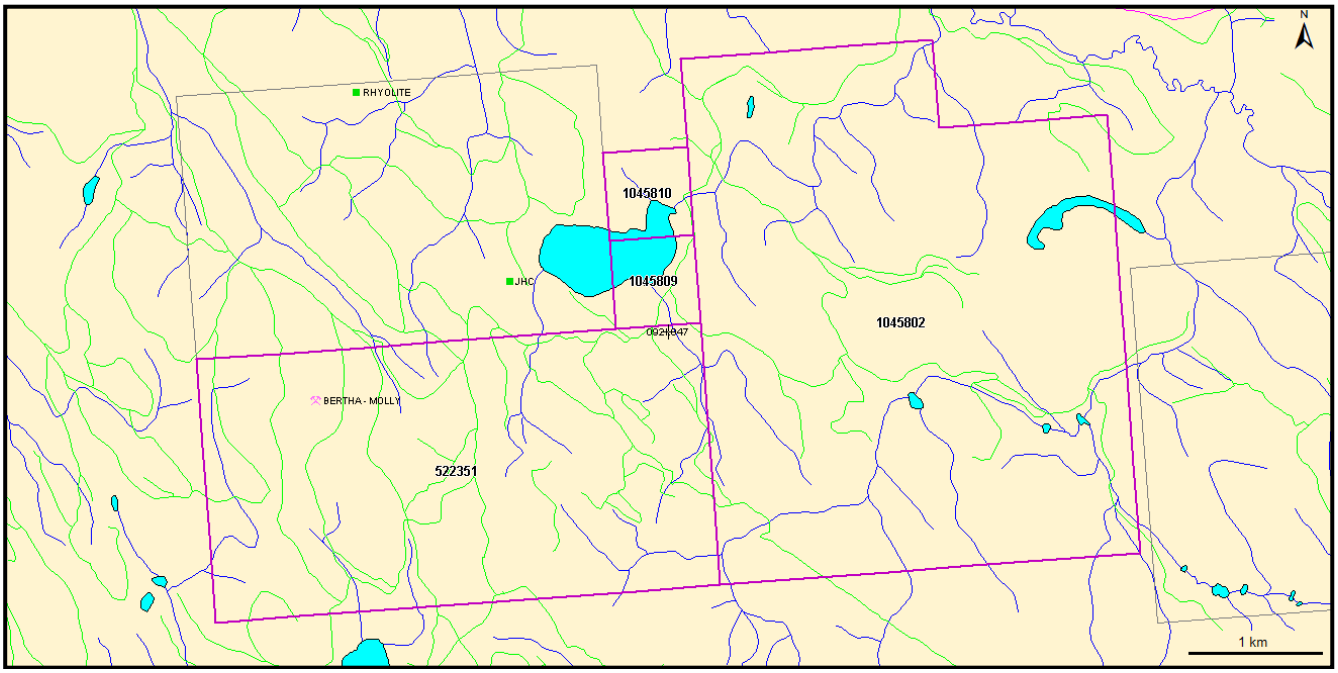


Figure 3. **Claim Map**
(from Google Earth)



History: LS 1045809 Claim Group*(cont'd)*

HISTORY: LS 1045809 CLAIM GROUP

The history of the mineral MINFILE reported past producer within the LS 1045809 Claim Group is reported as follows

BERTHA - MOLLY past producer (Stockwork)
MINFILE 092ISE012
Within Tenure 679413

In 1942, George Campbell did some surface-stripping on a copper showing, about 457 metres west of an old shaft. Production from this occurrence, known as the Lost group, was 31 tonnes, yielding 218 grams of silver and 626 kilograms of copper.

GEOLOGY: REGIONAL

The LS 1045809 Claim Group is located on the southern Intermontane Belt of British Columbia on the southern extent of the Quesnel Trench. The central geological features of this region are the Late Triassic island-arc volcanic rocks of the Nicola Group, and Late Triassic mudstone, siltstone and shale clastic sedimentary rocks located to the east, and intrusive granodioritic rocks of the Late Triassic to early Jurassic. The Nicola Group is a succession of Late Triassic island-arc volcanic rocks. The Nicola Group volcanic rocks form part of a 30km to 60km wide northwest-trending belt extending from southern B.C. into the southern Yukon. This belt is enclosed by older rocks and intruded by batholiths and smaller intrusive rocks. Major batholiths in the area of the Logan Copper Property include the Guichon Creek Batholith to the west, the Wild Horse Batholith to the east, and the Iron Mask Batholith to the north northeast (see Figure 6 for regional geology).

The Guichon Creek batholith is a large, composite intrusion with a surface area of about 1,000 square kilometers. A cluster of nine major porphyry copper deposits lie within a 15 square kilometer zone in the center of the batholith. The LS 1045809 Claim Group is situated on the eastern contact of the Guichon Creek Batholith and the Nicola volcanics within 11 kilometres of the Highland Valley Copper Mine.

The batholith is a semi-concordant composite intrusive that is elliptical and elongated slightly west of north. A central, steeply plunging root or feeder zone is inferred under Highland Valley, and the major deposits lie around the projection of the feeder zone to the surface. The batholith has intruded and metamorphosed island-arc volcanic and associated sedimentary rocks of the Nicola Group, and a metamorphic halo up to 500 meters wide is developed adjacent to the contact. Rocks along the edge of the batholith are older and more mafic, and successive phases moving inward toward the core are younger and more felsic.

Although contacts can be sharp, they are generally gradational and chilled contacts are not common. Variations in the batholiths geochemistry indicate local areas of assimilated country rock in the border zone and roof pendants in the intrusion. Outcrop areas have inclusions of amphibolite and “granitized” metamorphic rocks and compositional variations.

Two younger volcanic-dominated successions are important in the area. First, a northwest trending belt of Cretaceous continental volcanic and sedimentary rocks of the Spences Bridge Group unconformably overlie both the Nicola Group country rock and intrusive rocks along the southwest flank of the batholith. Distribution of the Spences Bridge Group rocks was locally controlled by reactivation of older faults that were important mineralization conduits in the batholith, such as the Lornex fault.

