

**UPDATED SUMMARY REPORT ON THE LA REFORMA PROPERTY  
(Detailing the Results of Recent Exploration and Diamond Drilling)**

**Sinaloa State, Mexico**

**Prepared for**

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**By**

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**June 16, 2014**

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## SUMMARY

The La Reforma Property consisting of two mining concessions and covering an aggregate area of 6, 987 ha is located at the common boundary of Sinaloa and Chihuahua States in west central Mexico. By virtue of the exercise of an earlier option agreement with Minera Copper Canyon de Mexico, S.A. de C.V, Victory Resources Corporation of Vancouver, British Columbia now owns an undivided 70% interest in the property. The property is accessible by 43 km of paved and all weather gravel road from the city of Choix, Sinaloa State, Mexico.

The La Reforma is an old mine formerly operated by Compania Minera La Campana, S.A., a former subsidiary of Industrias Peñoles, S.A. de C.V. From 1968 to 1980, 1.8 million tonnes of complex ore was processed with average values of 91.62 g/t Ag, 1.90% Pb, 7.4% Zn and 0.63% Cu. Other works completed included I.P., magnetometer and soil geochemistry surveys. It is not known if any of the geophysical and geochemical surveys was followed up.

The property lies in Upper Jurassic to early Tertiary rocks including igneous intrusives, metasediments, volcanic and metavolcanics, marbleized limestone and younger rhyolites and ignimbrites. The regional structure trends NW-NNE. At the mine area, skarn with associated sulphides of copper, lead and zinc occurs at the contact of marble and metasediments intruded by granodiorite. Silver is a major component while gold is present only in minor amounts. The mine structure represents a northerly asymmetrical antiform which toward its southern part is overturned westward.

From the later part of the year 2010 to mid 2012, Victory Resources conducted a program of diamond drilling and various exploration works on the La Reforma property. The exploration involved surface and underground rock sampling, tailings sampling and rock chip survey.

Fifteen diamond drill holes were completed, seven of which encountered significant silver, copper, lead and zinc mineralization in intervals ranging from 1.06m to 11.83m. The intervals are estimated to range from 55% to 90% of true thickness.

Underground channel sampling of sulphide mineralization was conducted at Levels 690 and 680. A total of 73 samples returned average weighted assays of 18.32 to 325.93 ppm Silver, 0.07 to 1.21% copper, 0.44 to 17.29% lead and 0.04 to 13.52 % zinc over average true widths of 1.08m to 3.40m. Gold occurs in minor amounts.

The two old tailings ponds in Reforma were sampled initially by backhoe trenching followed by auger drilling. Thirteen trench samples and 218 auger samples were collected. Initial assays from trench samples returned averages of 0.08ppm gold, 19.95ppm silver, 0.15% copper, 9.75% iron, 1.34% zinc and 0.40% lead.

Surface chip sampling was conducted over an area 2,400m wide and 2,800 m long. 563 samples were submitted for 33-element ICP analysis. Coincident elevated values of gold, silver and copper occur on the southeast and northwest corner of the surveyed area.

The La Reforma is a property of merit that warrants further work. A work program consisting of mine rehabilitation and crosscutting, underground diamond drilling, underground sampling, follow up work on results of the chip sampling survey including geophysics and trenching is recommended. The estimated cost of the recommended work program is CAD\$ 1,290,300.



## INTRODUCTION AND TERMS OF REFERENCE

Victory Resources Corporation (the “Company”), a listed company based in Lake Country, British Columbia commissioned this report for the purpose of documenting exploration works conducted on its La Reforma mining property in Mexico. Some sections in this report will be duplicated in their entirety from a previous report by the author titled “Summary Report on the Reforma Property, Sinaloa State, Mexico”, (the “Summary Report”) which was filed with Sedar on September 27, 2010. The purpose of this report is to present the exploration results conducted on the La Reforma property by the Company, subsequent to the Summary Report during the years 2010 to 2012. The report is mainly based on exploration records accumulated by the author during his occasional inspection trips to the project site as well as various records provided by management.

This report suffers to a certain degree from the unavailability of previous site geologists who have intimate knowledge of the details of past operations. However, the author considers the report complete in so far as all relevant information is concerned.

### Reliance on Other Experts

No experts have been relied upon in the preparation of this report. The conclusions and recommendations are the author’s sole responsibility.

## PROPERTY DESCRIPTION AND LOCATION

### Location

The Reforma Property straddles the common boundary of Sinaloa and Chihuahua States at UTM (NAD 27 Mexico) N2,984,352 N and E779,565 some 150km east northeast of Los Mochis, see Figure 1.

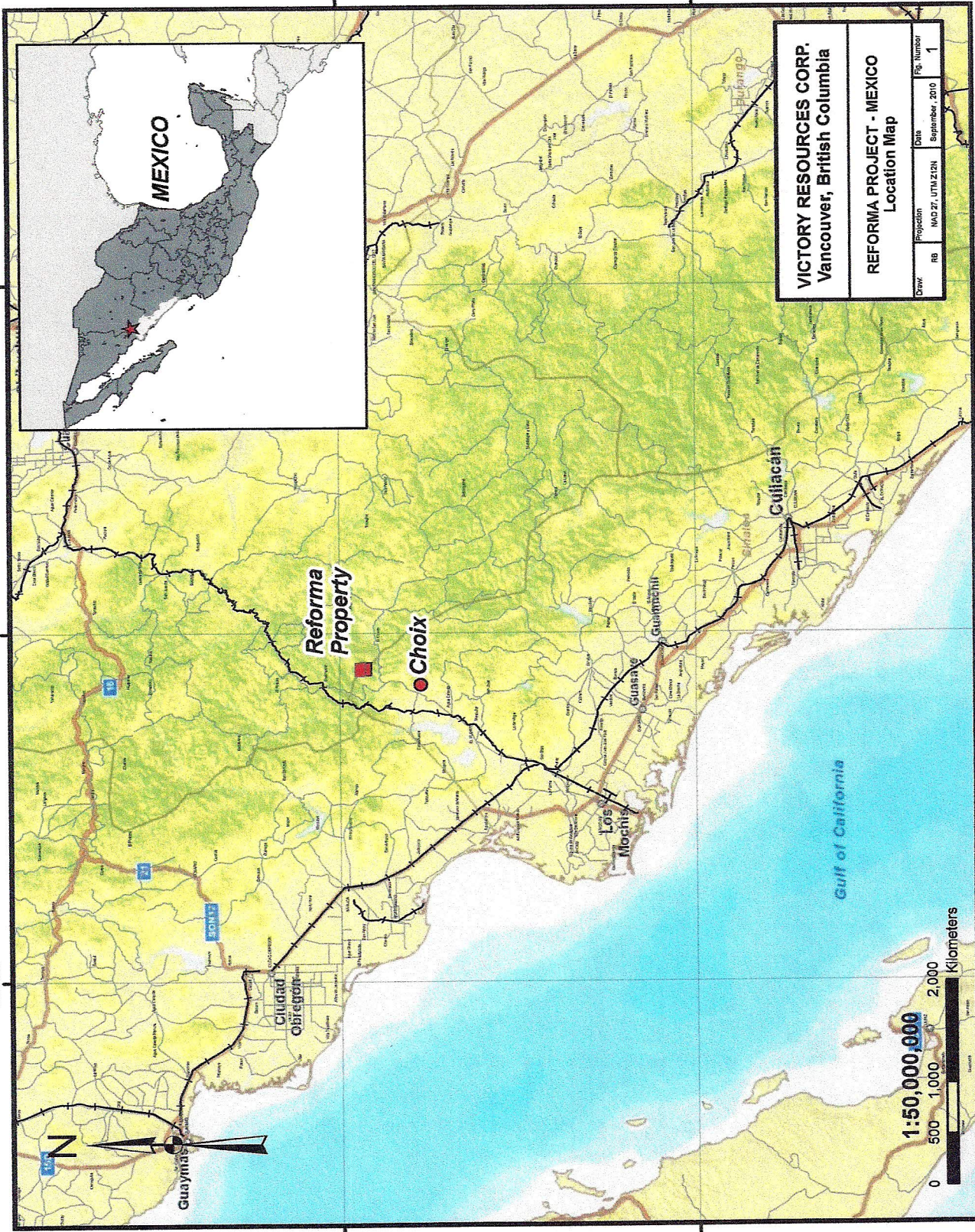
### Property Description

The Reforma Property comprises 2 mineral concessions covering an aggregate area of 6,987 ha. The details of the concessions are given in Table 1. A concession map is presented in Figure 2.

**Table 1: La Reforma Property Concessions**

Concession	Title No.	Area (ha)	Owner	Taxes Due	Expiry Date
AMP. SANTO. TOMAS RED.4	227735	2,302.00	Minera Copper Canyon de Mexico, S.A. de C.V.	01/31/ 2014	09/24/2059
EL BIENESTAR	236635	4,685.00	Minera Copper Canyon de Mexico, S.A. de C.V.	01/31/2014	01/29/2060





**VICTORY RESOURCES CORP.**  
 Vancouver, British Columbia

**REFORMA PROJECT - MEXICO**  
 Location Map

Draw:	RB	Projection:	NAD 27, UTM, Z12N	Date:	September, 2010	Pg. Number:	1
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1000000 800000 600000 300000

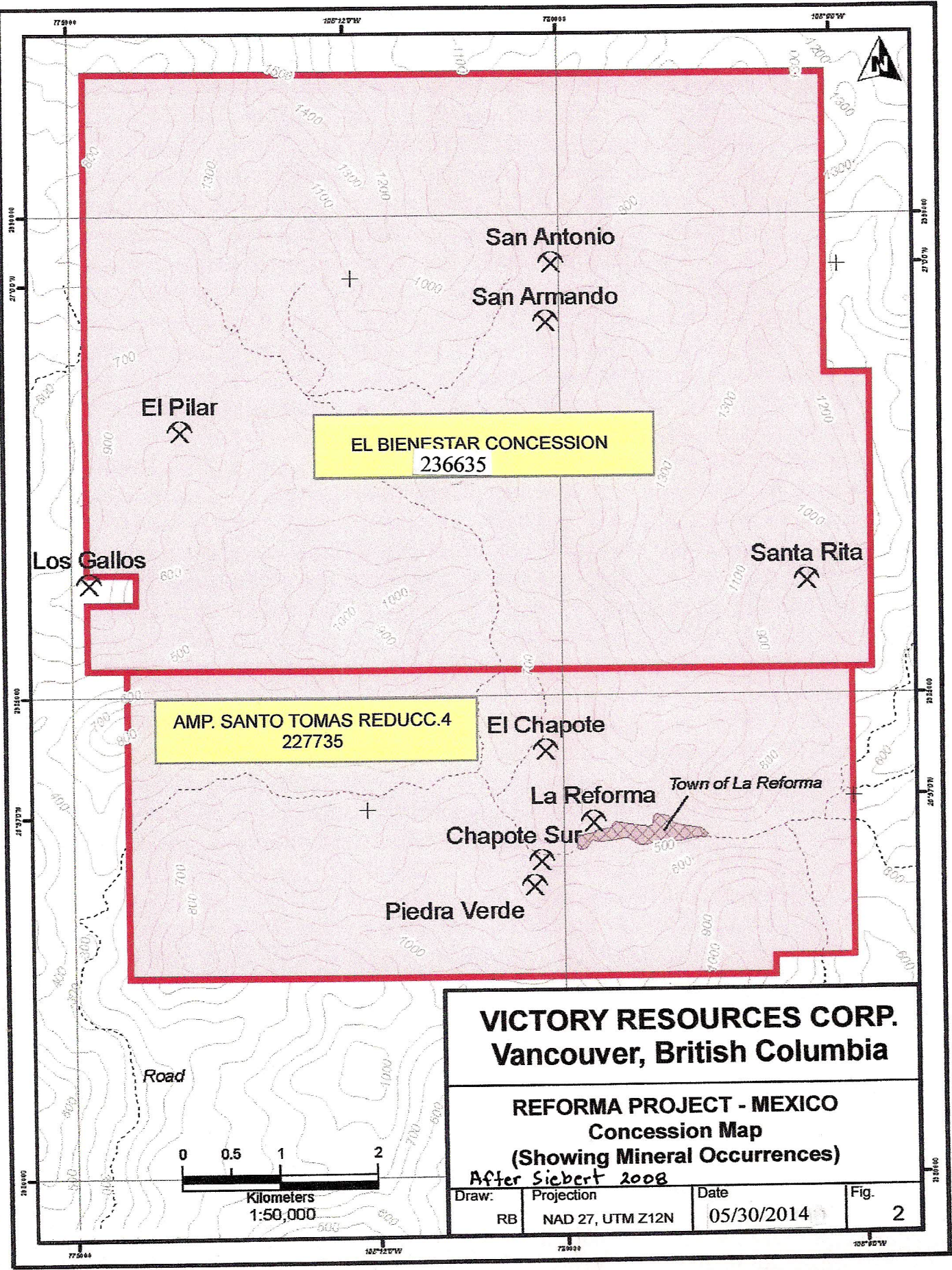
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05/30/2014





**EL BIENFSTAR CONCESSION**  
236635

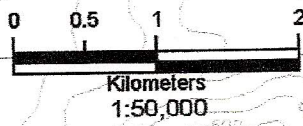
**AMP. SANTO TOMAS REDUCC.4**  
227735

**VICTORY RESOURCES CORP.**  
Vancouver, British Columbia

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**REFORMA PROJECT - MEXICO**  
Concession Map  
(Showing Mineral Occurrences)  
*After Siebert 2008*

Draw:	Projection	Date	Fig.
RB	NAD 27, UTM Z12N	05/30/2014	2





The concessions are in good standing. However, as of the date of this report, the Company has yet to pay concession taxes for the current year. Mexican law charges a penalty of 10% for late payments which increases by a certain formula according to the number of months of delay. Usually, after several months of non-payment, a notice is issued by the government demanding payment of taxes within 60 days, the non-payment of which would result in the cancellation of the concession. In practice, the cancellation is appealable since the government is more inclined towards the collection of taxes. The Company has informed the author of its intention to pay the concession dues before a demand notice for payment is received from the government.

The La Reforma is an old mine formerly operated by Compania Minera La Campana, S.A. ("Compania Minera"), a former subsidiary of Industrias Peñoles, S.A. de C.V. During the years 1968 to 1980, Compania Minera processed 1.8 million tonnes of complex ore grading average values of 91.62 g/t Ag, 1.90% Pb, 7.4% Zn and 0.63% Cu.

Other underground operations were carried out on the Chapote and the Zona Sur, however, only the Reforma North had a history of production.

On March 3, 2010, Victory Resources Corporation through its wholly-owned Mexican subsidiary VicRes Mining Mexico, S. A. de C.V. ("VicRes") entered an option agreement with both and jointly Astec Zinc de Mexico, S.A. de C.V. and Minera Copper Canyon de Mexico, S.A. de C.V. to earn a 70% undivided interest in the AMP. STO. TOMAS REDUCC 4 and EL BIENESTAR mineral concessions. The concessions include the old La Reforma mine. Under the agreement, VicRes shall have exercised its option upon completion of option payments totaling USD\$200,000, issuance of 14,000,000 common shares in the capital stock of Victory and the expenditure of a total aggregate USD\$2,500,000 in work programs, all within 36 months of the signing of the agreement.

