

TECHNICAL REPORT
using
NATIONAL INSTRUMENT 43-101 GUIDELINES

to describe the

GEOLOGY AND EXPLORATION

on the

WELS NICKEL PROPERTY
WHITEHORSE MINING DISTRICT
YUKON, CANADA

NTS Map Sheet 115J 05
Latitude 62°21'N; Longitude 139°55'W

prepared for

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April 16, 2012

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1.0 SUMMARY

The Wels Nickel Property located in west central Yukon, is comprised 24 quartz claims with an area of 486 hectares. Gorilla Resources Corp. has an option to earn a 100% interest in the Property subject to a 3% Net Smelter Royalty (NSR). Access can be gained by helicopter based in Dawson City approximately 190 kilometres to the north or if available out of Beaver Creek 55 kilometres to the west.

The Wels Nickel Property is underlain by rocks of the Windy McKinley Terrane (WMT) of Western Yukon. The WMT is dominantly an oceanic assemblage of ultramafic and mafic volcanic rocks with lesser chert units. The geology in the Property area of the WMT is not well documented.

The 2011 exploration program was designed to follow up on the anomalous rock, stream sediment and soil geochemistry results obtained by the Yukon Geological Survey (YGS) in 2002. Wide spaced grid soil sampling was designed to cover the Property. A moderate to strong nickel anomaly has been outlined on the Wels Nickel claim block. A soil geochemical anomaly of 200-702 ppm nickel trends east to east northeast for 1 800 metres and the geochemical dispersion is greater than 200 metres wide. The anomaly is open along trend to the northeast. The anomaly is located along the ridge top suggesting that the source of the anomaly is local with the strongest downslope dispersion of the nickel is on the northslope. Within the anomaly chromium values range from 180 to 395 ppm, chromium values range from 35 to 63 ppm, iron values range from 4.0 to 6.2%, strontium values range from 59 to 286 ppm and magnesium values range from 3.9 to 10.5%. The potential exploration target in this area is of the podiform nickel-chromite type mineralization. This type of deposit has the potential to contain platinum group elements (PGE) that are of significant economic contribution to the deposits.

The Wels Nickel Property initially was part of the Wels Property that was composed of three separate claim blocks all of which were sampled in 2011. The original target for the area was orogenic gold mineralization. The exploration program identified a significant gold-in-soil anomaly on the Wels West claim block but there were no significant gold-in-soil anomalies detected on the Wels Nickel Property. The decision to separate the Wels Nickel Property from the Wels Project is based on the different commodity targets occurring on the separate claim groups.

A recommended budget of \$ 40 000 to complete helicopter supported hand trenching, geochemical and geophysical surveys on the Property. The geochemical sampling program is designed to expand the grid and in fill the current sample distribution and determine the upslope extent of the anomaly. Ground geophysical surveys of magnetic and VLF-EM are also proposed to cover the expanded grid that are useful to aiding understanding the lithology, structure and potential dip direction of any electromagnetic conductors. Geological input into the program is important and geological mapping and prospecting is recommended in conjunction with the geochemical and geophysical surveys. Eight selected samples have been analysed by ultra trace method MS-ICP that include platinum and palladium. The nickel and iron results reproduced the original samples within reasonable limits but platinum values ranged from below detection limit of 2 ppb to a high sample of 7 ppb. The results for palladium were all below the detection limit of 10 ppb. Sampling for PGE is recommended for any sulphide bearing rock samples potentially located in the future.

Figure 1 location Map

2.0 INTRODUCTION

This report has been prepared at the request of Gorilla Resources Corp. The Author was directed to examine the results of the 2011 reconnaissance soil sampling geochemical survey and make recommendations regarding future exploration. The assignment included the assessment of the Property to host nickel mineralization and assess the potential for this type of deposit.

The purpose of the Technical Report is to disclose information material to the Issuer and determine if the Wels Nickel Property is of merit as a separate Property from the Wels Property.