GEOLOGY: LS 1045809 CLAIM GROUP AREA

The geology of some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to the LS 1045809 Claim Group is reported as follows. The distance to the Minfile locations is relative to the LS 1045809 Claim Group.

HIGHLAND VALLEY COPPER producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW012
Twenty three kilometres west

The Valley deposit lies within the Late Triassic to Early Jurassic Guichon Creek batholith and is hosted by Bethsaida phase porphyritic quartz monzonite and granodiorite. Feldspar porphyry and quartz feldspar porphyry dykes 0.6 to 35 metres wide dip steeply eastward in the western and central areas, and northward in the southern area of the deposit. These dykes are cut by mineralized fractures and quartz veinlets, and have been dated at 204 Ma +/- 4 Ma.

The Bethsaida granodiorite is also intruded by aplite dykes up to 30 centimetres wide, tan-coloured felsite dykes up to 4.5 metres wide, and three types of lamprophyre dykes (spessartite, hornblende vogesite, vogesite).

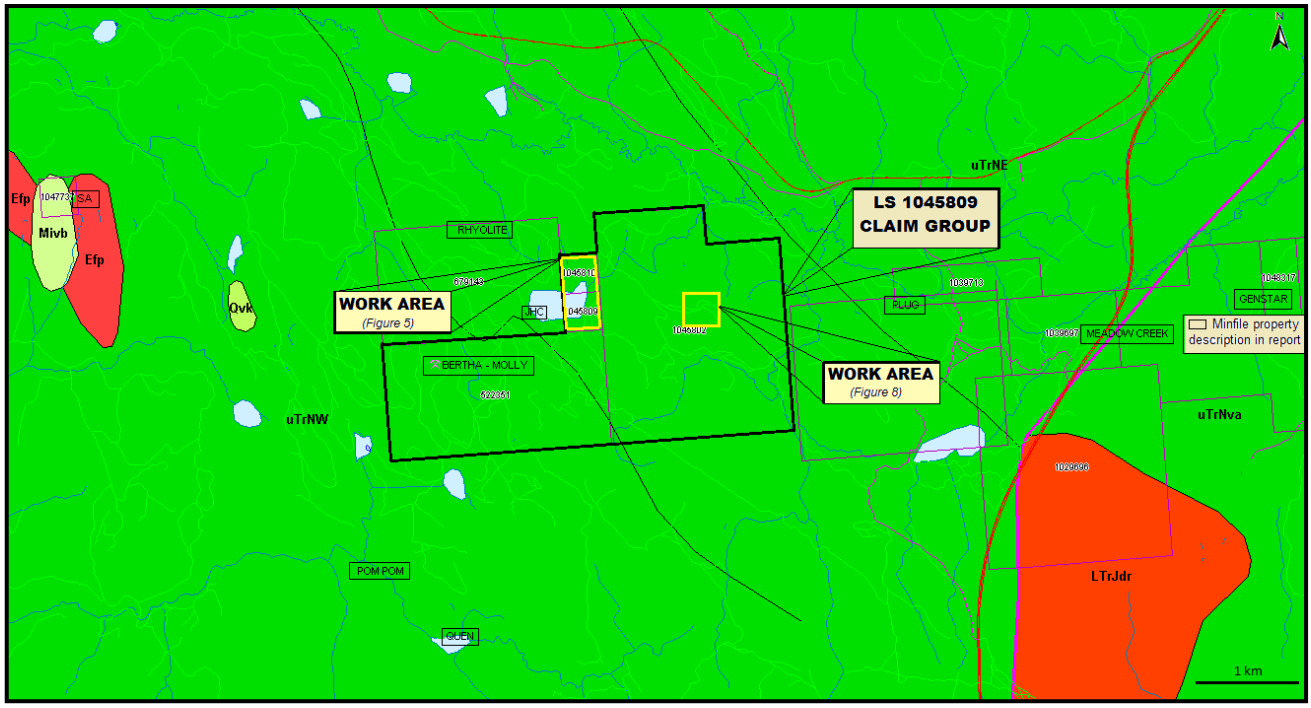
The most prominent structural features are the north trending, west dipping Lornex fault and the east trending Highland Valley fault. Faults and fractures in the deposit comprise four main sets. Quartz veinlets are subparallel to two of the earlier formed fault and fracture sets. These veinlets are moderately abundant within the 0.3 per cent copper isopleth. An area of well-developed barren quartz veinlets, generally 0.5 to 1.3 millimetres wide, without alteration envelopes, occurs in the southeastern part of the deposit.

In the west-central part of the deposit, potassium feldspar is associated with vein sericite in some replacement zones, as veinlet envelopes along fractures, and disseminated in quartz veinlets. Hydrothermal biotite occurs in small amounts. Flaky sericite and quartz, both as replacement zones and as envelopes around quartz veinlets, constitute the most common type of alteration associated with copper mineralization.

Strong phyllic alteration coincides with the 0.5 per cent copper isopleth. Phyllic alteration is closely associated with pervasive argillization, which is strongest where fractures are most closely-spaced. Feldspars are altered to sericite, kaolinite, quartz and calcite. The phyllic-argillic zone grades outward to a peripheral zone of weak to moderate propylitization, characterized by clay, sericite, epidote, clinozoisite and calcite replacing plagioclase, and chlorite and epidote replacing biotite. The age of hydrothermal alteration is approximately 191 Ma.

At the Valley deposit, gypsum is interpreted to be secondary and post-ore. It is commonly fibrous and white to orange but locally it forms large platy crystals or may be massive. Anhydrite, which is also present, provides indirect evidence for the secondary nature of the gypsum. It is apparently the same age and associated with sericitic and potassic alteration. Quartz-gypsum veins and quartz-potash feldspar veins in which gypsum fills interstices provide more direct evidence for its secondary nature. Gypsum is believed to have formed at the expense of anhydrite which was deposited from the ore-forming fluids. Gypsum veins are common in the lower portion of the orebody (Open File 1991-15).