**In a news release dated February 13, 2013, the Company announced it had satisfied all of the above conditions to earn an undivided interest of 70% in the La Reforma property. As part of the terms of the agreement, the Company will now proceed to enter a joint venture with the property owners.**

No known royalties, back-in rights, payments and other agreements exist that may encumber the claims. Drug cartel activities may occasionally hinder present and future operations.

Since both concessions are under exploitation status government permits are required prior to most types of exploration work. Work permits for the proposed work program will be applied for at the appropriate time.

**ACCESSIBILITY, CLIMATE AND PHYSIOGRAPHY, LOCAL RESOURCES AND INFRASTRUCTURE (This section up to Section 7 on Regional Geology are duplicated in their entirety from the Summary Report)**



### **Topography and Vegetation**

The Reforma concessions lie in rugged topography characterized by steep slopes and cliffs separated by narrow valleys and deeply incised gullies and ravines. Elevations range from 500m ASL in the Reforma village to 1,400m ASL on the northeastern part of the property. The creeks are dry most of the year with the drainage pattern showing a general south to southwest flow. The main drainage channel is the southwest-flowing Reforma Creek that joins the Rio Fuerte to the southwest. Vegetation in the concession area consists of indigenous interlacing shrubs, vines and bushes interspersed with small trees usually limited 2 to 3 metres high. No merchantable timber occurs in the immediate vicinity of the property.

### **Access**

Access to the Reforma property from the city of Choix is by 33km of partly sealed and gravel road to the Rio Fuerte ferry crossing, thence 10km of rough all-weather gravel road to the old mine site and the village of La Reforma, see Figure 2a. The travel time may take up to four hours depending on immediate ferry availability. Choix is 150km by road to the port city of Los Mochis, a commercial hub served by several daily flights from major destinations.

### **Climate**

The local climate is typical of the Sierra Madre which is dry and arid most of the year but may experience heavy rains during the months of September to November. Exploration activities can be carried out year-round. Temperatures are generally hot at daytime and mild during the night.

### **Local Resources and Infrastructure**

The town of La Reforma has a population of some 100 residents mostly sheltered in permanent buildings left by the previous mining operators. The people depend on subsistence farming and the raising of cattle and donkeys mostly for local consumption.

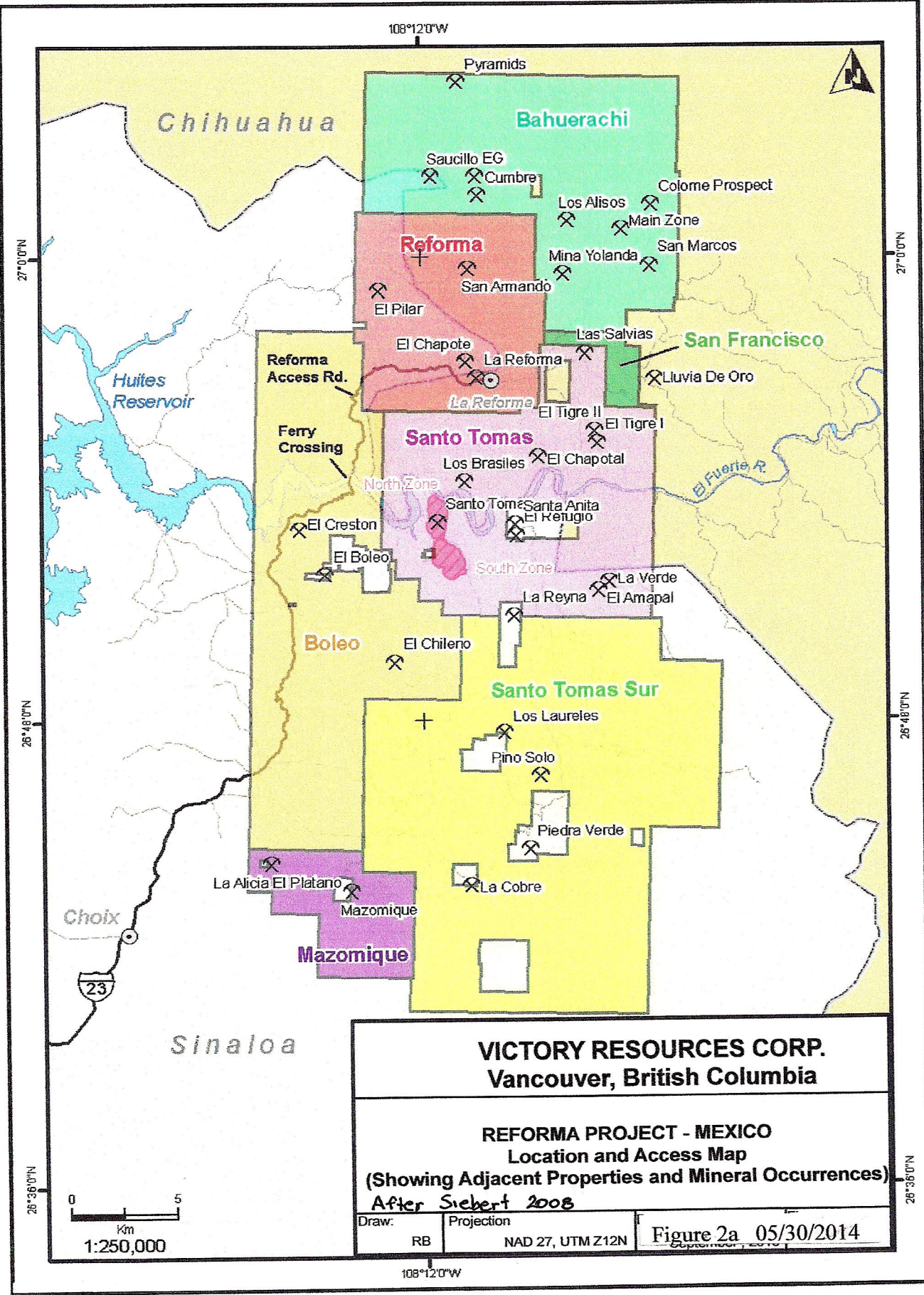
The nearest commercial centre is the city of Choix where most supplies including basic equipment and skilled labour can be sourced to support an exploration and mining operation. Some of the current residents at La Reforma are former employees of the mine and are potential source of knowledge for future work programs.

A power line carrying 34.5 KV and telephone lines used during past mining operations are still in place.

The national railway linking El Paso, Texas with the port city of Los Mochis passes within 24km west of the property.

A new highway from Chihuahua to Choix is under construction and is planned to pass within 5km of La Reforma. This highway bypasses the Rio Fuerte ferry crossing.





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**Vancouver, British Columbia**

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**REFORMA PROJECT - MEXICO**  
**Location and Access Map**  
**(Showing Adjacent Properties and Mineral Occurrences)**  
*After Siebert 2008*

Draw: RB	Projection: NAD 27, UTM Z12N	Figure 2a 05/30/2014
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## **HISTORY**

The Reforma was first reported by prospectors of Compania El Fuerte Mining in 1901. The prospect changed hands a number of times until 1951 when Tomas Leuffer brought in equipment to conduct underground mining. In 1956 the prospect passed on to Venturas Mineras de Mexico, S.A. and under its manager John Watson carried out limited mining and diamond drilling. The following year, Sheep Creek Mines of Canada optioned the property and continued diamond drilling. This work resulted in the delineation of sufficient resource to encourage underground mine development. Shortly after, Sheep Creek Mines withdrew from the project on account of new changes in the Mexican mining law adverse towards foreign companies. In 1964 a Señor William Peñoles bought the property from Venturas Mineras and under his company Compania Minera La Campana, S.A. started underground development concurrent with the construction of a plant. In 1968, the Reforma mine commenced commercial production of concentrates of Ag, Pb, Zn and Cu from complex ores. Mining and milling operations ceased in 1979 after producing almost 2,000,000 tonnes of ore. The plant was completely stripped and moved out in 1980.

Most of the major ground work completed by Compania Minera La Campana, S.A. was in the form of underground development and mine production. The majority of the work was carried out in the Mina Reforma. Except for the Chapote where the underground development is partially accessible, the Mina Reforma and Zona Sur (Figure 5) are blocked by debris at their portals causing water to back up at their main haulage levels. The Mina Reforma was developed by levels and sublevels including a down ramp below the main haulage level. Other works completed by Compania Minera were I.P., magnetometer and geochemical surveys. It is not known if the company did any follow up work are on the geophysical surveys. The location of the geophysical and geochemical survey anomalies are shown in Figure 5.

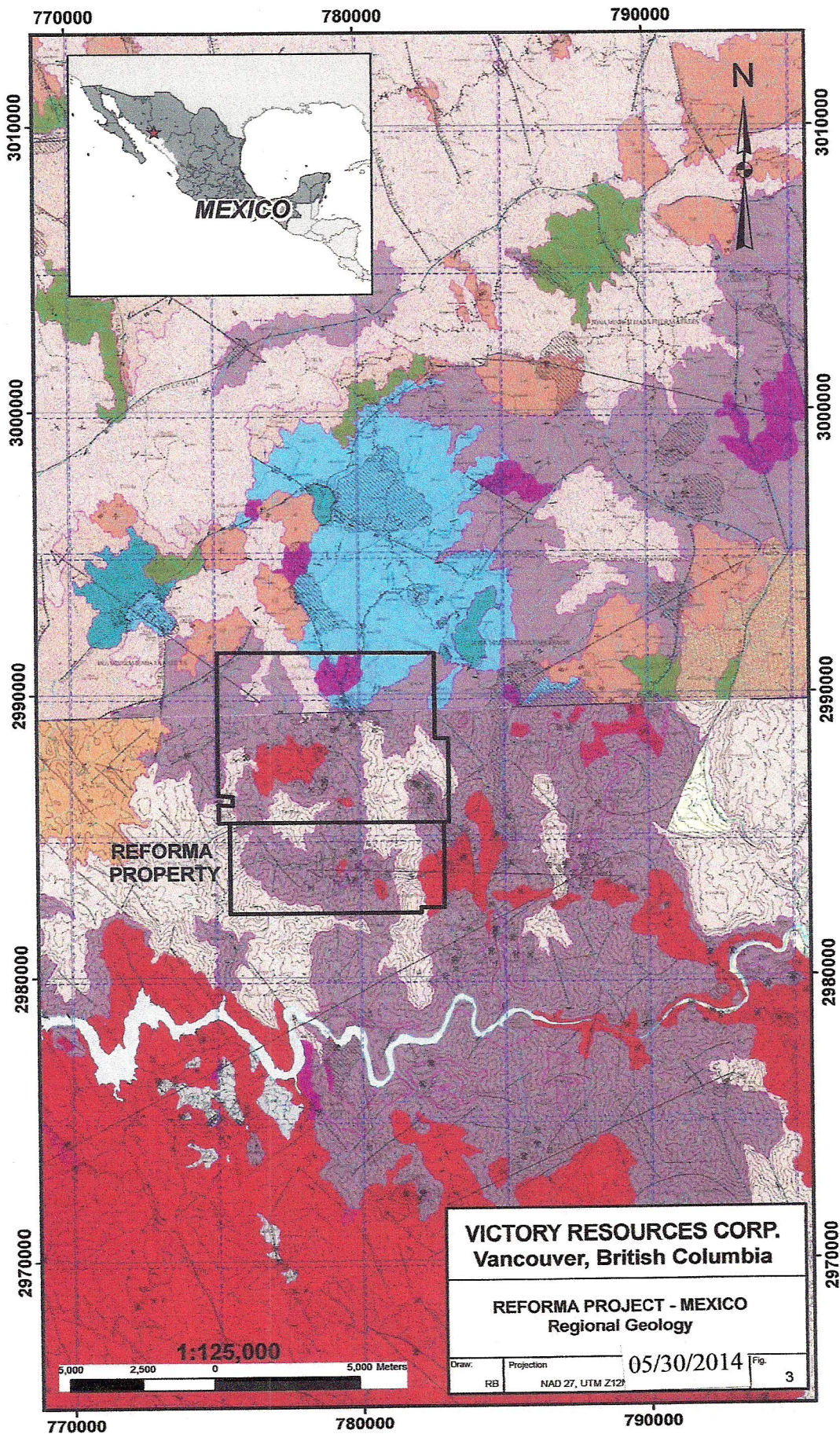
## **GEOLOGICAL SETTING**

### **Regional Geology**

The Reforma Property is situated in the northeastern part of Sinaloa State underlain by Upper Jurassic to Tertiary sediments, igneous intrusive and extrusives. The earlier sediments and volcanics from Upper Jurassic to Upper cretaceous consist largely of metavolcanics, metasediments, limestone, sandstone and conglomerate. The Igneous intrusive consisting to granites, granodiorites, tonalite and quartz monsonite porphyries range in age from Upper Jurassic to Early Tertiary. The granodiorite stock within the property is part of the extensive granodiorite batholith to the south. Extensive undifferentiated metasediments and metavolcanics of Jurassic and Cretaceous age cover the property. Higher in the sequence are Tertiary rhyolites and ignimbrites.

The regional structural trend is NW and NE expressed by graben and horst pairs as well as axes of folds and faults. The regional geology is presented in Figures 3 and 3a.

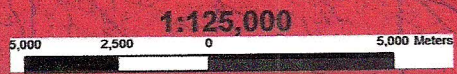




REFORMA  
PROPERTY

**VICTORY RESOURCES CORP.**  
Vancouver, British Columbia

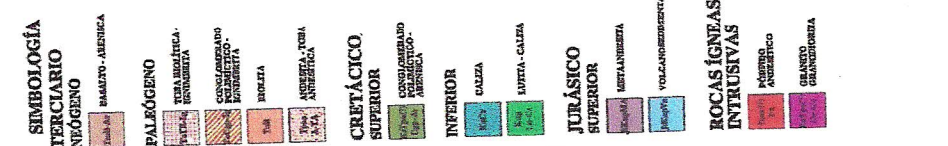
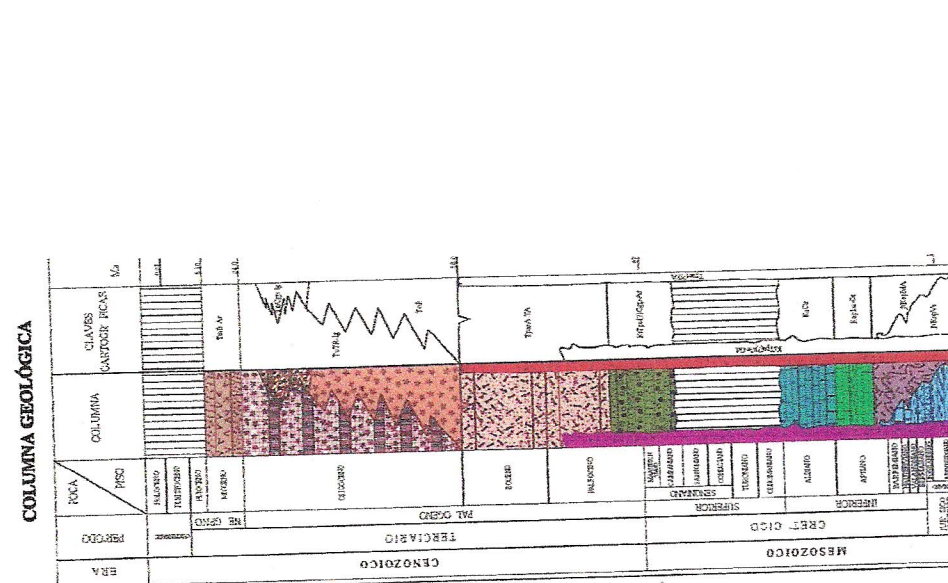
**REFORMA PROJECT - MEXICO**  
Regional Geology



Draw:	Projection	05/30/2014	Fig.
RB	NAD 27, UTM Z12S		3



**COLUMNA GEOLÓGICA**



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Vancouver, British Columbia

**REFORMA PROJECT - MEXICO**  
Regional Geology Legend

Draw: RB    Projection: NAD 83 UTM Z    05/30/2014    Fig. 3a

## **Local and Property Geology**

The immediate vicinity of the concessions is predominantly underlain by a sequence of Jurassic to Cretaceous metavolcanics, metasediments and marble. Within the property and to the west are extensive occurrences of Tertiary rhyolites and Ignimbrite. Igneous intrusives consist of granodiorite and tonalite. Extensive areas of highly altered rocks occur east and south of the property. Most of these alteration zones trend northerly and host the copper and gold deposits of Bahuerachi to the north and Santo Tomas to the south.