The report is an update of the Technical Report "Geology, Geochemistry and Geophysics of the Wels Property, Yukon, Canada" prepared by the Author and dated July 5, 2011 as pertaining to the Wels Nickel claim block. The Report has been submitted to Sedar.

The Author visited the Property June 12 and August 30, 2002. The Author is familiar with the access, infrastructure, local geology and terrain in the area of the Property. The Author has not visited the Property since the reconnaissance survey was completed and the current snow conditions will not allow for a reasonable assessment of the geology or mineral potential on the Property that is at an early stage of exploration. A site inspection is planned to take place at the earliest possible time to examine the available geological outcrops especially within the area of the anomalous soil samples in accordance with Section 6.2, subsections (2) and (3).

3.0 RELIANCE ON OTHER EXPERTS

The Author disclaims information described in the following paragraphs since this information was taken from sources that are not within the Author's area of expertise.

3.1 Claim Information: Data concerning the location and status of mineral claims was provided by the Whitehorse District Mining Recorder. The Author assumes that independent legal advice has been received by Gorilla Resources Corp. regarding the validity of the claims. The information has been relied upon for ownership and expiry dates of the claims to describe the number and size of the claims used in Section 4.0 Property Description and Location. The locations provided on the claim maps were used to locate and outline the claims on Figure 2, Claim Location Map and for the outline of the claim area on the property maps in the Technical Report.

3.2 Option Agreement: The Author has reviewed the option agreement dated June 6, 2011, but he does not attest to the legal status. He assumes the parties to the agreements have sought independent legal advice regarding the validity of the agreements. The information was relied upon to describe the ownership of the Property and summary of the Option Agreements in Section 4.0 Property Description and Location.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Wels Nickel Property consists of a total of 24 mineral claims totalling 486 hectares located 55 kilometers east of the community of Beaver Creek and 190 kilometres south of the community of Dawson City in central Yukon Territory, at latitude 62°52' north and longitude 135°07' west on NTS map sheet 115J/05 (Figure 1). The claims were staked under the Yukon Quartz Mining Act and are registered in the Whitehorse Mining District. Claim locations of the Wels Property are shown on Figure 2, and claim tenure information from the Wels Property Option Agreement is listed in Table 1.

Figure 2 Claim Map

Table 1 – List of Claims

| CLAIM NAME | GRANT NUMBER | REGISTERED OWNER | EXPIRY DATE |
|-------------------|---------------------|-------------------------|--------------------|
| Wels 127 – 136 | YE73837 – YE73846 | Laurent Brault | March 29, 2013 |
| Wels 189 – 201 | YF35068 – YF35080 | Ed Long | March 23, 2013 |
| Wels 202 | YD88081 | Ed Long | March 23, 2013 |

The claims are currently registered in the name of the stakers of the Property. The claims are to be transferred to Gorilla Resources Corp. when the Technical Report has been filed and accepted by the Stock Exchange.

The mineral claims comprising the Property can be maintained in good standing by performing approved exploration work to a dollar value of \$100 per claim per year. Exploration work is subject to the Mining Land Use Regulations of the Yukon Mining Quartz Act and to the Yukon Environmental and Socio-Economic Assessment Act (YESAA). A land use permit may have to be issued and YESAA Board recommendations obtained, before large-scale exploration is conducted. The work program proposed in this report meets the criteria for a Class I land use approval.

Claims comprising the Property were located by GPS using the UTM coordinate system. The claim locations shown on Figure 2 are derived from government claim maps. The Property is not encumbered by First Nations Land Claims. The White River First Nation (WRFN) has a number of category Site Specific (S) and category B land selections in the area. WRFNR-8B is a large block that fringes the southeast corner of the Wels West Claim block. There are three other category B land selection on the north and west shores of Wellesley Lake and three small site specific selection on the south shore of Wellesley Lake. Staking is allowed on Category B land selections but agreements for access to the land must be negotiated with the White River First Nation.

The lakes, streams and topography of the Property are displayed on Figure 2. There are no known mineral resources or reserves or tailings ponds on the Property.