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



GEOLOGY MAP LEGEND

Mivb
Miocene-unnamed
Basaltic volcanic rocks

EKav
Eocene-Kamloops Group
Undivided volcanic rocks

EPrb
Eocene-Penticton Group
Andesitic volcanic rocks

Upper Triassic-Nicola Group

uTrNc
Central Volcanic Facies
undivided volcanic rocks

uTrN
undivided volcanic rocks

Late Triassic to Early Jurassic

LTrJGB
GUICHON CREEK BATHOLITH

LTrJGBe – Bethlehem Phase
granodioritic intrusive rocks

LTrJGB – Bethsaida Phase
quartz monzonitic intrusive rocks

LTrJGH – Highland Valley Phase
granodioritic intrusive rocks

LTrJGG – Gump Lake Phase
granodioritic intrusive rocks

LTrJGBo – Border Phase
quartz dioritic intrusive rocks

Geology: LS 1045809 Claim Group Area *(cont'd)*

RHYOLITE showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE021
Two kilometres west

The area straddles a northwest trending contact between two volcanic sequences of the Upper Triassic Nicola Group. To the west are plagioclase, plagioclase-augite intermediate pyroclastic and epiclastic breccia, conglomerate, tuff, sandstone, local shale and augite porphyry bodies. The central portion to the east is underlain by aphanitic pillowed mafic flows. The contact between these two sequences hosts the Rhyolite occurrence.

The Rhyolite showing is underlain by grey, green or black amygdaloidal basalt of the Upper Triassic Nicola Group. Varicoloured calcite amygdules occur within an aphanitic groundmass. Several beds of maroon to green volcaniclastic breccia occur within the basalt and contain maroon, subrounded to subangular clasts ranging up to 30 by 15 centimetres. Two northwest trending, light grey-green, aphanitic, siliceous and pyritic felsic dykes, 3 to 4 metres wide, also occur.

JHC showing *(*Volcanic Red-bed Cu)
MINFILE 092ISE147
One kilometre west

The property lies west of Homfray Lake and is underlain by volcanic rocks of the Upper Triassic Nicola Group. The area straddles a northwest trending contact between two volcanic sequences. East of the contact zone are very fine-grained red flows with occasional feldspar (plagioclase?) phenocrysts. The matrix contains moderate amounts of hematite disseminations. To the west are grey volcanics with an aphanitic to fine-grained matrix and associated feldspar and/or augite phenocrysts. Alteration consists of epidote, chlorite and carbonate. The contact zone parallels the main northwest structural trend. Northeast and north trends are also evident. Drilling (1971) intersected disseminated chalcocite in porphyritic and amygdaloidal basalt.

MEADOW CREEK showing *(*Volcanogenic)
MINFILE 092ISE155
Four kilometres east

The area is underlain by volcanic rocks of the Upper Triassic Nicola Group which are cut by small granitic plugs and sills. Sparse outcroppings of Nicola Group rocks along Meadow Creek consist of altered andesite, lapilli tuff, amygdaloidal basalt and minor lenses of limy sediments which strike east to southeast and dip steeply to the north. Alteration minerals include chlorite, epidote, carbonate and hematite. A quartz-mariposite-carbonate rock outcrops along Meadow Creek and is in contact with a chlorite-mica-feldspar(?) schist that strikes 020 degrees and dips 65 to 90 degrees to the east. The schist and mafic dioritic to hornblende andesite sills form a southeastward plunging asymmetrical syncline.

Locally, an alteration zone contains gold and silver mineralization and is exposed over a surface area of 32 metres long by 2 metres wide. The alteration zone consists of chlorite-mica (fuchsite) feldspar schist containing a quartz vein stockwork that is accompanied by pyrite, galena, sphalerite and chalcopyrite.

Geology: LS 1045809 Claim Group Area *(cont'd)*

SA showing (Stockwork, Disseminated)
MINFILE 092ISE167
Four kilometres west

The property lies within the Upper Triassic Nicola Group approximately 3 kilometres east of the Lower Jurassic Guichon Creek batholith. Locally Tertiary volcanic flows and minor intrusives overlie the Triassic rocks.

The area is underlain by a conformable succession of epiclastic rocks with subordinate interlayered lavas. The sedimentary sequence is best exposed at the main showing where the succession is about 90 metres thick. This unit is comprised of 50 to 100 metres of volcanic conglomerate composed of subangular to rounded red to green clasts of flow rocks cemented by a friable sandy matrix. Weakly bedded, coarse-grained fossiliferous limestone overlies the conglomerate and is again overlain by at least 60 metres of conglomerate grading upward into massive volcanic breccia. An upper unit of poorly bedded, well sorted greywacke caps the succession. Amygdaloidal basalt and andesite outcrop to the east and south where they are interlayered with the epiclastic rocks. Vesicles are filled with carbonate, zeolite and chalcocite.

POM POM showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE170
Two kilometres south

The Pom Pom occurrence is underlain by grey-green and purple andesitic tuffs, flows and breccias of the Upper Triassic Nicola Group intruded by a microdiorite dyke. Chalcopyrite and bornite occur in the dyke as fracture controlled mineralization accompanied by epidote, calcite and hematite alteration mineralogy.

QUEN showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE190
Three kilometres south

The Quen occurrence is underlain by augite and plagioclase porphyritic andesitic flows and red volcanic conglomerate of the Upper Triassic Nicola Group. Chalcopyrite, bornite, pyrite, native copper, molybdenite, chalcocite, malachite and azurite occur in the andesitic flows.

GENSTAR showing (Disseminated)
MINFILE 092ISE195
Six kilometres east

The area is underlain by volcanic rocks of the Upper Triassic Nicola Group that are cut by small granitic plugs and sills. Sparse outcroppings of Nicola Group rocks consist of altered andesite, lapilli tuff, amygdaloidal basalt and minor lenses of limy sediments that strike east to southeast and dip steeply to the north. Alteration assemblages include ubiquitous chlorite, epidote and local occurrences of quartz, sericite, biotite and potassium feldspar.