The predominant structural trend is NW to the west of the property and NS within and to the east of the property, see Figure 4.

In the Reforma mine area, the predominant lithologies are Cretaceous metasediments and marble intruded by late Cretaceous to early Tertiary granodiorite, andesite porphyry, tonalite, aplites and mostly mafic dykes. Peripheral to the metasediments and intrusives are large areas of rhyolite and ignimbrite that show general dips of 35° to 40° NE, see Figure 5.

The structure of the main La Reforma deposit is characterized by a north plunging antiform which through almost its entire length is overturned with its axis dipping on the average of 40° to 60° NW.

## **DEPOSIT TYPES**

The La Reforma mine is a contact metasomatic deposit characterized by sulphide-bearing skarn developed at the contact of marbleized limestone and metasediments. The skarn is irregular in shape and width although it may attain thicknesses in excess of 10 m and may pinch out within short distances. The sulphides appear as replacements in the skarn. The contact of the skarn with the limestone and metasediments are sharp and easily recognizable in drill cores, outcrops and underground.

The mineralization at La Reforma consists primarily of magnetite, galena, sphalerite and chalcopyrite. The sulphides occur from disseminations to massive lenses and pods where in places they appear to completely replace the skarn. Gangue minerals include garnet, epidote, calcite, pyrite and magnetite. A typical cross section showing the type of deposit in the Reforma mine is presented in Figure 6.

## **EXPLORATION**

### **Discussion:**

From late 2010 to mid 2012 Victory Resources conducted surface rock channel sampling, surface rock chip sampling, underground channel sampling, tailings pond sampling, and first order ground control. The underground sampling was restricted to Level 680 and above where







778000

780000

782000

2986000

2986000

2984000

2984000

2982000

2982000



EL BIENESTAR PROPERTY

Perimeter of Chip Sampling

**SYMBOLS**

- STREAM
- TOWN
- SECTION LINE N75W
- SECTION LINE
- ROAD
- TRAIL

- OBSERVED CONTACT
- BASALTIC DIKES
- DIKES
- RHYOLITIC DIKES
- BEDDING
- FRACTURE
- FAULTS
- ATTITUDE OF RHYOLITE
- MINE
- DRILL HOLE
- INCLINED DRILL

**LITHOLOGY**

- COLLUVIUM
- RHYOLITE
- METASEDIMENTS
- TACTITE
- MARBLE
- APLITE
- TONALITE
- GRANODIORITE

**GEOPHYSICAL ANOM**

- MAGNETIC ANOMALY
- IP ANOMALY
- GEOCHEMISTRY

AMP. SANTO TOMAS REUCO 4  
227735

1:25,000

0 500 1,000 2,000  
Kilometers

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Vancouver, British Columbia

REFORMA PROJECT - MEXICO  
Property Geology  
Compilation Map

Draw. Projection 05/30/2014 Pg 5  
RB NAD 27, U



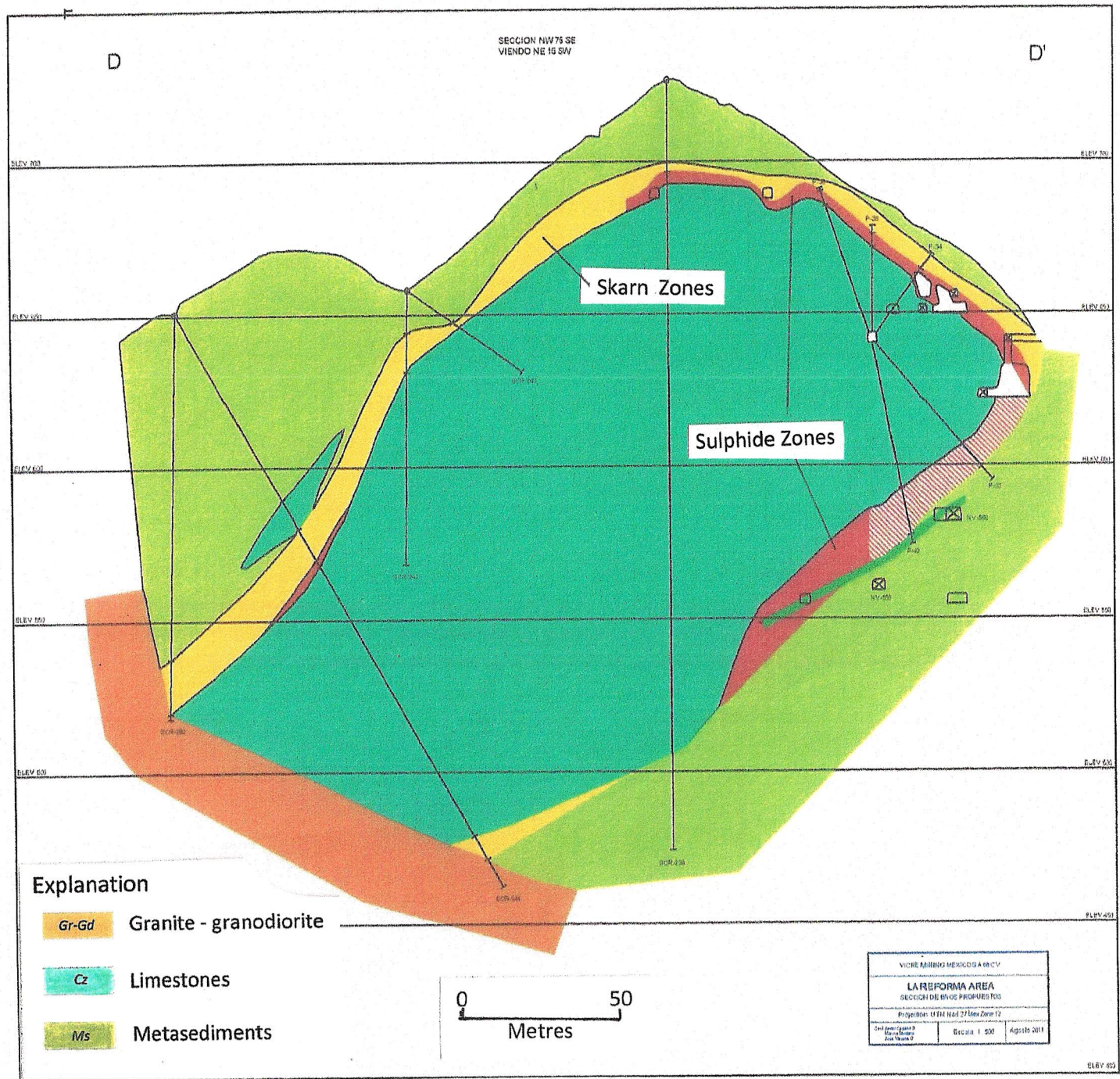


Figure 6. Typical Cross Section of Reforma Mine Deposit (looking 15° NE) 05/30/2014



ground conditions appeared stable and air circulation found adequate. A summary of the major activities is presented in Figure 7.

#### Underground Sampling:

In both Levels 690 and 680, channel sampling of the sulphide replacements in the skarn zones were carried out using a hand pick. Samples were taken every 3 m along the structure across widths ranging from 0.60m to 3.0 m. A total of 73 channel samples each weighing between 5kg and 10 kg were taken with their locations shown on Figure 8. Weighted averages of contiguous samples were calculated and their distribution presented in Figure 9. Significant amounts of mineralized muck material mined by previous operators remain on the floors of both levels 690 and 680. No samples were taken of the muck material. Both levels were stoping areas where some observed mineralization was beyond reach during the sampling program. No duplicate samples were taken; however, the author recommends check sampling in both levels as an alternative verification procedure.

#### Surface Rock Sampling:

A limited program of surface rock sampling was conducted at El Chapote and the Reforma mine area, see Figure 10. At the Reforma mine samples were taken across the surface trace of the sulphide bearing skarn. A total of 32 samples were collected, 14 from the El Chapote, 8 from the Reforma mine and 10 from oxidized limestone and metasediments around the mine area. Samples taken from El Chapote included channels cut near the portal of an old adit.

#### Tailings Pond Sampling:

Initial sampling at the Matanza and Altamira tailings ponds was by trenching using a JCB backhoe. Each trench measured 0.70 m wide by 5.0 m long and 3.5 m deep. The trenching program was designed to guide a drilling program that was to follow. Seven trenches were dug at the Matanza and 6 at the Altamira. The trenches and sample locations for each tailings pond are presented in Figures 11 and 12 respectively.

Drilling at the Matanza and Altamira tailings ponds shortly followed the trenching program. The sampling tool used was a 4-inch diameter sand auger. Continuous coring to depths in excess of 10 m was made possible by the use of extendible stems. At the Matanza, 46 auger holes ranging in depths from 2 m to 10.9 m for a total of 291 m was completed, Figure 13. At the Altamira 10 auger holes ranging from 2 m to 7.5 m deep for a total of 37.7 m were completed, Figure 14. A total of 193 auger samples were collected from the Matanza tailings and 25 auger samples from the Altamira tailings for a total of 218 auger samples.

#### Rock Chip Geochemical Survey:

A rock chip survey grid at 100-metre centres was established covering an area 2,400 m wide and 2,800 m long in a north-south direction. A total of 563 samples including 16 field duplicates