Gorilla Resources Corp. has entered an Option Agreement with the claim owners; Roger Hulstein and Farrel Andersen dated June 6, 2011. Under the terms of the Option Agreement, Gorilla Resources Corp. has the right to earn 100% of the mineral rights in the Property by exercising the Option. To earn-in on its option, Gorilla Resources Corp. is required to fulfill the following terms:

- a cash payment of \$15 000 upon execution of the Option Agreement; and,
- make a cash payment of \$15 000 upon completion of a Technical Report; and,
- issue 150 000 shares on or before six months from the date of the Agreement; and,
- issue 100 000 shares on or before September 30, 2012; and,
- make a cash payment of \$25 000 on or before September 30, 2012; and,
- make a payment of \$40 000 on or before September 30, 2013, payable in cash, Shares a combination of cash and Shares in the sole discretion of Gorilla Resources Corp.; and,
- make a payment of \$80 000 on or before September 30, 2014, payable in cash, Shares or a combination of cash and Shares in the sole discretion of Gorilla Resources Corp.

Gorilla Resources Corp. is obligated to pay a royalty interest equal to 3% Net Smelter Returns. Gorilla Resources Corp. is entitled to redeem a share of the Net Smelter Returns (NSR) by paying \$750 000 for each 1% of NSR to a maximum of \$1 500 000.

Gorilla Resources Corp. has fulfilled the terms of the Option Agreement to this date.

Gorilla Resources Corp. is liable to pay an Advance Royalty after the Option has been completed of \$20 000 annually until commercial production from the property. The Advance Royalty shall be deducted from the Optionor's share of the Net Smelter Returns at commercial production.

There are no outstanding environmental liabilities determined by the Author.

The Property is not encumbered by First Nations Land Claims. There are no tailings ponds on the Property. There are no outstanding environmental liabilities or other significant factors that may affect access, title, the surface rights or ability of the company to perform work on the property determined by the Author.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Wels Nickel Property is located approximately 50 Kilometres east of Beaver Creek and 190 kilometres south of Dawson City, Yukon. The Property is located on map sheets NTS 115J/05 (Figure 1). Access is by helicopter or float equipped fixed wing aircraft to Wellesly Lake located south of the Property. Helicopters are available for charter in Dawson City. Float equipped fixed wing aircraft are available for charter in Whitehorse. Access to the property in 2011 was gained by a combination of the two flight methods. From Whitehorse there is daily jet airplane service to Vancouver, British Columbia and other points south. Whitehorse is a major center of supplies, communications and has a source of skilled labour for exploration diamond drilling, construction and mining operations. Portable electrical generators provide sufficient power for exploration stage programs and the creeks in the area provide sufficient water for camp and diamond drilling requirements on the Property.

Topography in the region is typical of a glaciated area with wide valleys and fairly steep hillsides. Alluvium in the valleys is a combination of regional glacial till, locally derived till and locally derived colluvium and alluvium at higher elevations. Elevation ranges from 575 metres above sea level (asl) at Wellesley Lake to 1 040 metres asl on the ridge tops. Permafrost is a consideration for soil sampling and trenching, especially on north facing slopes.

Rock outcrop in the area is restricted to ridges, small cliffs and possibly creek bottoms. Hill slopes are covered with vegetation and can be generally described as thick. The Wels East and West properties are in an old (>10 years) forest fire burn area.

Climate is characterized by low precipitation and a wide temperature range. Winters are cold and temperatures of -30°C to -45°C are common. Summers are moderately cool with daily highs of 10°C to 25°C . Thunders showers are a common occurrence. Smoke from forest fires can be thick at certain times. The seasonal window for exploration is from June to mid-September.

The Property area contains abundant accessible sites for mining, camp sites, potential tailings storage areas and waste disposal areas and potential processing plant sites with no conflicting surface rights.

6.0 HISTORY

In 2002 the work program consisted of a single day site visit by a four person geological team (Stroshein and Hulstein, 2006). Traverses by the team covered a regional high – low magnetic anomaly and investigated geology on ridge tops supplemented by stream, rock and soil geochemistry.