Geology: LS 1045809 Claim Group Area *(cont'd)*

PLUG showing *(*Volcanogenic)
MINFILE 092ISE196
Two kilometres east

The area is underlain by volcanic rocks of the Upper Triassic Nicola Group that are cut by small granitic plugs and sills. Sparse outcroppings of Nicola Group rocks along Meadow Creek consist of altered andesite, lapilli tuff, amygdaloidal basalt and minor lenses of limy sediments that strike east to southeast and dip steeply to the north. Alteration minerals include chlorite, epidote, carbonate and hematite. A quartz-mariposite-carbonate rock outcrops along Meadow Creek and is in contact with a chlorite-mica-feldspar schist that strikes 20 degrees and dips 65 to 90 degrees to the east. The schist and mafic dioritic to hornblende andesite sills form a southeastward plunging asymmetrical syncline.

The quartz mariposite carbonate rock contains minor amounts of silver-bearing galena, sphalerite and chalcopyrite. An outcrop of highly pyritic quartz feldspar porphyry contains minor amounts of chalcopyrite.

GEOLOGY: LS 1045809 CLAIM GROUP

The LS 1045809 Claim Group straddles a northwest trending contact between two volcanic sequences of the Upper Triassic Nicola Group. To the west are plagioclase, plagioclase-augite intermediate pyroclastic and epiclastic breccia, conglomerate, tuff, sandstone, local shale and augite porphyry bodies. The central portion to the east is underlain by aphanitic pillowed mafic flows.

The geology of the mineral MINFILE reported past producer within the LS 1045809 Claim Group is reported as follows.

BERTHA - MOLLY past producer (Stockwork)
MINFILE 092ISE012
Within Tenure 679413

The Dupont Lake area is underlain mainly by Upper Triassic Nicola Group intermediate volcanics and derivatives. Approximately 8 kilometres to the west, Nicola Group rocks are in contact with the Lower Jurassic Guichon Creek batholith. Quartz diorite outcrops southwest of Dupont Lake.

The Bertha-Molly showing is hosted by purplish amygdaloidal andesites with intercalated reddish tuffs. These rocks are strongly fractured and chloritized. The original shaft was sunk at a point where patches of cuprite occur in fractures. Small shipments were made.

MINERALIZATION: LS 1045809 CLAIM GROUP AREA

The mineralization on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers peripheral to the LS 1045809 Claim Group is reported as follows. The distance to the Minfile locations is relative to the LS 1045809 Claim Group.

HIGHLAND VALLEY COPPER producer (Porphyry Cu+/-Mo+-Au)
MINFILE 092ISW012
Twenty three kilometres west

Highland Valley Copper operates two distinct mines, the Valley mine and the Lornex mine, and between the two has measured and indicated ore reserves of 761 million tonnes of 0.408 per cent copper and 0.0072 molybdenum.

Mineralization: LS 1045809 Claim Group Area *(cont'd)*

Highland Valley Copper *(cont'd)*

The ore reserves of each mine are: Valley mine - 627 million tonnes at 0.418 per cent copper and 0.0056 per cent molybdenum; Lornex mine - 135 million tonnes at 0.364 per cent copper and 0.0144 per cent molybdenum. The individual mine reserves are calculated at an equivalent cutoff grade of 0.25 per cent copper using a molybdenum multiplying factor of 3.5 (CIM Bulletin July/August 1992, pages 73,74).

RHYOLITE showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE021
Two kilometres west

Mineralization occurs in amygdaloidal basalt near the flow-volcaniclastic contact and is related to narrow quartz-carbonate veinlets within shears. Several old trenches indicate the shear zone strikes approximately 335 to 345 degrees and dips steeply west. Pyrite is present with minor chalcopyrite, azurite, malachite and sphalerite. Rock samples from this zone assayed up to 0.377 per cent copper, 0.218 per cent zinc and are weakly anomalous in gold and silver values.

JHC showing *(*Volcanic Red-bed Cu)
MINFILE 092ISE147
One kilometre west

Fracturing and narrow shears in amygdaloidal andesite contain epidote, carbonate, quartz, malachite and chalcopyrite. A chip sample assayed 4.27 per cent copper and 14.2 grams per tonne silver (Assessment Report 17337).

MEADOW CREEK showing *(*Volcanogenic)
MINFILE 092ISE155
Four kilometres east

Two grab samples of quartz carbonate mariposite schist with galena and sphalerite yielded 605 and 482 parts per billion gold and 165.1 and 258.4 parts per million silver (Assessment Report 28815).

In 1997, trench-03 gave an average of 0.53 gram per tonne gold and 76.9 grams per tonne silver over a strike length of 31.99 metres and a width of 0.94 metres; including 2.24 grams per tonne gold and 400.6 grams per tonne silver over 4.44 metres, and 6.14 grams per tonne gold and 1715.0 grams per tonne silver over 0.36 metre. The same year, percussion drilling (PDH-01) tested trench-03 returned an average of 0.08 gram per tonne gold and 27.8 grams per tonne silver over a length of 47.25 metres (Assessment Report 25405).

Commerce Resource Corporation reports a best mineralized drill intersection of 3.5 metres containing 2.83 grams per tonne gold and 37.7 grams per tonne silver (Press Release June 14, 2002).

SA showing (Stockwork, Disseminated)
MINFILE 092ISE167
Four kilometres west

On the Sa showing, highly fractured, malachite stained, rusty weathering limestone(?) is exposed for 45.7 metres along the east side of an old logging access road.

Mineralization: LS 1045809 Claim Group Area *(cont'd)*

SA *showing (cont'd)*

Stringers and disseminated grains of chalcocite, bornite and rarely chalcopyrite are visible on freshly broken surfaces. Much of the rock is strongly oxidized to a soft, rusty gossan locally rich in malachite.

POM POM showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE170
Two kilometres south

Copper mineralization grades 0.17 per cent copper (Assessment Report 18048).