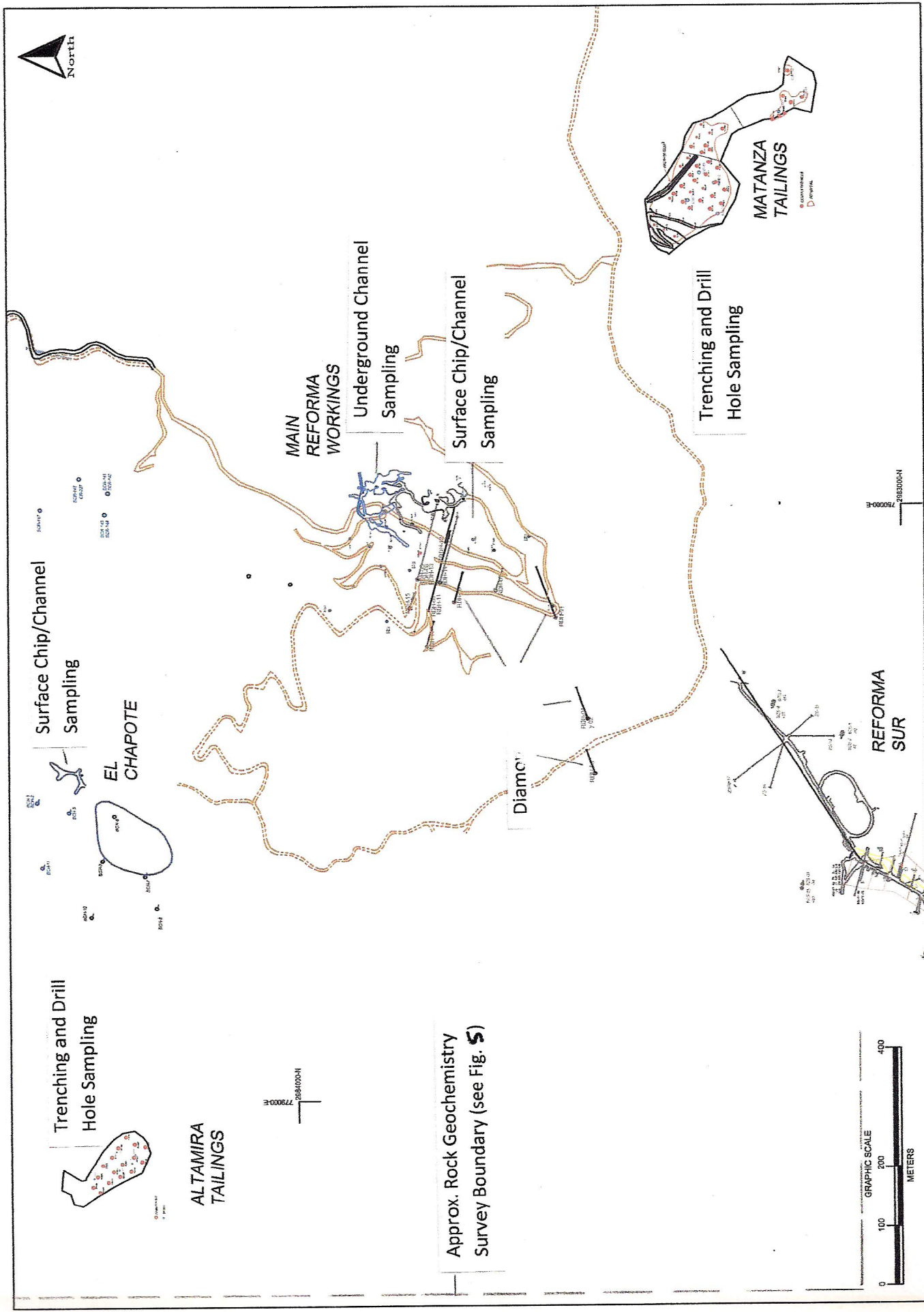


Figure 7. Location Map of Exploration and Drilling Activities 05/30/2014

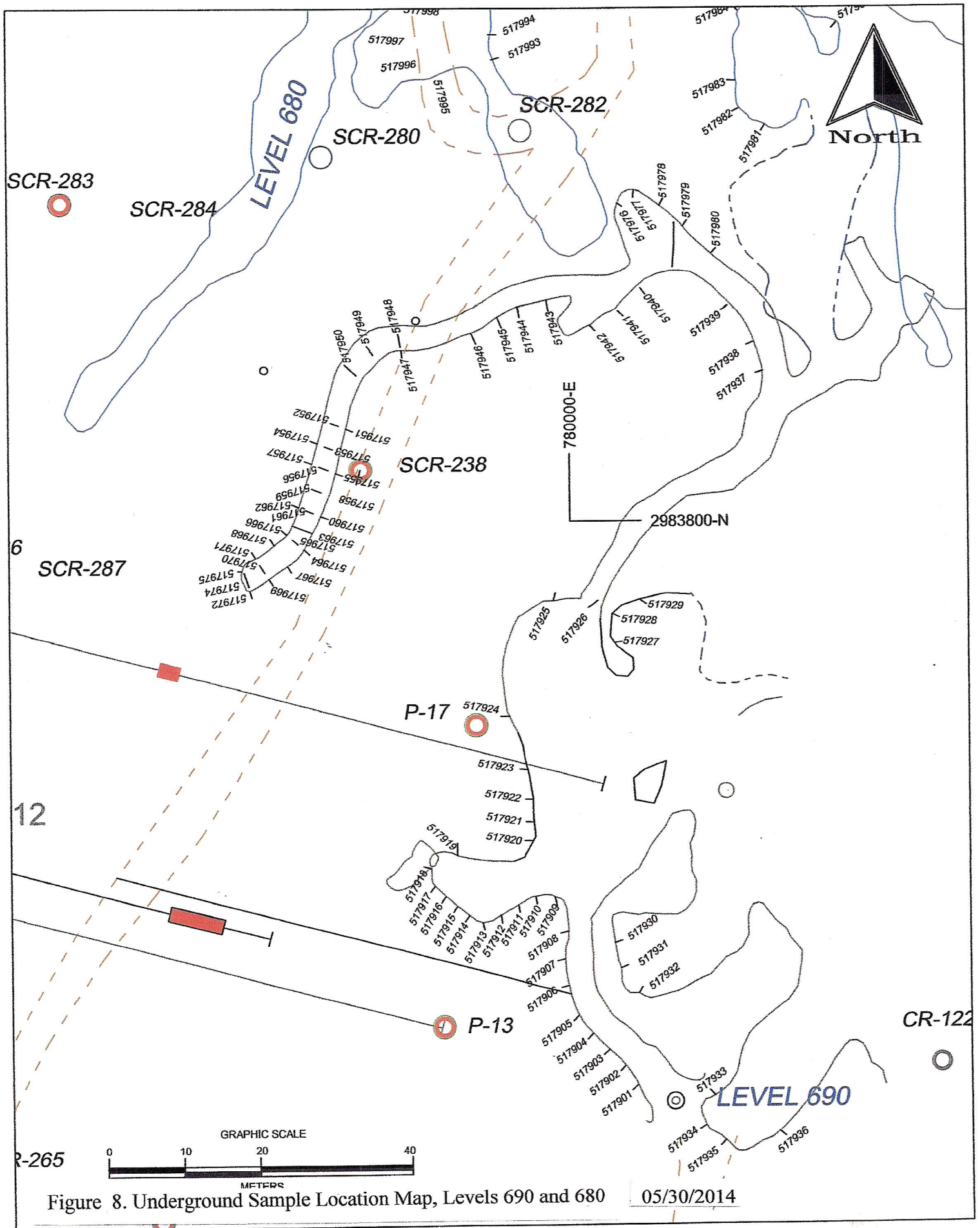


Figure 8. Underground Sample Location Map, Levels 690 and 680

05/30/2014



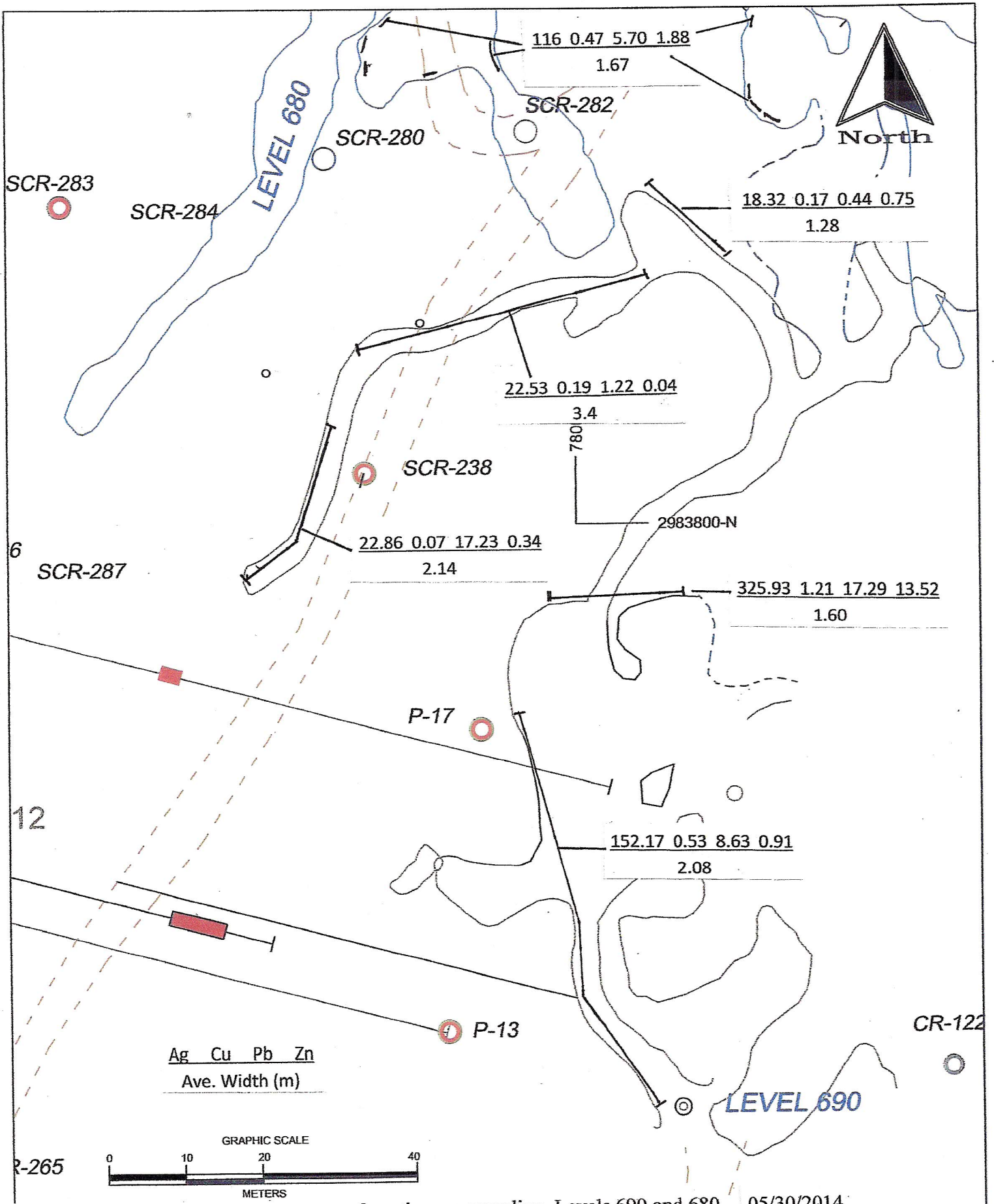
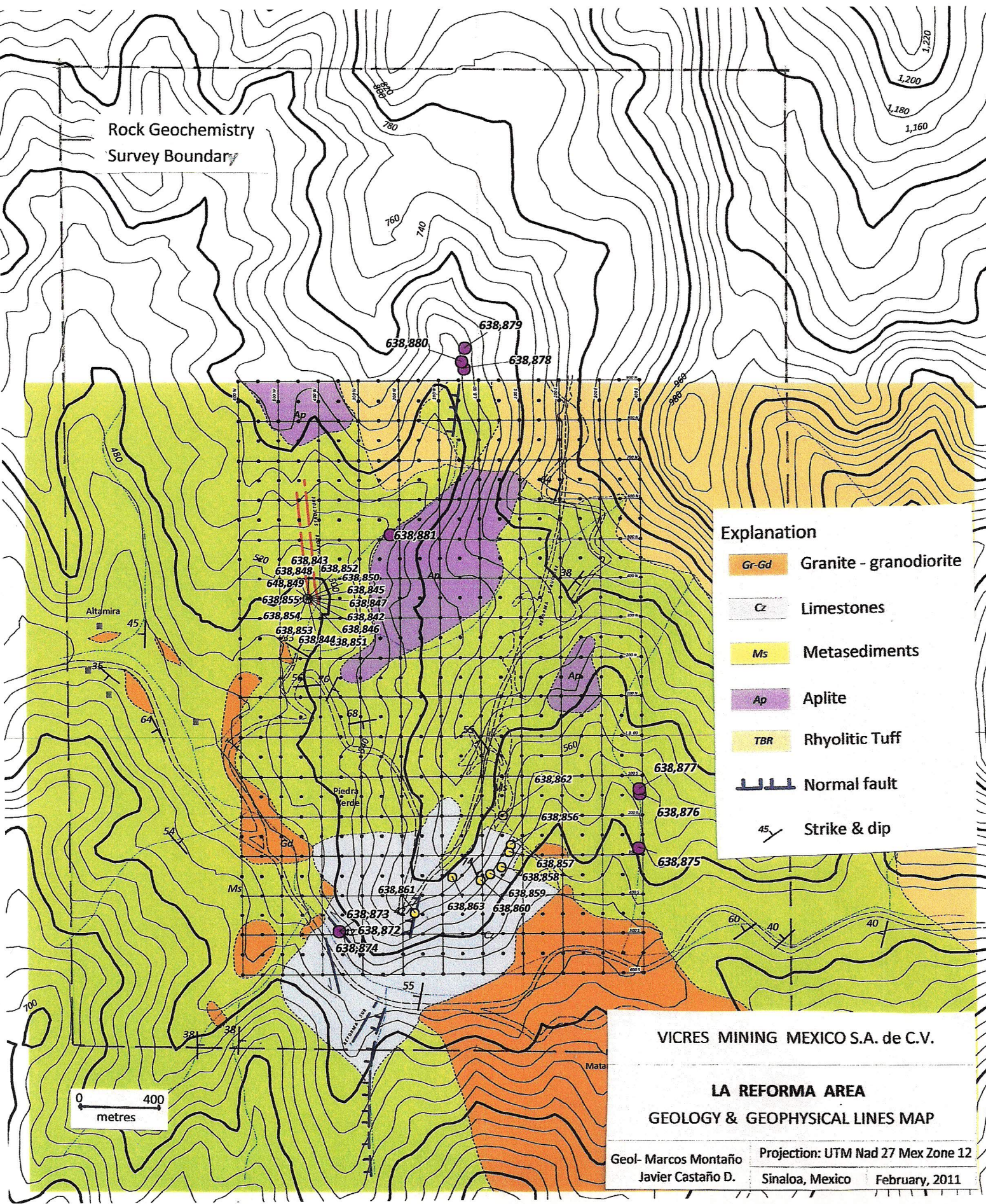


Figure 9. Weighted Assay Averages of contiguous sampling, Levels 690 and 680 05/30/2014



Rock Geochemistry  
Survey Boundary



**Explanation**

- Gr-Gd Granite - granodiorite
- Cz Limestones
- Ms Metasediments
- Ap Aplite
- TBR Rhyolitic Tuff
- Normal fault
- Strike & dip

VICRES MINING MEXICO S.A. de C.V.

**LA REFORMA AREA**  
**GEOLOGY & GEOPHYSICAL LINES MAP**

Geol- Marcos Montaño  
Javier Castaño D.