The YGS mineral assessment crew collected 8 rock samples, 10 stream sediment samples and 32 soil samples in 2002 (Stroshein and Hulstein, 2006). A total of 21 soil samples were collected from the central ridge on the Wels West property in 2002. Of these three samples (including an analytical duplicate) returned between 33.5 and 56.7 ppb gold. Seven samples returned between 65.3 – 210.3 ppm arsenic and five samples contained 5 – 41.9 ppm antimony. As mentioned above the anomalous gold values and some of the anomalous arsenic and antimony values appear to be spatially associated with a weathered intrusive.

A poor quality stream sediment sample from a drainage on the east side of the ridge with the anomalous soil samples contained 12.4 ppb gold, 14.6 ppm arsenic and 1.6 ppm antimony; the second highest gold value and the highest arsenic and antimony value from the ten samples collected in 2002.

Sampling on the Wels Nickel Property returned two soil samples containing 12.6 and 15.4 ppb gold and a rock sample that contained 111.6 ppm copper and 58.4 ppm cobalt. Given that a total of seven samples in total were collected in 2002, further work was required to determine the significance of the anomalous gold and copper values.

A creek sample from the drainage below the Wels South property returned 237.5 ppb gold. Initially this sample was thought to reflect glaciofluvial material but given the prominent NW trending lineaments to the south of the sample site, on the property and the relatively abundant outcrop, follow-up of this highly anomalous sample is warranted.

The Geological Survey of Canada has flown a regional (1/2 mile line spacing) aeromagnetic survey over the area. Results show a dominant arcuate northerly trend. Canil and Johnston (2003) interpret this arcuate aeromagnetic high (Figure 4) that trends through the Wels West and South properties as an ophiolite belt.

Variations in the magnetic intensity are likely due to lithology as the aeromagnetic survey results are too coarse to help with exploration targeting on the property

Hulstein and Andersen staked the 110 Wels claims in three claim blocks in March, 2011.

In 2010 a small claim group (18 claims) was staked to the NE of the Wels West property. In early March 2011 an additional 200+ claims were staked around the small claim block. These claims cover the same north to northeast trending regional aeromagnetic high – low boundary covered by the Wels West and Wels South properties.

Gorilla Resources Corp. optioned the three claim groups held by the Vendors and conducted reconnaissance grid soil sampling on all three claim blocks. Numerous gold-in-soil anomalies were located on the Wels West claims and a significant nickel-in-soil anomaly on the Wels Nickel Property that is the subject of this report. No soil samples on the Wels South claim group were noted. Gorilla Resources Corp. added 14 claims on the north and east sides of the Wels Nickel Property and 52 claims on the east and west flanks of the Wels West Property. Due to the different commodities indicated on the Wels West and the Wels Nickel Properties Gorilla Resources Corp. made the decision to separate the two Properties.

There are no historical mineral resources and mineral estimates reported on the Property and no records of previous mineral production.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The WELS Nickel Property lies within the Windy McKinley Terrane (WMT), an assemblage of early early Paleozoic – Cretaceous mélangé and gabbro with oceanic affinity (Monger, 1991). Canil and Johnston (2003) make the case that WMT may be Permian rocks thrust over the Yukon Tanana Terrane.

Canil and Johnston (2003) interpret the arcuate aeromagnetic high (Figure 3) that trends through the Wels West Property as an ophiolite belt displayed on Figure 3 Geology Map.

In the region Latest Cretaceous Carmacks Group volcanic rocks unconformably overlies the post amalgamation/accretion assemblage. The Carmacks Group is dominated by mafic volcanic tuffaceous and flow rock units with lesser felsic units.

7.2 Property Geology

The Wels Nickel property is underlain by dark green sheared ultramafic, massive thick bedded basalt with quartzite, siltstone and chert. Rare light grey rhyolite or strongly bleached silicified andesite was also observed (Stroschein and Hulstein, 2006). Within the regionally mapped unit dun-brown weathering, dark green to black, partly serpentinized massive harzburgite and dunite have been mapped.