QUEN showing (Porphyry Cu +/- Mo +/- Au)
MINFILE 092ISE190
Three kilometres south

Chalcopyrite, bornite, pyrite, native copper, molybdenite, chalcocite, malachite and azurite occur in the andesitic flows.

GENSTAR showing (Disseminated)
MINFILE 092ISE195
Six kilometres east

A sample of pyritized andesite returned 4086 parts per million copper and 50 parts per billion gold (Assessment Report 22992).

PLUG showing *(*Volcanogenic)
MINFILE 092ISE196
Two kilometres east

The quartz mariposite carbonate rock contains minor amounts of silver-bearing galena, sphalerite and chalcopyrite. An outcrop of highly pyritic quartz feldspar porphyry contains minor amounts of chalcopyrite.

A grab sample of carbonate altered rock from the west- central zone along Meadow Creek assayed 7.5 grams per tonne gold and 67.5 grams per tonne silver (Assessment Report 18048).

MINERALIZATION: LS 1045809 CLAIM GROUP

The mineralization of the mineral MINFILE reported past producer within the LS 1045809 Claim Group is reported as follows.

BERTHA - MOLLY past producer (Stockwork)
MINFILE 092ISE012
Within Tenure 679413

Recent development has exposed malachite, azurite, chalcopyrite, cuprite and pyrite hosted by shears and fracture-fillings in vesicular volcanics and red tuffs. Mineralization is structurally controlled with an apparent north trend. A common alteration is calcite and epidote with silicification becoming stronger at depth.

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

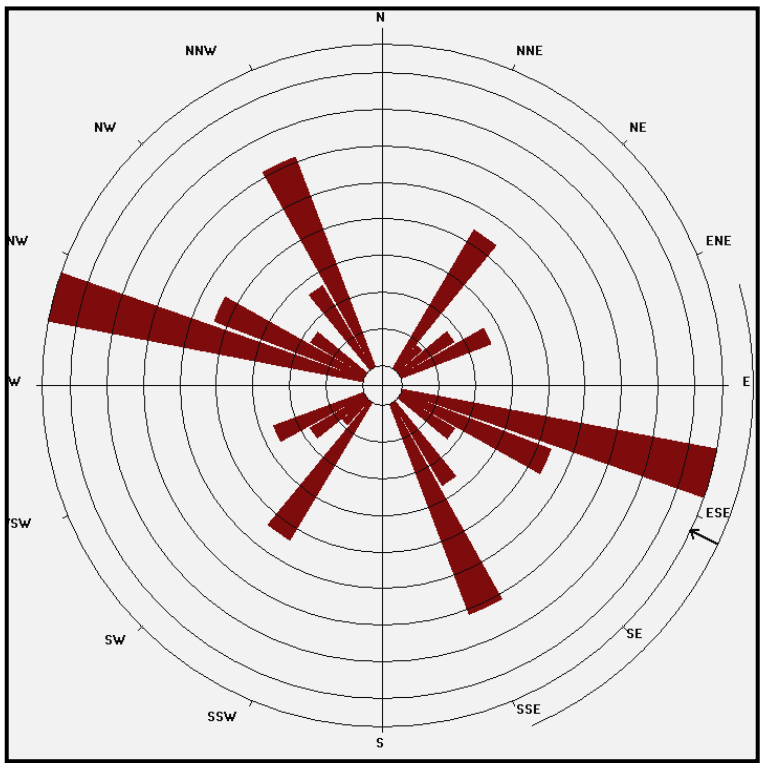
The structural analysis was performed on a MapPlace DEM image hillshade map of Tenures 1045809 & 1045810, by viewing of the map and marking the lineaments, or indicated structures, thereon. A total of 38 lineaments were marked as shown on Figure 5. The lineaments were compiled into a 10 degree class 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 on the Rose Diagram.

The centre of the work area is at 5591230N, 664257E (10) (NAD 83).

Figure 5. **Indicated Lineaments on Tenures 1045809 & 1045810**

Structural Analysis *(cont'd)*

Figure 6. **Rose Diagram from lineaments** *(Figure 5)* **of Tenure 1045810**



STATISTICS

Axial (non-polar) data
No. of Data = 38
Sector angle = 10°
Scale: tick interval = 3% [1.1 data]
Maximum = 26.3% [10 data]
Mean Resultant dir'n = 115-295
[Approx. 95% Confidence interval = ±40.9°]
(valid only for unimodal data)

Mean Resultant dir'n = 115.2 - 295.2
Circ.Median = 105.5 - 285.5
Circ.Mean Dev.about median = 32.1°
Circ. Variance = 0.26
Circular Std.Dev. = 44.42°
Circ. Dispersion = 4.24
Circ.Std Error = 0.334
Circ.Skewness = 1.23
Circ.Kurtosis = -1.98

kappa = 0.63
(von Mises concentration param. estimate)

Resultant length = 11.42
Mean Resultant length = 0.3006

'Mean' Moments: Cbar = -0.1913; Sbar = -0.2319
'Full' trig. sums: SumCos = -7.2703; Sbar = -8.8117
Mean resultant of doubled angles = 0.2337
Mean direction of doubled angles = 073