Projection: UTM Nad 27 Mex Zone 12  
Sinaloa, Mexico February, 2011

Figure 10. Surface Rock Sample Location Map 05/30/2014



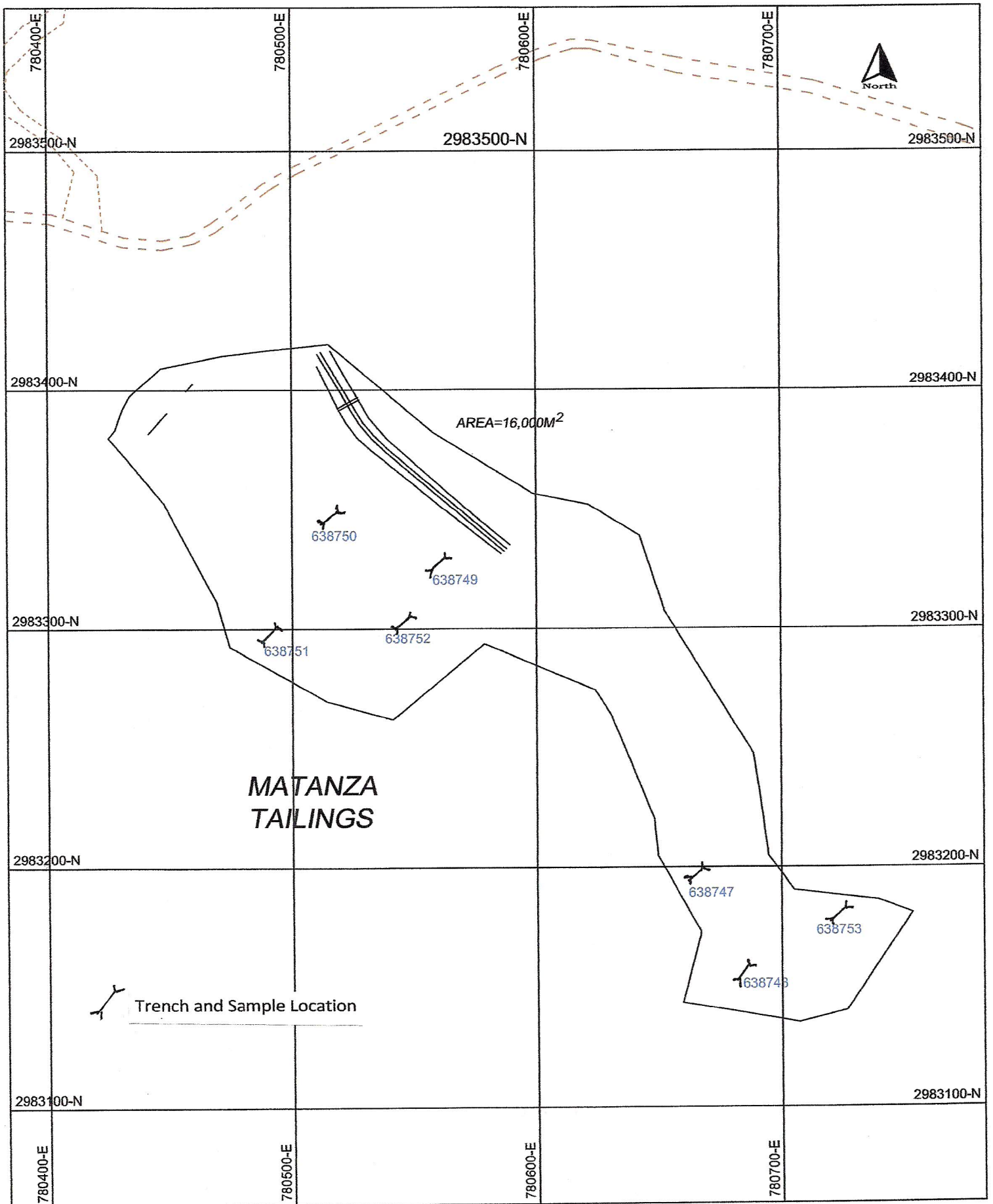


Figure 11. Trench and Sample Location Map, Matanza Tailings 05/30/2014

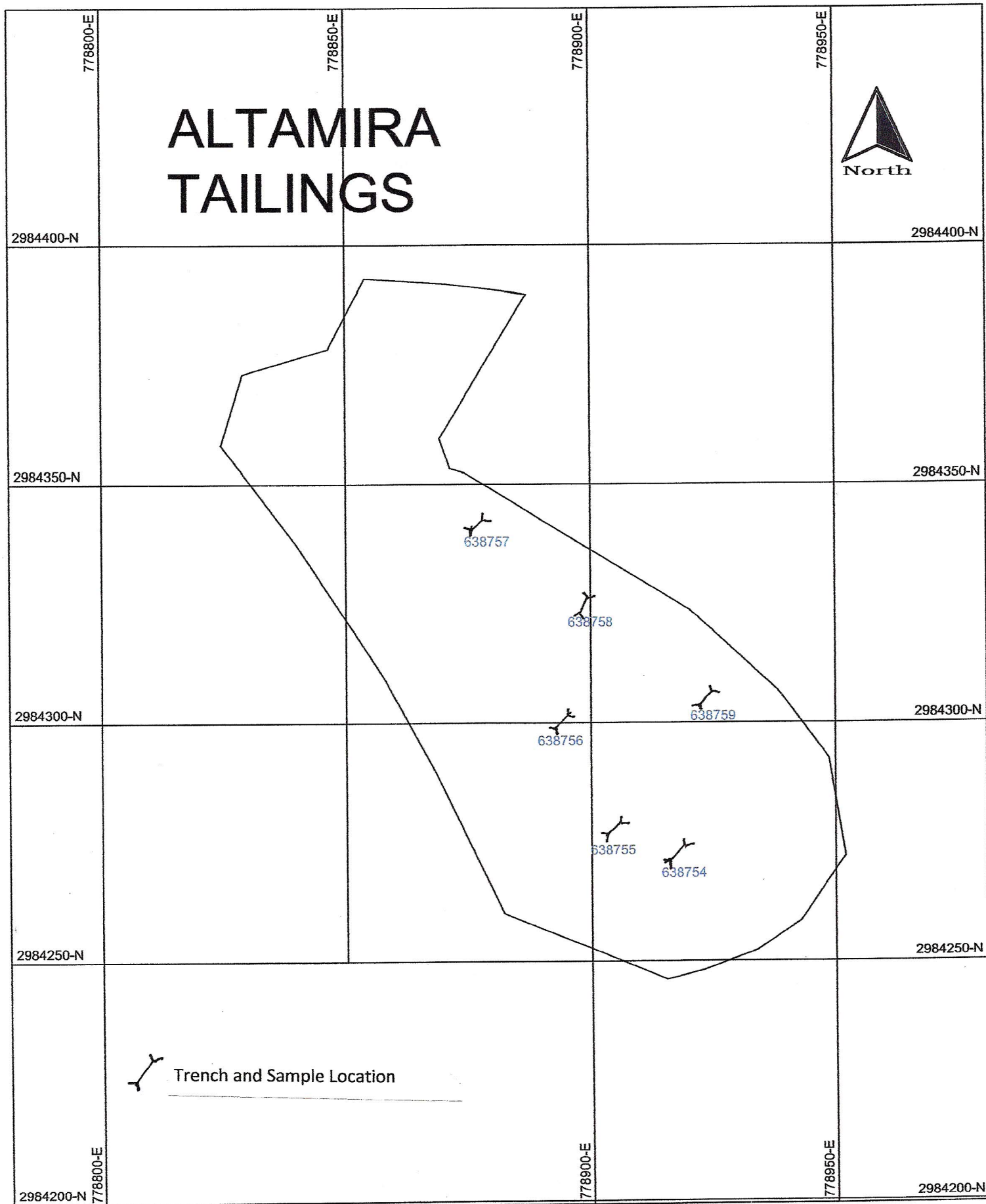


Figure 12. Trench and Sample Location Map, Altamira Tailings

05/30/2014



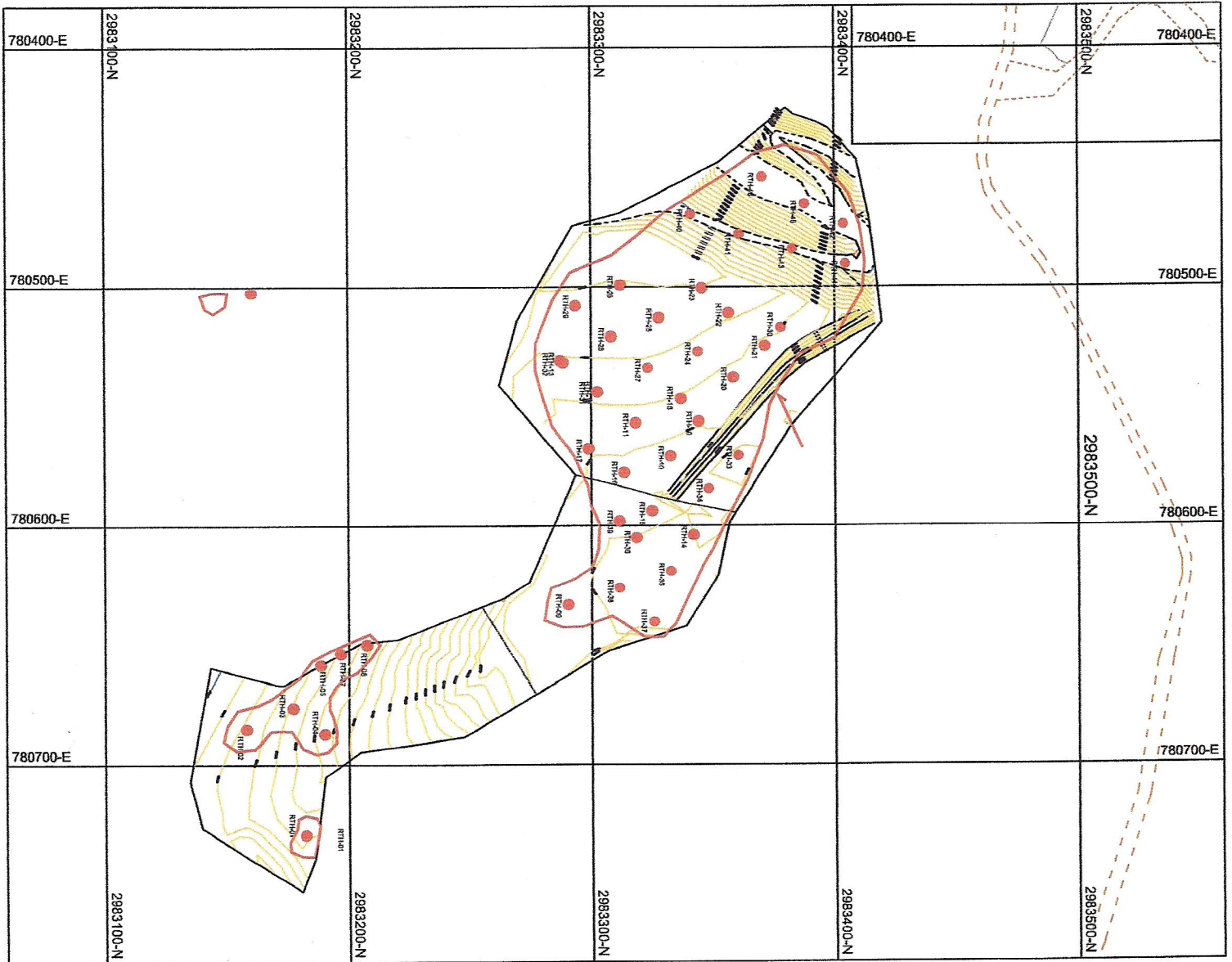


Figure 13. Drill Hole Location Map, Matanza Tailings

05/30/2014

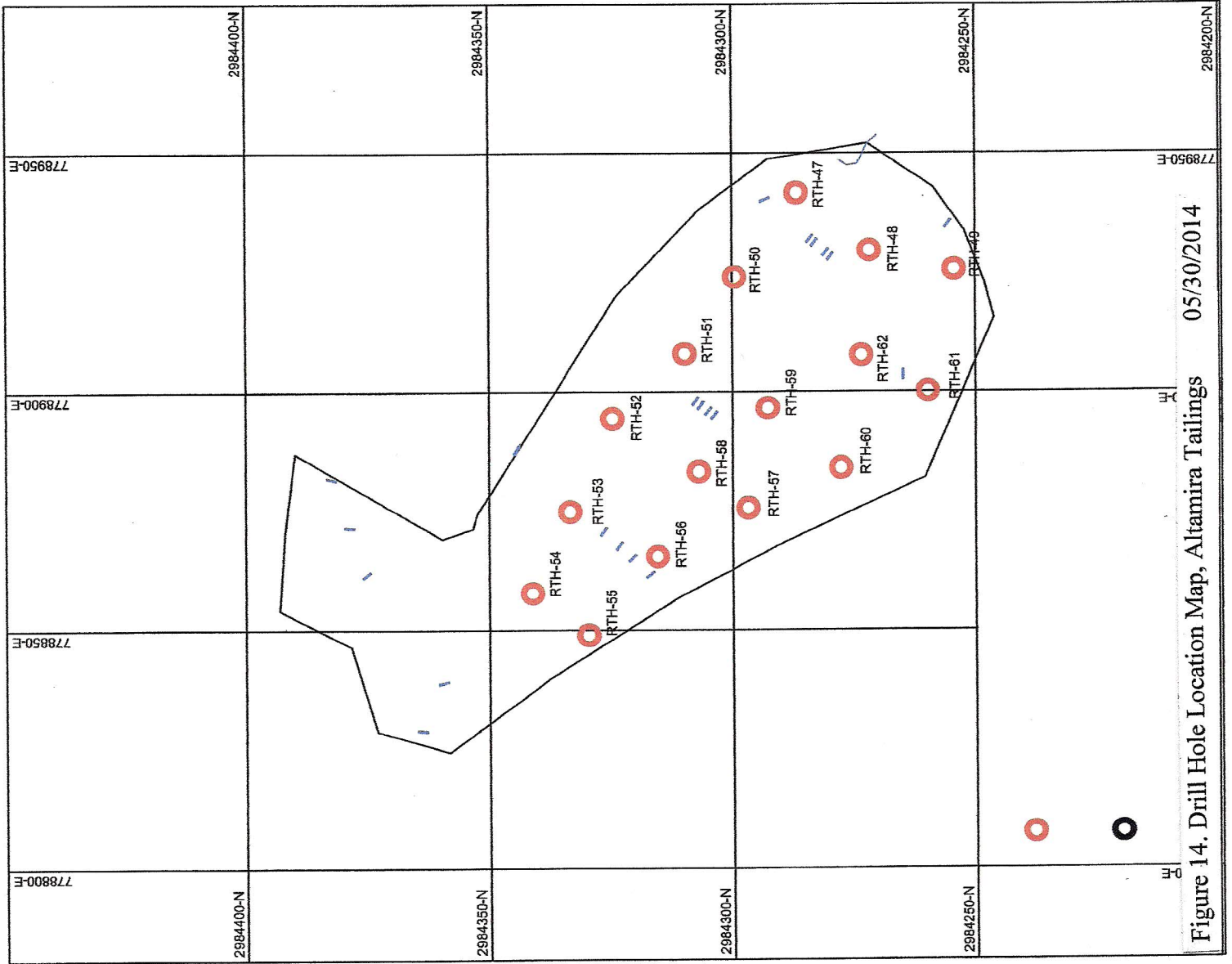


Figure 14. Drill Hole Location Map, Altamira Tailings 05/30/2014

were collected. Elevated and coincident values of gold, silver and copper occurring on the southeast and northwest part of the survey area are presented in Figures 15, 16 and 17 respectively. The area of chip sampling coverage is indicated in Figure 5.

#### Ground Control:

An in-house Mexican geodetic engineer provided precise control points for the various work activities in La Reforma. Surveys included topographic mapping, location of diamond drill collars and underground location of samples. The equipment used was a Trimble GPS R8 Model 2 in conjunction with a Nokia EDM theodolite for underground surveys.

#### DRILLING

Diamond drilling at La Reforma was conducted in-house using locally trained personnel. The equipment used was a Hydrocore Gopher utilizing a BTW size (42mm diameter) core barrel. This type of drill equipment is man-portable and can also be moved around by All Terrain Vehicle (ATV). The drill sites were located mostly close to existing roads with the drill sites usually prepared manually. Ground conditions resulted in generally good core recovery especially within the marbleized limestone and within the skarn zones. Core recoveries were generally within 55 to 90 percent range. A total of 1,993.84 m in 15 holes of BTW size (42mm dia.) diamond core drilling was completed. This total meterage included aborted holes due to bad ground. A summary of the diamond drilling including azimuths, dips and length of hole is detailed in Table 2.