7.3 Mineralization

No economic mineralization has been directly identified on the Property.

8.0 DEPOSIT TYPES

The primary commodity target is nickel. Potential nickel mineralization on the Wels Nickel Property may be related to two deposit types. The two types of nickel deposit models are podiform chromite and disseminated or massive gabbroic nickel. These deposit types are genetically related to ultramafic rocks.

The Tectonic setting for these types of deposits are obducted fragments of oceanic, lower crustal and upper mantle ultramafic rocks within accreted oceanic terranes. The deposits are formed as a primary magmatic differentiate during early crystal fractionation of basaltic liquid at an oceanic spreading center as massive to disseminated pods and lenses; or, as massive to disseminated cumulate layers at the base of the crustal plutonic section. The deposits are hosted by variably serpentinized peridotite; residual mantle harzburgite; or, cumulate dunite. The Yukon Geological Survey observed that prospects for these types of deposit are located in Yukon Tanana, Slide Mountain, Cache Creek, and Windy-McKinley terranes. The Wels Property is located within the Windy-McKinley Terrane. These nickel deposits often are associated with platinum group elements (PGE) that are significant contributors to the economic potential of the deposits.

Figure 3 Geology Map

In the region the Wellgreen deposit hosted nickel-copper and PGE mineralization near the base of a layered Triassic aged 600 meter thick mafic-ultramafic sill (Yukon Minfile 115G 024). Hudson-Yukon Mining Ltd. mined the deposit from May 1972 to July 1973 and processing ore to produce a copper-nickel concentrate (Yukon Minfile, 2005).

The mineral assessment panel also considered the potential for the Wels Property area to host Besshi Massive Sulphide type deposits. These deposits typically comprise thin sheets of massive well layered pyrrhotite, chalcopyrite, sphalerite, pyrite and minor galena within interlayered, terrigenous rocks and calcalkaline basaltic to andesitic tuffs and flows. Host rocks are clastic sedimentary and marine volcanic rocks; basaltic tuffs and flows, shale and siltstone, commonly calcareous; less commonly chert and Iron formations. There are possibly ultramafic rocks and metagabbro in the sequence. The Fyre Lake deposit of the Finlayson Lake District is the best example of this type of deposit in Yukon.

Although the Author makes general comparisons to the above-mentioned deposit types, the reader is cautioned that the author cannot verify that these deposits are directly comparable with the potential mineralization at the Wels Property.

9.0 EXPLORATION

A program of reconnaissance grid soil sampling was carried out on the Wels Nickel Property in conjunction with sampling of the other claim blocks forming the original Wels Property.

The lines on the Wels Nickel claim block were oriented parallel to the long axis of the claim block at 87° azimuth. Samples were collect from lines spaced at 200 metres with a 200 metre sample spacing. This sampling can be considered to be on a level of a reconnaissance survey. A total of 42 soil samples were collected.

Examination of assay results for iron, manganese and aluminum to assess sample quality indicates that the soil samples are of good quality with no indication of enrichment or leached material.

A moderate to strong nickel anomaly has been outlined on the Wels East claim block. An anomaly off greater than 200 ppm nickel with peak value of 702 ppm trends east to east northeast for 1 800 metres and is greater than 200 metres wide within a background level of 50 ppm nickel, Figure 4 Nickel Geochemistry. The anomaly is open along trend to the northeast. The anomaly is located along the ridge top suggesting that the source of the anomaly is local with the strongest down-slope dispersion of the nickel is on the northern slope. The topography is displayed on Figure 2.

Within the anomaly chromium values range from 180 to 395 ppm, chromium values range from 35 to 63 ppm, iron values range from 4.0% to 6.2%, strontium values range from 59 to 286 ppm and magnesium values range from 3.9% to 10.5%. The potential exploration target in this area is of the podiform nickel-chromite type mineralization. The results for these elements are displayed on Figures 5, 6 and 7.