(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)*

c) Results

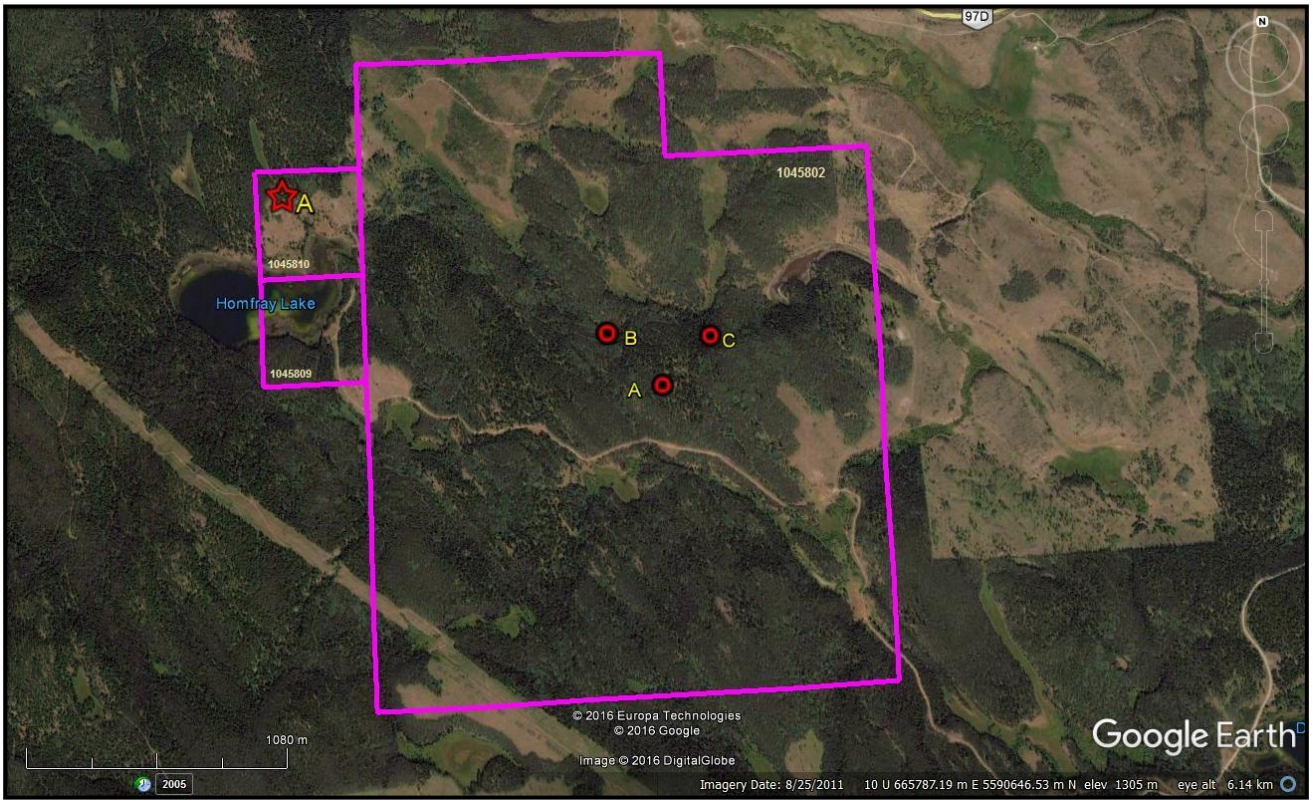
One cross-structure designated as "A" on Figure 7 was delineated from two variable indicated northwesterly trending structures and one northeasterly trending structure.

Figure 7. **Cross structural location** *(Figure 5)* **on Google Earth**
(Base Map: Google Earth)

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

Location	**UTM East**	**UTM North**	**Elevation** (m)
A	664,268	5,591,213	1,294

Figure 7a. **Cross structural locations** *(Figure 7)* **and on ground now occupied by Tenure 1045802** *(Figure 5 AR 34618)*



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 station 5,591,050N 665,400E, a southerly base-line was established with seven additional base-line stations at 50 metre station intervals to 5,590,700N. Magnetometer readings were taken at 25 metre intervals along each of the eight grid lines to 665,900E. The grid line stations were established by the use of a GPS instrument. Line kilometres of magnetometer survey completed was 4.0. The field data is reported herein in Appendix I.

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 8. **Magnetometer Survey Grid**
(Base from MapPlace)