**Table 2: Summary of Diamond Drilling Information**

HOLE NO.	NORTHING	EASTING	ELEVATION	AZIMUTH	DIP	END OF HOLE	REMARKS
RDH-001	2983518.66	779642.01	397.91	80°	- 50°	87.96 m	
RDH-002	2983518.66	779642.01	397.91	80°	- 70°	17.06 m	
RDH-003	2983507.16	779549.77	403.35	80°	- 60°	82.60 m	NSA
RDH-004	2983571.17	779812.52	564.09	80°	-60°	199.83 m	
RDH-005	2983798.15	779879.29	546.31	105°	-50°	61.57 m	Aborted
RDH-006	2983798.15	779879.29	546.31	105°	-70°	209.25 m	
RDH-007	2983670.11	779859.79	560.03	105°	-75°	171.60 m	NSA
RDH-008	2983780.36	779824.87	532.43	105°	-70°	160.07 m	
RDH-009	2983738.01	779839.07	538.29	105°	-70°	156.01 m	NSA
RDH-010	2983783.44	779763.52	520.04	105°	-60°	90.0 m	Aborted
RDH-011	2983780.36	779824.87	532.43	105°	-50°	217.93 m	
RDH-012	2983798.15	779911.29	579.00	0.00	-90	22.86 m	Aborted
RDH-013	2983798.15	779879.29	536.30	105.00	-50	199.64 m	NSA
RDH-014	2983716.15	779873.83	547.00	105.00	-50	175.26 m	NSA
RDH-015	2983798.15	779879.29	536.30	105.00	-70	142.20 m	







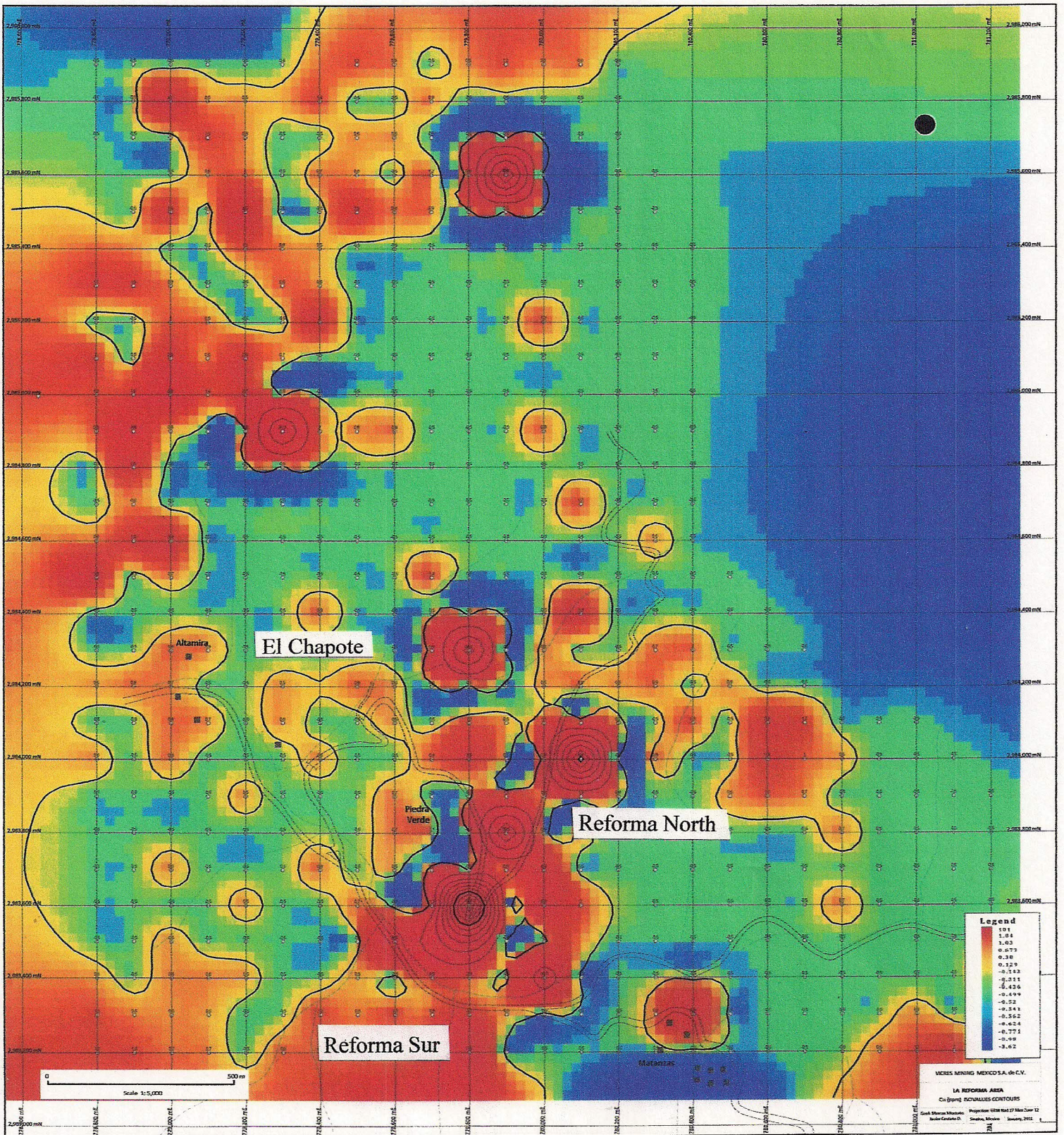


Figure 16. Rock Chip Geochemical Survey Showing Elevated Silver

05/30/2014



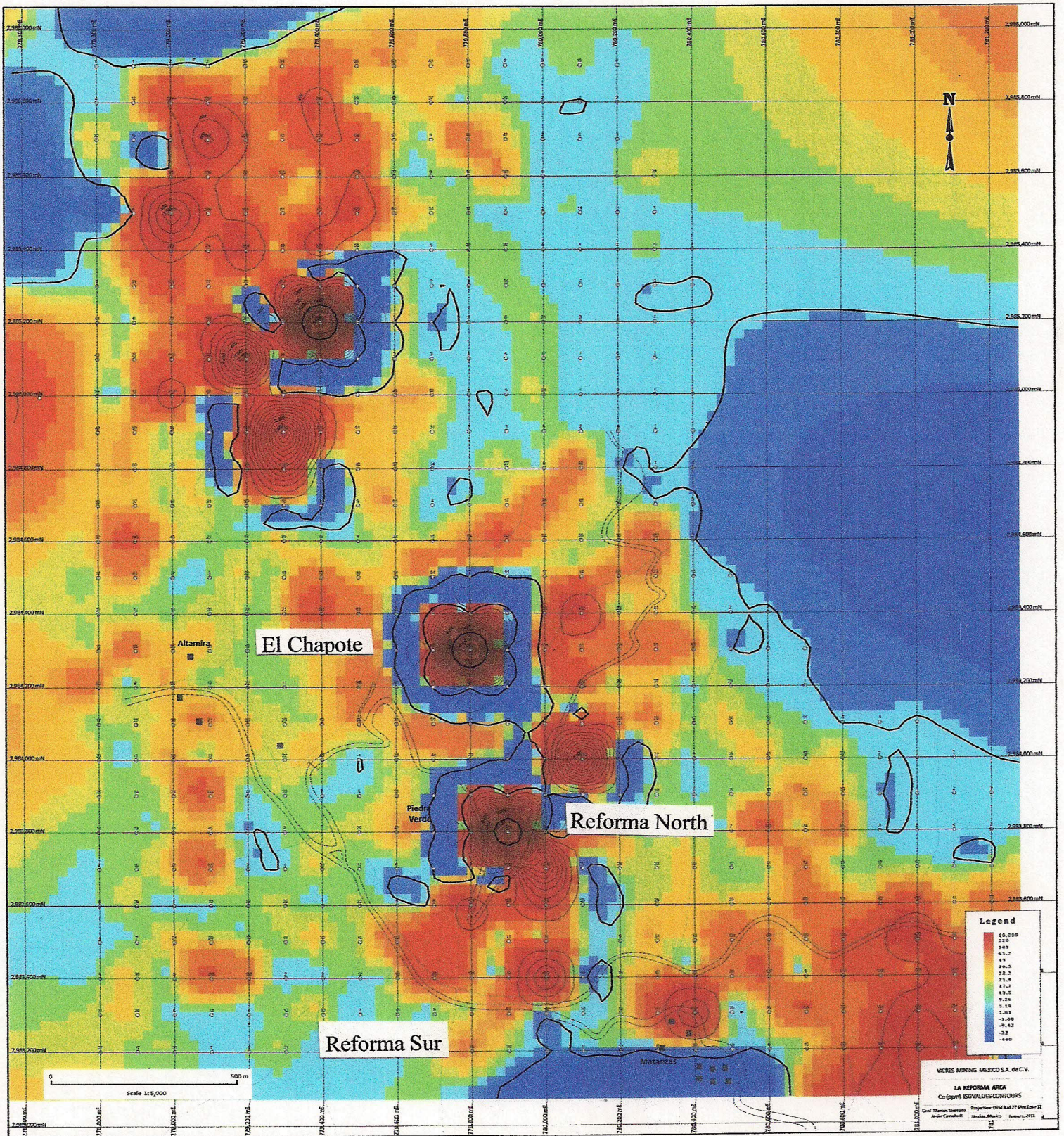


Figure 17. Rock Chip Geochemical Survey Showing Elevated Copper 05/30/2014



NSA means No Significant Assay

The true lengths of the significant intersections have not been established. Previous drill hole numbering such as RDH 001-11, the last 2 digits indicating the year the hole was drilled was discontinued.

The drill collar locations are presented in Figure 18. Cross sections showing drill intersections of geological formations and mineralization are presented in Figures 19, 20 and 21.

The assays of drill core intersections are given in Table 3.

**Table 3: Drill Core Assays**

Hole ID	From(m)	To (m)	Interval(m)	Au ppm	Ag ppm	% Cu	% Pb	% Zn
RDH-001	0.65	1.10	0.45	0.056	565	0.14	17.85	0.04
	1.10	4.14	3.04	0.371	42	1.70	0.71	0.07
	4.14	5.70	1.56	0.082	18	1.90	0.04	0.04
RDH-002	3.85	6.30	2.45	0.287	40	2.22	0.04	0.03
RDH-003	No Significant assays							
RDH-004	1.37	1.70	0.33	0.035	133	0.71	4.69	14.55
	2.50	3.23	0.73	0.009	11	0.03	1.50	3.32
RDH-005	Hole aborted due to bad ground							
RDH-006	200.85	203.85	3.00	0.089	118	0.88	1.44	12.45
RDH-007	No Significant Assays							
RDH-008	34.24	36.72	2.48	0.037	75	0.87	3.46	6.96
	36.72	39.26	2.54	0.013	13	0.09	0.62	1.40
	40.11	43.09	2.98	0.021	35	0.14	0.27	1.32
	43.09	46.07	2.98	0.008	14	0.08	0.62	1.50
	146.23	149.00	2.77	0.122	47	2.05	0.03	0.19
	149.00	151.79	2.79	0.090	26	1.54	0.009	0.05
RDH-009	No Significant Assays							
RDH-010	No Mineralization Intersected							
RDH-011	198.34	201.16	2.82	0.104	144	1.93	1.34	5.68
RDH-012	Hole aborted due to bad ground							
RDH-013	No Significant Assays							
RDH-014	No Significant Assays							
RDH-015	11.91	14.92	3.01	0.018	4.2	0.21	0.007	1.20
	42.43	45.46	3.03	0.024	62.2	0.27	1.33	4.03

Note: True thicknesses have yet to be determined. There are no significantly higher grade intervals within any one intersection. The above tabulation was compiled from assay reports and certificates submitted by ALS Chemex. Gold values are mostly below detection limit of 0.005 ppm. Of a total of 108 drill core samples submitted for analysis, only 48 samples showed gold above detection limit with values ranging from 0.005ppm to a high of 0.511 ppm. The average gold assay is 0.063 ppm.