The relative abundance of iron and magnesium are possibly related to the ferro-magnesium content of the underlying bedrock that suggests ultramafic rocks. The highest iron levels suggest a possible iron sulphide source related to nickel. Pentlandite is an iron bearing nickel-rich sulphide that occurs with ultramafic nickel-chromite deposits. Only trace amounts of platinum were detected in eight selected samples analysed by ultra trace MS-ICP and all palladium assays were below detection limits.

Figure 4 Nickel Geochemistry

Figure 5 Chromium Geochemistry

Figure 6 Iron Geochemistry

Figure 7 Magnesium Geochemistry

10.0 DRILLING

Gorilla Gold Corp. has not carried out any type of drilling on the Property.

11.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

This section describes the sample handling procedures followed during the exploration program managed by All In Exploration Solutions for Gorilla Gold Corp. in 2011.

The 2011 exploration program resulted in the collection of 42 grid soil samples. Samples were collected by employees of the independent contractor All In Exploration Solutions. Samples were collected along lines established with hand held GPS instruments. Samples were collected from "B" horizon soils in labelled sample envelopes. The sample site was marked in the field with labelled flagging tape and information of location and site was recorded in field notes that were transferred to spreadsheets. The location data was used to plot the assay data by computer software.

Samples were bagged in sequentially number lots. The samples were delivered directly to Acme Analytical Laboratories Ltd. in Whitehorse by the contractor and following sample preparation, samples were forwarded to Acme Analytical Laboratories (Vancouver) Ltd. for geochemical analysis. Acme Analytical Laboratories Ltd. is an independent commercial assayer. The Acme Analytical Laboratories in Vancouver and Whitehorse have ISO 9001: 2008 Accreditation under Certificate Number FM 63007.

The soil samples were dried at 60 degrees centigrade, 100 grams sieved to -80 mesh and 15 grams digested by aqua regia analyzed by trace ICP-MS analysis for gold and an additional 35 elements (Acme analytical package 1DX2). Eight samples were selected that contained higher levels of nickel for ICP-MS analysis with ultra trace detection limits for 53 elements that included platinum and palladium (Acme analytical package 1F05).

The Author has relied upon the internal quality control procedures employed by Acme Analytical Laboratories Ltd. that includes periodic duplication of sample analysis as standard operating procedures. The Author also examined the assay certificate results to ensure consistent reported values to ensure that there are no notable outliers in the results. The soil sample results show dispersion of the elements around peak high values.

It is the Author's opinion that the sample preparation, security and analytical procedures for work conducted on the Wels East Property meet the standards as set out in National Instrument 43-101. The quality control measures by Gorilla Gold Corp. on the Rivier Property are sufficient to meet the standards as set out in National Instrument 43-101.

12.0 DATA VERIFICATION

In examining and verifying the sample data for this report, the Author performed the following tasks:

- 1) Original assay certificates were reviewed.
- 2) The range of reported results and their geographic distribution were checked against the geochemical plots.

The Author has not conducted a field examination of the Wels Nickel Property during or since the time of the exploration in 2011. A site is planned for the start of the next exploration phase.

Soil sampling provides an indirect indication of underlying mineralization that is adequate for regional scale exploration and detailed investigations and only hindered by local areas of permafrost or low marshy areas. The density of reconnaissance sampling has proven effective with the discovery of multi-element anomalies. The analytical data has been reliable at highlighting potential mineralization.

The initial evaluation of the Property has discovered anomalous metal values of nickel and chromium in soil in an area underlain by ultramafic rocks. The Author concludes that the Property is a property of merit with potential to host economically significant mineralization. Further exploration and evaluation is recommended.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

There has been no mineral processing or metallurgical testing of mineralization on the Property.

14.0 MINERAL RESOURCE ESTIMATES

No mineral resource or mineral reserve estimates have been made for the Property.