Figure 9 .**Magnetometer Survey Data**

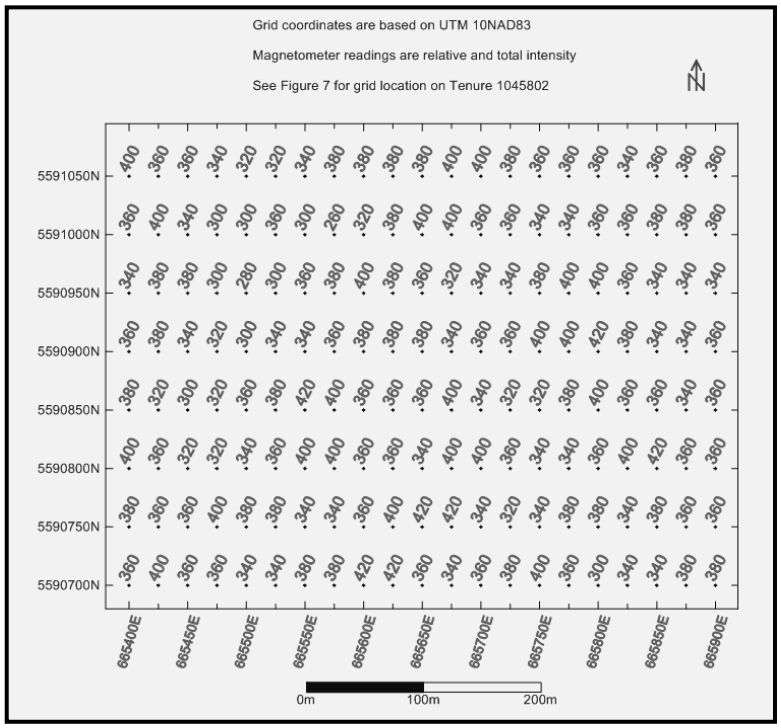


Figure 10. **Magnetometer Survey Data Contoured**

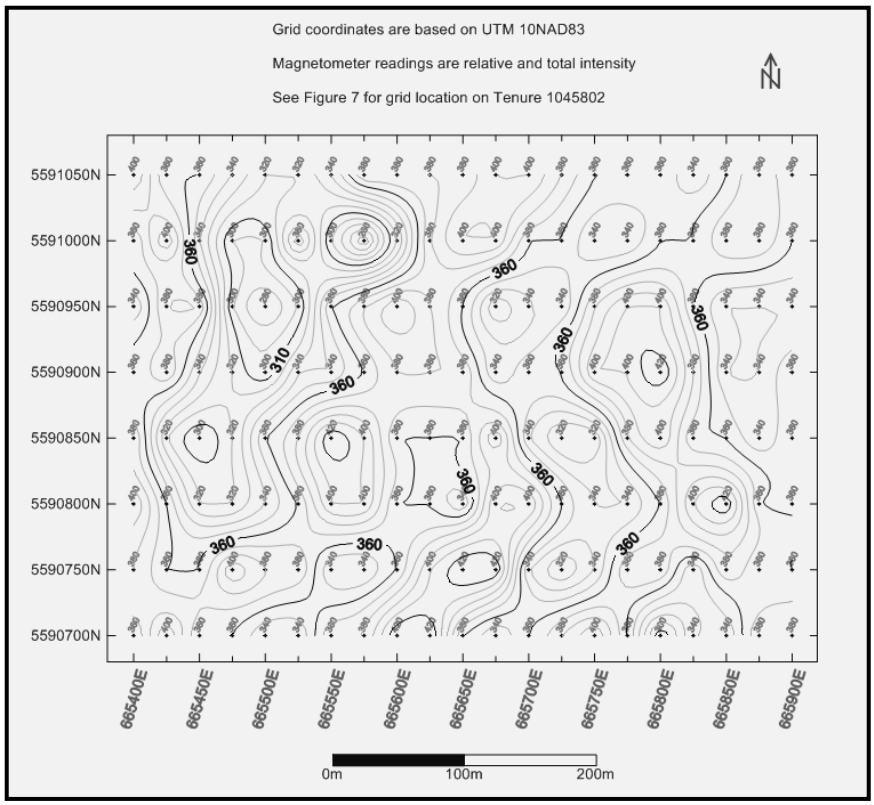
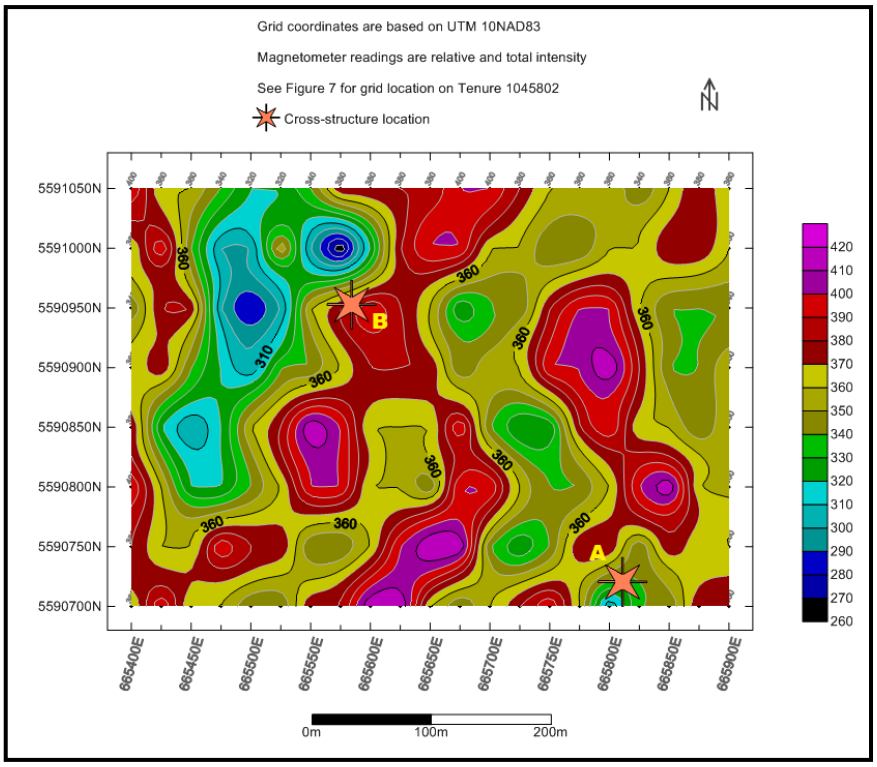


Figure 11. **Magnetometer Survey Data Colour Contoured**



Results

The magnetometer survey which covered Nicola Group undivided volcanic rocks of the Central Volcanic Facies indicated a series of general northwesterly and northeasterly trending relative magnetometer LO's (mag LO) and magnetometer HI's (mag HI).

There is only one significant mag LO trend. Two localized 50 metre spaced anomalous mag LO's in the west in a northeast trend, are enveloped by a sub-anomalous to background mag LO which is open-ended to the north. A second sub-anomalous LO, which may be significant due to its location adjacent to a cross-structure, is in the southeastern sector, is localized, and open to the south.

The anomalous mag HI's could be significant in that they are enveloped within more extensive northwesterly and northeasterly trending zones with two localized anomalies at the intersection of the two trends.

INTERPRETATION and CONCLUSIONS

Structural Analysis of Tenures 1045809 & 1045810

The three structural trends intersecting to create the one cross-structure delineated on Tenure 1945810, are also indicated in the Homfray Lake shoreline configuration indicating that the structures were influential in the setting of the Lake; possibly by graben forming fault features.

With a three structure intersection, a more extensive breccia zone and/or pipe may have resulted for a conduit of hydrothermal fluids from greater depths to reach the surface where the nature and the composition of these fluids may be etched in the surficial material and thus would be a prospective area to explore for these surficial indicators of a potential concealed mineral resource.

The faults, such as the Lornex fault was at the Highland Valley Copper deposit, may be important mineralization conduit from a concealed batholith or a satellitic stock capped by the Nicola volcanics.

Magnetometer survey

In the magnetometer survey completed over two of the three cross-structures delineated in a 2014 structural analysis, the northeasterly and the northwesterly trending sub-anomalous magnetometer LO's or HI's may have revealed structures that were either hydrothermally altered (mag LO) or the host of polymetallic vein material (mag HI). The mag HI zones may also just indicate the unaltered volcanics with the localized anomalous mag HI's at the intersection of the two structural trends indicating polymetallic vein material surfacing via a cross-structural conduit.