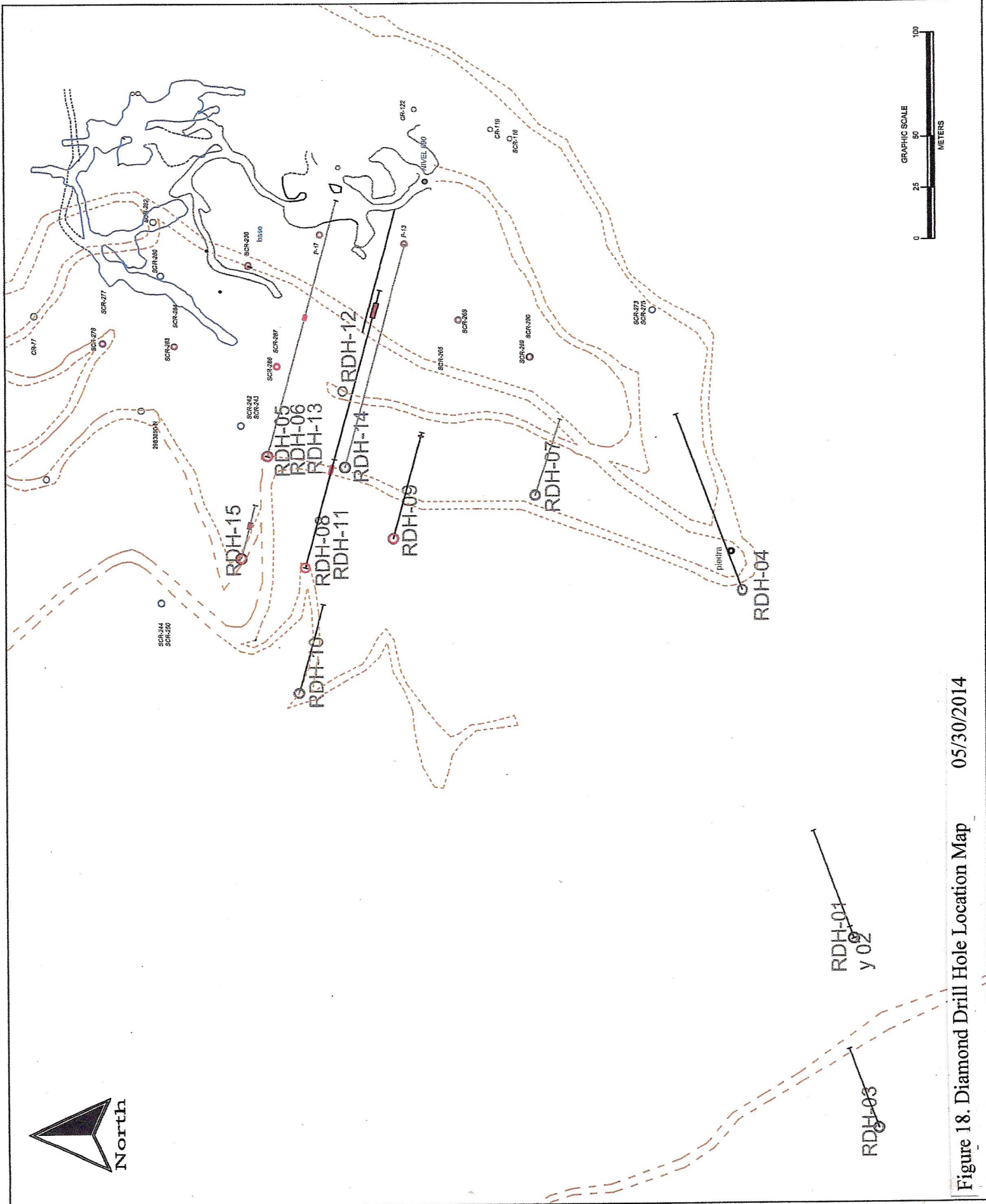


Figure 18. Diamond Drill Hole Location Map 05/30/2014



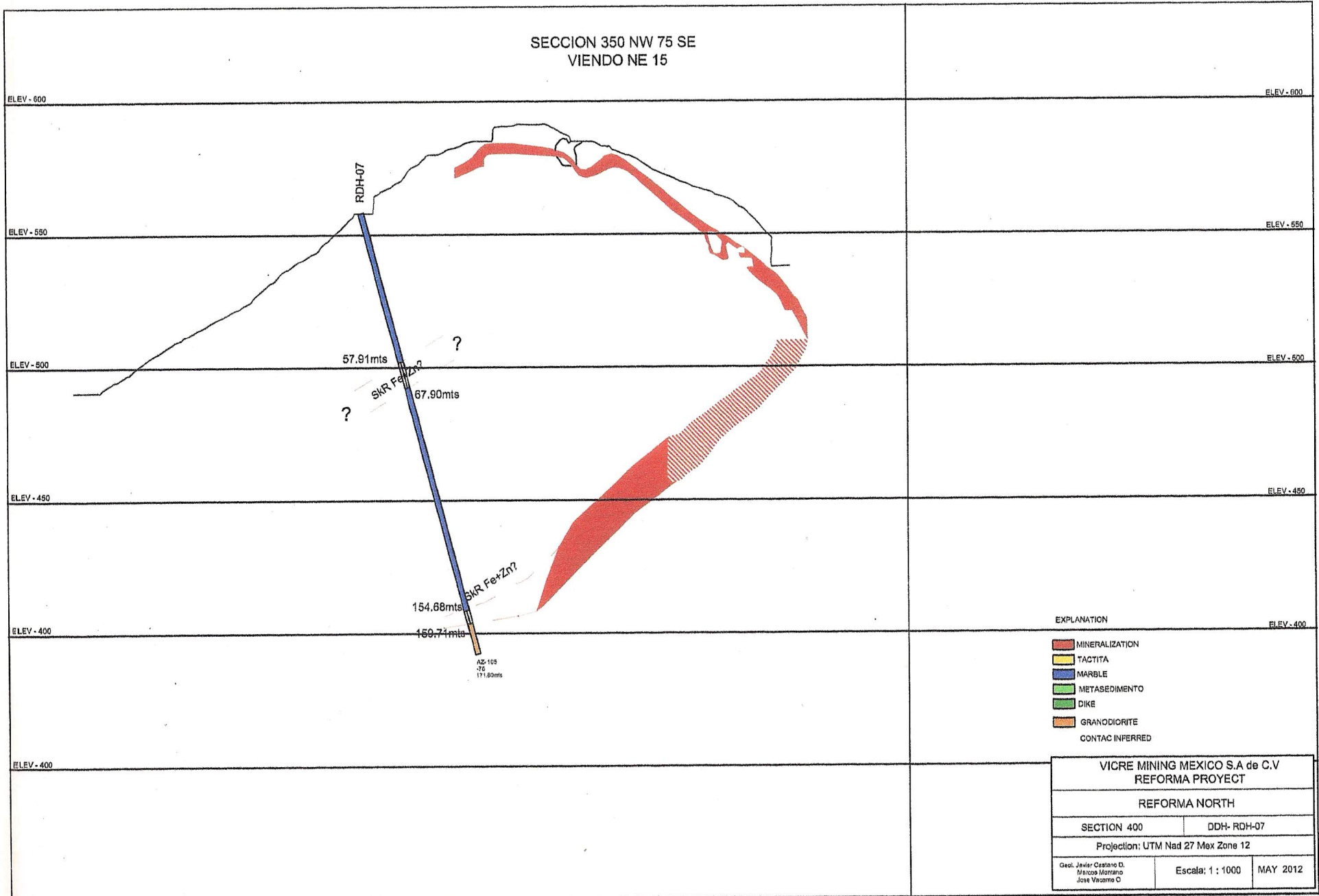
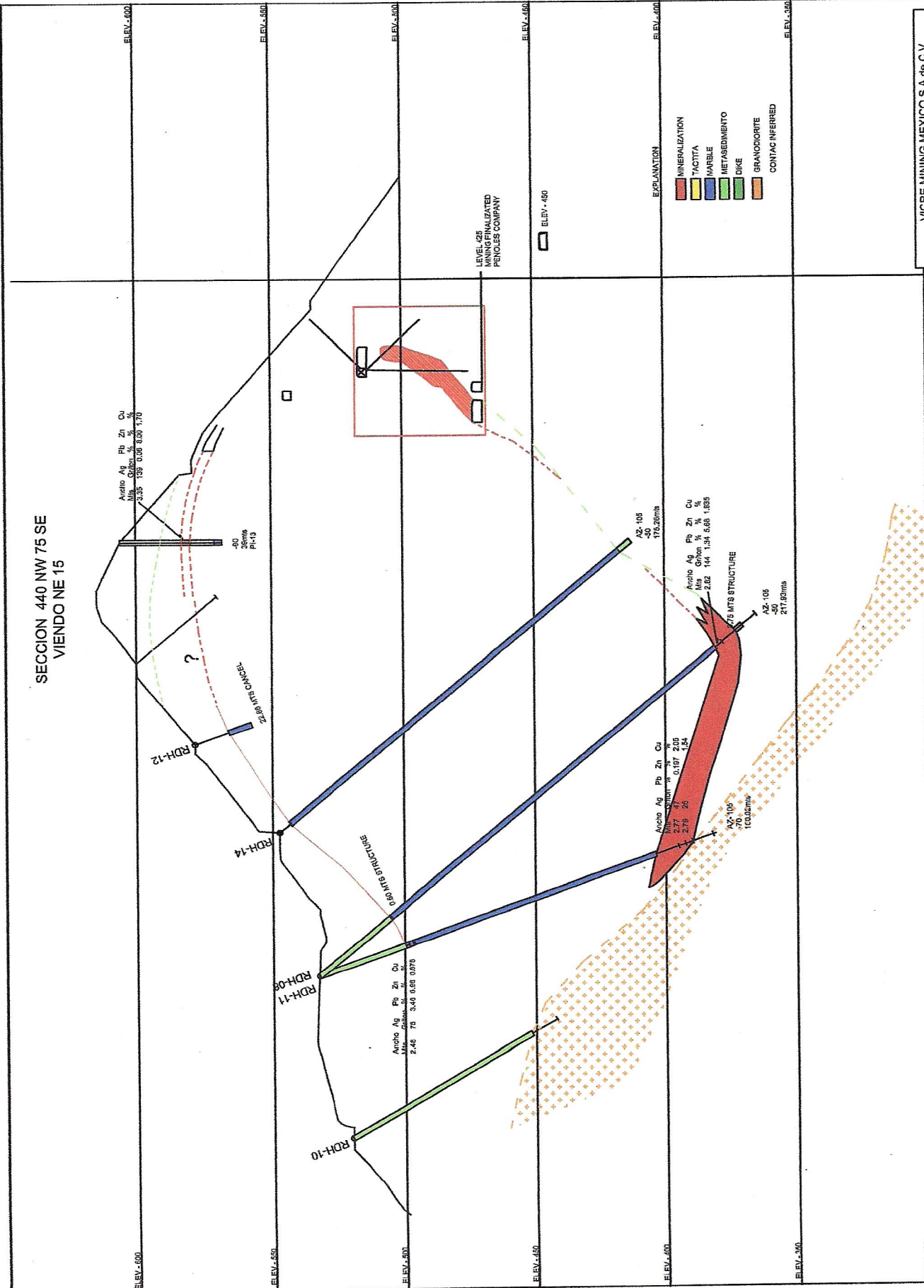


Figure 19. Cross Section Showing RDH 07 (Looking 15°NE)

05/30/2014





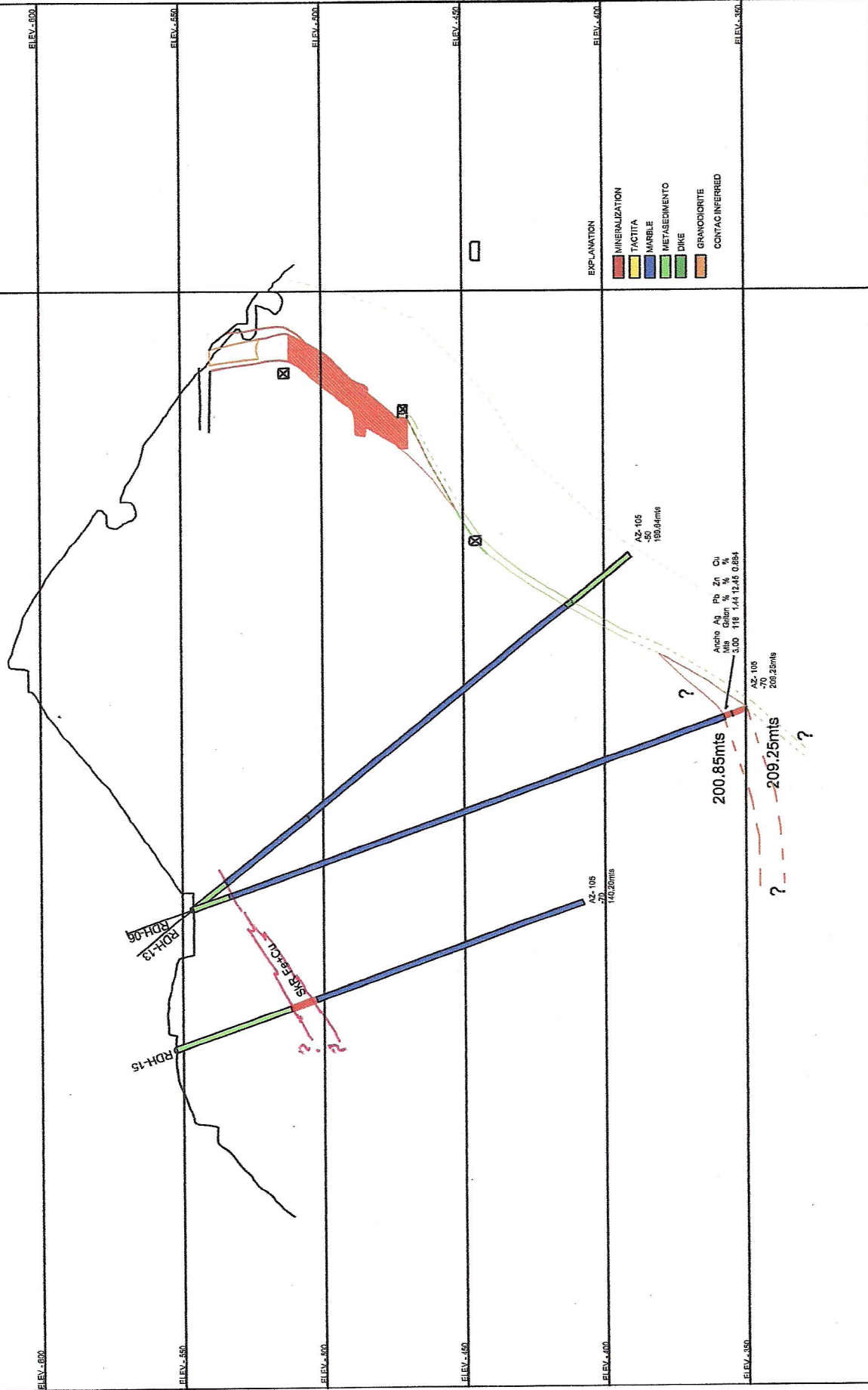
SECCION 440 NW 75 SE  
VIENDO NE 15

VICRE MINING MEXICO S.A de C.V REFORMA PROYECT	
REFORMA NORTH	
SECTION 440	DDH-RDH-08,10,11,12 Y 14
Proyector: UTM Nord 27 Mer Zone 12	
Geol. Javier Cuatrecasas D. Ingeniero Minero	Escalar: 1 : 1000 MAY 2012

Figure 20. Cross Section Showing RDH 09, RDH 10, RDH 11, RDH 12 and RDH 14  
(Looking 15° NE) 05/30/2014



SECCION 470 NW 75 SE  
VIENDO NE 15



VICRE MINING MEXICO S.A de C.V	
REFORMA PROYECT	
REFORMA NORTH	
SECTION 470	DDH-RDH-06, 13 Y 15
Projection: UTM Ned 27 Mex Zone 12	
Geol. Javier Cuervo B.	Escalib: 1 : 1000
Geol. Juan Vazquez O	MAY 2012

Figure 21. Cross Section Showing RDH 06, 13 and RDH 15 (Looking 15°NE) 05/30/2014



## SAMPLE PREPARATION, ANALYSIS AND SECURITY

### Discussion:

All samples from the La Reforma work program for the years 2010 to 2013 were submitted to the ALS Chemex facilities for sample preparation and analysis. ALS Chemex (Vancouver) is an ISO 9001:2000 accredited facility. As part of their Quality Control (QC) procedures, ALS Chemex routinely and randomly conduct two analyses of the same sample reporting the first result as the original sample and the second result as the duplicate sample. As much as 8 duplicates in a batch were analyzed. In addition, blanks and as much as 11 standards were analyzed and reported together with the duplicate samples. Samples of all types were collected and prepared for dispatch by company geologists after which they were personally delivered to the ALS Chemex preparation facility in Hermosillo, Mexico. A close inspection by the author of Quality Control reports have shown all original sample and duplicate results within assigned Target Ranges for each element. The author considers the sample preparation, security and analytical procedures by ALS Chemex adequate for the Company's stage of exploration. Blank and duplicate samples were limited to the chip sampling survey and were inserted by company personnel in each batch of samples before submission to ALS Chemex in Hermosillo.

ALS Chemex has been requested by the Company to save all coarse splits and pulps for check sampling and future reference. Selected samples will be re-numbered and submitted for analysis either as duplicates or check samples.

### Diamond Drilling

Although the Company does not have a systematic Quality Assurance (QA) in place, certain procedures were followed consistent with standard exploration practices. The drill cores were placed in wooden trays with plywood lids nailed to prevent spillage during handling and transportation. Company geologists took delivery of the core boxes at the drill sites and transported them to the warehouse in Choix where the drill cores were photographed, logged and split in half with the use of a dedicated diamond saw core splitter. The samples were placed in plastic bags, securely sealed and placed in rice bags for delivery by company geologists to the ALS Chemex laboratory in Hermosillo, Mexico where the samples were weighed, dried, crushed and pulverized to 85% < 75 um.

The pulverized samples were sent to the ALS Chemex laboratory in North Vancouver where they were subjected to a 33-element ICP-AES analysis. Gold was determined using a 30g fire-assay with an atomic absorption finish. Where the concentration of copper, lead and zinc exceeded 10,000ppm and silver exceeded 100ppm the samples were analyzed using an ore grade procedure that involved a four acid digestion followed by atomic absorption finish.

While the analytical results of the ALS Chemex randomly generated originals and duplicates were within a target range of values, the duplicates at best can serve only as check samples.



Samples prepared from coarse splits and re-numbered as duplicates cannot validly replicate duplicates taken from the field. Consequently, it is recommended that the drill cores be re-logged and duplicates of selected sampled intervals be taken, re-numbered and submitted for analysis either by ALS Chemex or by a second laboratory.

#### Underground sampling:

Samples were taken at 3-metre intervals along drift and the strike of the mineralization. After a sampling point was cleaned of dirt and soot, a channel was cut using a hand pick with the sampled material allowed to drop to a canvas sheet spread directly below. Level 690 and 680 were previous stoping areas where mineralization exposed at the roofs was difficult of access. Additional sampling will require the use of ladders and scaffolds. The 1 to 3 kg sample collected was placed in 4 mill plastic bags and taped securely which with several others were placed in rice bags readied for delivery by company geologists to the ALS Chemex laboratory in Hermosillo for sample preparation. The pulverized samples were forwarded to the ALS Chemex laboratory in North Vancouver where they were subjected to the same analytical procedures as with the drill core samples noted above.

No duplicate samples were taken since the erratic nature of the mineralization and the sampling procedure (sample pick vs moil) would not ensure a reasonably valid duplicate sample. However, it is recommended that underground check sampling be conducted as an appropriate procedure for data verification. The check sampling should be conducted by a Qualified Person (QP) or an assistant under his close supervision and direction. The check samples can be submitted either to ALS Chemex or to a second laboratory..

#### Surface Rock Sampling:

The 32 rock channel samples from El Chapote and Reforma each weighed from 2.18 kg to 9.10 kg. The samples were taken across mineralized outcrops of widths of 3meters. The samples were placed in plastic bags, securely taped and delivered to ALS Chemex in Hemosillo for a 33-element ICP analysis. Gold was determined using a 30g fire assay charge and finished with atomic absorption. The assay results are given in Table 4.