15.0 ADJACENT PROPERTIES

The Don and Jack Properties located one kilometre northwest of the Wels Nickel Property is owned by the YES Exploration Syndicate. The Syndicate is a private enterprise that has not released any public information on the Property. The area of the Don-Jack Property is apparently underlain by the same ultramafic and greenstone unit rocks as on the Wels Nickel Property.

The Author cannot verify that any mineralization that has been located on the adjacent property occurs on the Wels Nickel Property or that the information is indicative of the mineralization on the Property.

16.0 OTHER INFORMATION AND RELEVANT DATA

The Author is not aware of any other information or relevant data regarding the Property.

17.0 INTERPRETATIONS AND CONCLUSIONS

Geochemical results have yielded anomalous nickel-in-soil anomalies within the Property boundaries. The accompanying suite of anomalous metals is typical of podiform nickel-chromite mineralization with potential for containing PGE. Selected samples were re-assayed to determine platinum and palladium. The results indicate that the nickel and iron assays were within reasonable reproducible limits compared to the initial analysis. The platinum values ranged from below detection limits at less than 2 ppb (2 samples) with trace indications of up to 7 ppb. All the assay results for palladium were below the detection limit of 10 ppb.

The metal anomaly occurs within a strong total field regional magnetic anomaly, the aeromagnetic trends in the region are displayed on Figure 3 Geology Map.

The strong magnetism of the underlying bedrock and the ferro-magnesium content of the soils indicate that the Property is possibly underlain by ultramafic rocks with the potential to host nickel-chromite mineralization.

The location of the nickel-in-soil anomaly and dispersion pattern on the north slope of the ridge crossing the Property suggest that the metal bearing source is not far up-slope.

The risk for future exploration is that although the nickel-in-soil anomaly is at least 1 800 metres long the mineralization may be dispersed and does not occur in economic concentrations. At this stage of exploration with no mineralization discovered in outcrop the orientation is only indicated by the trend of the nickel-in-soil anomaly and appears to be north-northeast.

18.0 RECOMMENDATIONS

An expanded exploration program is recommended for the Property. Because of location the proposed program will be helicopter supported. The proposed exploration is required to outline the extent and strength of the broadly defined nickel-in-soil anomaly. The lines of the detailed grid sampling to be oriented along north UTM grid lines to cross cut the apparent trend of the geology and geochemistry. The focus of the detailed grid sampling (25 metre spacing along lines separated at 50 metres) is to determine the upslope source for the dispersion of nickel in the soil and to test along trend beyond that currently identified length. The objective is to identify the areas of most abundant nickel-in-soil for hand trenching and diamond drilling.

Geological mapping and prospecting for bedrock lithology and mineralization is important and any sulphide mineralization located should be analysed for nickel, chromium, base metals and PGE.

Ground geophysical surveys including VLF-EM and detailed magnetic data are helpful to identify structural and lithological features that control potential mineralized zones. VLF-EM conductors are potential conductive zones for sulphide mineralization or structural zones. The survey data can also be used to interpret the dip of the conductor.

Trenching by hand or portable mechanical units is recommended to investigate sites of high nickel-in-soil samples especially if the geophysical surveys identify structural features. The deposit type is typically lithologically controlled and the Property requires geological mapping to determine the underlying bedrock geology. The objective of the proposed exploration is to define a drill ready target.

The budget for the exploration is outlined in the following:

PROPOSED BUDGET

In fill grid @ 25 x 50 metres Increase the soil grid @ 25 x 100metres:

| | |
|--|-------------------------|
| Assays 220 samples @ \$36/sample | \$ 7,900 |
| Labor – Field samplers | 3,500 |
| Hand and/or mechanized trenching: | 1,800 |
| Ground geophysics: | 2,400 |
| Geological mapping and prospecting: | 2,000 |
| Camp and logistical support costs: | 8,000 |
| Helicopter support: | 6,200 |
| Supervision, independent reporting: | 4,500 |
| Contingencies @ 10% | 3,700 |
| Total estimated cost (excluding GST): | <u>\$ 40,000</u> |

19.0 REFERENCES

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