The approximate locations of the two cross-structures are not directly associated with a localized anomalous mag LO or mag HI, however, cross-structure "B" is indicated proximal to a localized sub-anomalous mag HI at an indicated mag HI cross-structure, whereas the approximate location of cross-structure "A" is proximal to a localized sub-anomalous mag LO which may indicate a breccia pipe and/or hydrothermal alteration.

Excluding other variable geological conditions, the structures are essential in the localization of a potentially economic porphyry and/or quartz vein hosted mineralization within related intrusives and/or the host units of the Nicola Group.

Respectfully submitted
Sookochoff Consultants Inc.

Laurence Sookochoff, PEng

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092ISE012 – BERTHA – MOLLY
092ISE021 – RHYOLITE
092ISE147 – JHC
092ISE155 – MEADOW CREEK
092ISE167 – SA
092ISE170 – POM POM
092ISE190 – QUEN
092ISE195 – GENSTAR
092ISE196 – PLUG

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STATEMENT OF COSTS

Work on Tenures 1045802, 1045809 & 1045810 was done from August 6, 2016 to August 8, 2016 to the value as follows:

Structural Analysis	
Laurence Sookochoff, P Eng. 2.5 days @ $ 1,000.00/day -----	$ 2,500.00
Magnetometer Survey	
Rick Pearson & Ross Heyer	
Six man days @ $300.00 per day ----------	1,800.00
Truck rental, kilometre charge, fuel, room & board,	
mag rental ----------	1,240.00
	$ 5,540.00
Maps ----------	750.00
Report ----------	3,000.00
	$ 9,290.00
	======

CERTIFICATE

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

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

I, Laurence Sookochoff, further certify that:

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

2) I have been practicing my profession for fifty 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 in the Highland Valley area.

5) I am the registered owner of Tenures 1945809 and 1045810 of the four claim LS 1045809 Claim Group.

Laurence Sookochoff, P. Eng.

Appendix I

Magnetometer Survey Data

E5613356 T1045802											
East	North	Mag	East	North	Mag	East	North	Mag	East	North	Mag
665400	5591050	400	665400	5591000	360	665400	5590950	340	665400	5590900	360
665425	5591050	360	665425	5591000	400	665425	5590950	380	665425	5590900	380
665450	5591050	360	665450	5591000	340	665450	5590950	380	665450	5590900	340
665475	5591050	340	665475	5591000	300	665475	5590950	300	665475	5590900	320
665500	5591050	320	665500	5591000	300	665500	5590950	280	665500	5590900	300
665525	5591050	320	665525	5591000	360	665525	5590950	300	665525	5590900	340
665550	5591050	340	665550	5591000	300	665550	5590950	360	665550	5590900	340
665575	5591050	380	665575	5591000	260	665575	5590950	380	665575	5590900	360
665600	5591050	380	665600	5591000	320	665600	5590950	400	665600	5590900	380
665625	5591050	380	665625	5591000	380	665625	5590950	380	665625	5590900	380
665650	5591050	380	665650	5591000	400	665650	5590950	360	665650	5590900	380
665675	5591050	400	665675	5591000	400	665675	5590950	320	665675	5590900	340
665700	5591050	400	665700	5591000	360	665700	5590950	340	665700	5590900	360
665725	5591050	380	665725	5591000	360	665725	5590950	340	665725	5590900	360
665750	5591050	360	665750	5591000	340	665750	5590950	380	665750	5590900	400
665775	5591050	360	665775	5591000	340	665775	5590950	400	665775	5590900	400
665800	5591050	360	665800	5591000	360	665800	5590950	400	665800	5590900	420
665825	5591050	340	665825	5591000	360	665825	5590950	360	665825	5590900	380
665850	5591050	360	665850	5591000	380	665850	5590950	340	665850	5590900	340
665875	5591050	380	665875	5591000	380	665875	5590950	340	665875	5590900	340
665900	5591050	360	665900	5591000	360	665900	5590950	340	665900	5590900	360
E5613356 T1045802											
East	North	Mag	East	North	Mag	East	North	Mag	East	North	Mag
665400	5590850	380	665400	5590800	400	665400	5590750	380	665400	5590700	360
665425	5590850	320	665425	5590800	360	665425	5590750	360	665425	5590700	400
665450	5590850	300	665450	5590800	320	665450	5590750	360	665450	5590700	360
665475	5590850	320	665475	5590800	320	665475	5590750	400	665475	5590700	360
665500	5590850	360	665500	5590800	340	665500	5590750	380	665500	5590700	340
665525	5590850	380	665525	5590800	360	665525	5590750	380	665525	5590700	340
665550	5590850	420	665550	5590800	400	665550	5590750	340	665550	5590700	380
665575	5590850	400	665575	5590800	400	665575	5590750	340	665575	5590700	380
665600	5590850	360	665600	5590800	360	665600	5590750	360	665600	5590700	420
665625	5590850	360	665625	5590800	360	665625	5590750	400	665625	5590700	420
665650	5590850	360	665650	5590800	340	665650	5590750	420	665650	5590700	360
665675	5590850	400	665675	5590800	400	665675	5590750	420	665675	5590700	340
665700	5590850	340	665700	5590800	400	665700	5590750	340	665700	5590700	360
665725	5590850	320	665725	5590800	360	665725	5590750	320	665725	5590700	380
665750	5590850	320	665750	5590800	340	665750	5590750	340	665750	5590700	400
665775	5590850	380	665775	5590800	340	665775	5590750	380	665775	5590700	360
665800	5590850	400	665800	5590800	360	665800	5590750	380	665800	5590700	300
665825	5590850	360	665825	5590800	400	665825	5590750	340	665825	5590700	340
665850	5590850	360	665850	5590800	420	665850	5590750	380	665850	5590700	340
665875	5590850	340	665875	5590800	360	665875	5590750	360	665875	5590700	380
665900	5590850	360	665900	5590800	360	665900	5590750	360	665900	5590700	380