**Table 4: Assays of Surface Rock Sampling at El Chapote and Reforma**

SAMPLE ID	Wt. kg	Au ppm	Ag pp	Cu %	Fe %	Pb %	Zn %
638842	6.55	0.234	29.3	1.14	16.45	0.008	0.12
638843	9.10	0.188	11.7	0.63	15.1	0.007	0.01
638844	7.49	0.096	11.4	0.57	20.2	0.005	0.02
638845	7.33	0.191	7.4	0.32	18.05	0.004	0.01
638846	8.76	0.245	13.5	0.56	19.55	0.005	0.02
638847	4.82	0.327	5.7	0.27	18.85	0.004	0.01
638848	8.10	0.087	6.6	0.27	20.9	0.004	0.02



638849	4.36	0.488	27.9	0.98	14.45	0.009	0.04
638850	7.36	0.077	9.5	0.77	15.75	0.003	0.01
638851	8.08	0.073	15.9	0.43	15.3	0.02	0.45
638852	7.75	0.226	80.4	1.03	19.95	0.03	0.03
638853	4.37	0.016	2.5	0.2	6.81	0.004	0.2
638854	6.54	0.214	4.1	0.08	9.76	0.004	0.02
638855	5.75	0.32	4	0.19	15.65	0.002	0.01
638856	2.18	0.047	29.5	1.37	20.8	1.51	2.61
638857	4.34	1.34	156	0.69	29.1	0.8	1.33
638858	3.82	0.157	29.5	0.35	22.8	0.46	3.32
638859	2.74	0.115	106	1.01	13.3	1.26	15.9
638860	1.91	0.11	58.4	0.37	12.15	2.28	7.13
638861	4.45	0.027	11.9	0.22	50	0.04	0.4
638862	4.02	0.298	149	0.983	20.1	1.62	1.38
638863	2.26	0.032	13.8	0.067	14.7	0.91	1.14
638872	2.52	0.009	5.3	0.02	15.85	0.1	0.3
638873	3.00	0.029	5	0.1	21.2	0.08	0.4
638874	2.83	0.092	12.8	0.06	23.9	0.03	0.056
638875	2.31	<0.005	<0.5	0.002	2.83	0.0008	0.0035
638876	3.11	<0.005	<0.5	0.001	3.49	0.0008	0.0028
638877	3.61	<0.005	<0.5	0.0007	2.56	0.001	0.0028
638878	2.40	0.013	<0.5	0.003	8.63	0.0003	0.0044
638879	2.55	<0.005	<0.5	0.002	4.46	0.0037	0.015
638880	2.51	0.071	0.6	0.002	12.7	0.018	0.0062
638881	3.46	<0.005	<0.5	0.0002	0.75	0.002	0.0033

The assays of El Chapote samples (638842-638855) appear to carry appreciable amounts of gold. Reforma samples (638856-638863) show significant values of copper, lead and zinc while samples of oxidized outcrops (638872-638881) in limestone and metasediments peripheral to the Reforma mine area appear to be generally barren.

#### Tailings Ponds Trench Sampling:

At the Matanza, the entire excavated material from each trench was homogenized manually and reduced by progressive cone and quartering to a 10 kg size. At the Altamira, a splitter was utilized to obtain a 10 kg sample. Each 10 kg samples were placed in plastic bags and taped securely for dispatch to the ALS Chemex laboratory in Hermosillo. The results of the analyses of trench samples are given in Table 5.



**Table 5: Assays of Tailings Samples from Trenches**

<b>Matanza</b>	Au	Ag	Cu	Fe	Zn	Pb
<b>Sample</b>	ppm	Ppm	ppm	%	%	%
638747	0.076	12.4	0.08	11.25	0.86	0.2
638748	0.059	17.6	0.09	8.56	0.73	0.36
638749	0.052	10.7	0.06	7.74	0.58	0.19
638750	0.152	26.6	0.35	12.55	2.43	0.44
638751	0.149	60.8	0.36	12.6	2.86	1.28
638752	0.057	17.9	0.14	8.08	1.33	0.34
638753	0.081	44.1	0.16	10.8	1.91	0.78
<b>Altamira</b>						
638754	0.108	19	0.17	11.85	2.33	0.32
638755	0.104	12.6	0.15	7.88	0.95	0.25
638756	0.067	12.5	0.15	8.48	1.43	0.33
638757	0.035	10.8	0.09	8.41	0.42	0.27
638758	0.031	4.2	0.03	7.49	0.3	0.14
638759	0.098	10.2	0.08	11.05	1.26	0.29

Tailings Ponds Auger Sampling:

Samples were collected every 1.5 metre intervals from each auger hole. The samples were placed in plastic bags and taped securely readied for delivery to ALS Chemex laboratory in Hermosillo for sample preparation. A total of 193 auger samples were collected from the Matanza tailings and 25 auger samples from the Altamira tailings for a total of 218 tailings samples.

The samples have been delivered and are currently stored at the ALS Chemex compound in Hermosillo awaiting instructions from the Company's metallurgical consultants. Depending on analytical results, selected material will be composited and submitted for metallurgical tests.

Rock Chip Sampling:

Rock chips were composited over 3-metre rock outcrops at each sampling point on the grid. The samples weighing from 1 to 2 kg were placed in plastic bags and taped securely for dispatch to ALS Chemex laboratory in Hermosillo for 33 element four acid ICP-AES analysis. Gold was determined with a 30g fire-assay with AA finish. Blanks and duplicates were inserted at random in the sample stream. Table 6 presents a comparison of original samples and duplicates as well as levels of values in the blank samples. The noticeable variations between the original and duplicate samples can only be attributed to the inherent bias in the sampling procedure. The blank samples were derived from local outcrops known to be devoid of mineralization.



**Table 6: Comparative assays of Duplicate Samples (blue) against Original Samples (uncolored). Blank samples are highlighted (green).**

	WEI-21	Au-AA23	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61
	Recvd Wt.	Au	Ag	Cu	Pb	Zn
<b>Sample</b>	kg	ppm	ppm	ppm	ppm	ppm
140601	1.6	<0.005	1	1	<2	41
140080	1.84	<0.005	0.6	26	11	45
140602	1.48	<0.005	<0.5	27	13	27
140603	1.12	<0.005	<0.5	6	13	92
140605	1.48	<0.005	<0.5	1	7	82
140160	1.92	<0.005	<0.5	64	14	178
140606	1.88	<0.005	<0.5	62	14	445
140607	1.5	<0.005	<0.5	<1	8	85
140180	1.7	<0.005	<0.5	141	21	92
140608	1.42	0.006	<0.5	99	37	156
140609	1.44	<0.005	<0.5	1	7	73
140201	1.68	0.005	<0.5	8	20	75
140610	Most likely not received					
140611	1.34	<0.005	<0.5	<1	<2	61
140220	1.04	0.006	<0.5	4	17	50
140612	1.06	<0.005	<0.5	3	15	50
140613	1.54	<0.005	<0.5	<1	<2	70
140615	1.46	<0.005	<0.5	<1	<2	42
140260	1.2	<0.005	<0.5	16	14	90
140616	1.62	<0.005	<0.5	17	7	49
140617	1.52	<0.005	<0.5	<1	<2	51
140280	1.28	<0.005	<0.5	13	32	132
140618	1.52	<0.005	<0.5	<1	6	132
140619	1.26	<0.005	<0.5	<1	<2	92
140621	1.46	0.01	<0.5	1	3	92
140623	1.42	<0.005	<0.5	1	9	115
140340	1.52	<0.005	0.7	55	26	619
140624	1.44	0.012	0.5	17	39	191
140625	1	<0.005	<0.5	1	4	60
140360	1.44	<0.005	<0.5	81	17	113
140361	1.14	<0.005	1.2	100	25	145
140372	1.52	<0.005	<0.5	1	5	31
140380	1.64	<0.005	<0.5	43	5	64



140381		1.88	<0.005	<0.5		33	7	61
140391		1.47	<0.005	<0.5		3	3	81
140400		1.4	0.007		5.8	313	165	457
140401		1.51	0.057		5.7	340	149	404
140410		1.58	<0.005	<0.5		2	<2	63
140420		1.11	<0.005	<0.5		3	12	46
140421		1.11	<0.005	<0.5		4	10	44
140433		1.6	<0.005	<0.5		3	9	116
140440		1.49	0.019		0.9	337	38	106
140441		1.26	0.023		1.2	390	35	99
140447		1.71	<0.005	<0.5		3	14	147
140460		1.56	0.017		2.5	323	65	159
140461		1.53	0.008		2.4	78	40	141
140472		1.62	0.005	<0.5		2	7	59
140480		1.83	<0.005	<0.5		27	19	74
140481		1.88	<0.005	<0.5		39	21	93
140486		0.93	<0.005	<0.5	<1		5	27
140503		1.03	0.01	<0.5		30	86	233
140504		1.21	0.01	<0.5		37	84	237
140512	Not Recvd							
140524		1.03	<0.005	<0.5		39	26	55
140525		1.23	<0.005	<0.5		47	30	58
140536		1.14	<0.005	<0.5	<1		6	33

Collected By: J.Castaño / M.A. Montaña

Blank  
Duplicate

#### **DATA VERIFICATION**

The author made occasional visits to La Reforma during the exploration and drilling periods observing work programs including underground sampling, core logging and data compilation. All surface drill sites were accounted for and checked for location and bearings. Certificates of Assays were verified with regards to issues brought about by previous Company news releases. Drill core intersections in Table 3 were corrected accordingly. The author conducted his last visit to the property between August 1 and August 8, 2012. It is the author's opinion that the data acquired and compiled from work programs during the years 2010 to 2012 is adequate for the completed stage of exploration.

#### **MINERAL PROCESSING AND METALLURGICAL TESTING**

Bulk samples of 70 kg each of the Matanza and Altamira tailings were run through a processing plant in Chihuahua, Mexico for preliminary testing. No relevant results were obtained.



## **MINERAL RESOURCE ESTIMATES**

The La Reforma project is in an early stage of exploration work and no data is sufficient enough to conduct resource estimates.

## **ADJACENT PROPERTIES**

Figure 2a shows other mineral properties and prospects adjacent to the La Reforma property. Notable among the adjacent properties are the Bahuerachi copper-gold project to the north and the Santo Tomas copper-gold project to the south, both reportedly in advance stages of development. The author has not visited any of the adjacent properties and has not reviewed any technical information on any of the adjacent properties.

## **OTHER RELEVANT DATA**

No other relevant data has been reviewed by the author, the non-disclosure of which would make this report misleading.

## **INTERPRETATION AND CONCLUSIONS**

- Surface diamond drilling at Reforma North intersected significant silver, copper, lead and zinc mineralization below the 555 main haulage level.
- At the upper levels of the mine in the vicinity of Level 690 and 680, underground sampling returned significant values of silver, copper, lead and zinc. These two levels are the site of previous stoping
- Assays of trench samples from the Matanza and Altamira tailings show significant values of silver, lead, zinc and iron together with minor values of gold.
- The geochemical chip sampling conducted on the La Reforma area show coincident anomalies of gold, silver and copper.

## **RECOMMENDATIONS**

- Diamond drilling should be continued to explore for extensions to the intersections encountered in the initial surface diamond drilling. However, for purposes of greater productivity and economy underground drilling should be conducted from crosscuts driven from the 555 main haulage level.
- A reputable metallurgical laboratory should be engaged to determine and establish the metallurgical characteristics of the Matanza and Altamira tailings.
- Detailed prospecting and geologic mapping should be conducted over the area covered by chip sampling indicating coincident gold, silver and copper anomalies to be followed if warranted by trenching, sampling and geophysical surveys for the purpose of locating drill targets.



Proposed Work and Budget (CAD)- for a nine-month work program

<u>Work Description</u>	<u>Estimated Cost</u>
Underground and diamond drilling planning and layout	\$ 25,000
De-watering of Level 555	40,000
Rehabilitation of Level 555 estimate	100,000
Crosscuts and drifts, 250m at \$1,500/m	375,000
Diamond drilling, 3,000m at \$150/m	450,000
Salaries and wages	50,000
Engineering and supervision	60,000
Transportation	20,000
Analysis	20,000
Telephone/Freight	10,000
Field supplies/consumables	5,000
Room and board	18,000
	=====
Total	\$ 1,173,000
Add 10% Contingencies	117,300
	=====
Grand Total	\$ 1,290,300

**SELECTED REFERENCES**

Sebert, C. and McGuigan, P., 2008, Exploration Summary, Reforma Property, unpublished company file.

Sookochoff, L., 2010, Technical Report and Proposed Exploration on the Reforma Property, unpublished company file.

Staudte, John-Mark G. and Barton, Mark D., 2001, Jurassic to Holocene tectonics, magmatism and metallogeny of northwestern Mexico

Verzosa, R.S., 2010, Summary Report on the Reforma Property, Sinaloa State, Mexico

Geologic Mining Monograph of the State of Sinaloa, copyright 1991, Consejo de Recursos Minerales.

Geologic Map, 1:50,000, Cieneguita G12 B49, Sinaloa State

Geologic Map, 1:50,000, Tasajeras G12 B49, Sinaloa State

Google Search, History of Industrias Peñoles, S.A. de C.V.

Victory Resources File – Assorted surface and underground maps of previous Reforma mining operations including geological and assay maps, cross sections and mining layouts.



**National Instrument 43-101**

**(the "Instrument")**

**CERTIFICATE OF QUALIFIED PERSON**

I, Ruben S. Verzosa, P.Eng. do hereby certify as follows:

- a) I am an independent Consulting Geologist with office and residence at 23064 – 50<sup>th</sup> Avenue, Langley, BC V2Z 2R7;
- b) I am the author of the technical report titled "Updated Summary Report on the La Reforma Property (Detailing the Results of Recent Exploration and Diamond Drilling)", Sinaloa State, Mexico, dated May 30, 2014 ("the Report") and I am responsible for all items in the report;
- c) I graduated with a Bachelor of Science degree in Geology from the University of the Philippines in 1958 and completed credit courses in Mining Engineering from the same university in 1959;
- d) I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia;
- e) I have over 40 years of varied experience in mining and exploration geology working in the Yukon, British Columbia, Alberta, Washington, USA, Central America, South America, Indonesia, China and the Philippines.
- f) As geological consultant to Victory Resources Corp. I made several visits to the La Reforma Property participating in the planning and execution of the different work programs.
- g) I have read National Instrument 43-101 and by virtue of my education, experience and affiliation with a professional association I fulfill the requirements of a "Qualified Person" within the meaning of the Instrument;
- h) I am independent of Victory Resources Corp. within the meaning of section 1.4 of the Instrument;
- i) I have no prior involvement with the La Reforma property;
- j) The last inspection I conducted on the property was from August 1 to 8, 2012. The Company has confirmed that no additional work was conducted after my last inspection;
- k) At the date of this certificate, to the best of my knowledge, information and belief, the Report contains all scientific and technical information that is required to be disclosed to make the Report not misleading; and
- l) I consent to the filing of this report with any stock exchange or any regulatory authority and any publication by them for disclosure purposes.

Dated this 16th day of June, 2014.

