#### **TECHNICAL REPORT**

#### using

### **NATIONAL INSTRUMENT 43-101 GUIDELINES**

to describe the

#### **GEOLOGY AND EXPLORATION**

on the

#### WELS WEST PROPERTY

### WHITEHORSE MINING DISTRICT

YUKON, CANADA

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

prepared for

GORILLA MINERALS CORP. Suite 2007 – 1177 West Hastings Street Vancouver, BC, V6E 4T5

By

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#### 1.0 SUMMARY

The Wels West Property located in west central Yukon, is comprised 162 quartz claims with an area of 3 281 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 50 kilometres to the west. The Gorilla Minerals Corp. has acquired a 100 % interest in the Property through an Arrangement Agreement with Gorilla Resources Corp. dated April 30, 2012.

The Wels West 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 remaining Wels claim blocks. The decision to separate the Wels East (Nickel) Property from the Wels Project is based on the different commodity targets occurring on the separate claim groups.

The Wels West Property is underlain by sheared and foliated greenstone and related volcanic rocks of the Windy Assemblage. Wide spaced grid soil sampling was designed to cover the Property in 2011. Prospecting was carried out in conjunction with the soil sampling on the grid lines. Anomalous gold-in-soil samples correlate with the arsenic, antimony, silver, tungsten and weakly with bismuth and lead samples typical of orogenic gold type deposits. The anomalies occur in two distinct anomalous trends and other anomalies occur as isolated and scattered anomalies.

The strongest anomaly is 1 250 metres long and from 50 to 200 metres wide. The anomaly trends east-west and is located near the center of the claim block. The anomaly reflects a dispersion zone with values ranging from 34.6 to 3 082 parts per billion (ppb) gold. The anomaly coincides with a topographic low area cross cutting two north trending ridges. The second anomaly occurs as discrete clusters near the crest of the ridge 500 metres south of the strongest anomaly where gold-in-soil anomalous values range from 38.8 ppb to 625.8 ppb. There is an indication that several of the anomalous clusters are down-slope dispersions of the main bodies of the anomaly that trends east-west across the higher elevations of the ridge. Other scattered gold-in-soil anomalies occur north and south of the two main anomalies and all warrant further investigation.

The copper, nickel, chromium and magnesium results have relatively high background levels reflecting the underlying greenstone or ultramafic bedrock rock source.

A recommended budget of \$ 100 750 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 aid understanding of 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.



### 2.0 INTRODUCTION

This report has been prepared at the request of Gorilla Minerals 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 gold mineralization and assess the potential deposit type for this mineralization.

The purpose of the Technical Report is to disclose information material to the Issuer and determine if the Wels West 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" prepare by the Author and dated July 5, 2011 as pertaining to the Wels West claim block. The Report has been submitted to Sedar in 2011 for Grorilla Resources Corp.

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 and Arrangement Agreements: The Author has reviewed the Option Agreement dated June 6, 2011, and Arrangement Agreement dated April 30, 2012 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 West Property consists of 162 mineral claims totalling 3 281 hectares located 50 kilometres 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 West Property

are shown on Figure 2, and claim tenure information from the Wels Property Option Agreement is listed in Table 1.

Table 1 – List of Claims							
CLAIM NAME	GRANT NUMBER	REGISTERED OWNER	EXPIRY DATE				
Wels 1 - 28	YE41635 – YE41662	Farrel J. Andersen	March 29, 2013				
Wels 31 - 56	YE41665 – YE41690	Laurent Brault	March 29, 2013				
Wels 63 - 88	YE41697 – YE41722	Roger Hulstein	March 29, 2013				
Wels 95 - 104	YE73805 – YE73814	Farrel J. Andersen	March 29, 2013				
Wels 111 - 120	YE73821 – YE73830	Roger Hulstein	March 29, 2013				
Wels 127 - 136	YE73837 – YE73846	Laurent Brault	March 29, 2013				
Wels 137 - 188	YF35016 - YF35067	Gorilla Resources Corp.	March 23, 2013				

The claims are currently registered in the name of the claim stakers of the original Wels Property including the claims staked by Gorilla Resources Corp. in March 2012. The claims are to be transferred to Gorilla Minerals 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 and tailings ponds on the Property.

Gorilla Resources Corp. (Gorilla Resources) 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 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 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



Gorilla Resources is obligated to pay a royalty interest equal to 3% Net Smelter Returns. Gorilla Resources 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 5000 000.

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

Gorilla Resources 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.

The above listed claims comprising the Wels West Property are the gold prospective mining interests of Gorilla Resources. Under the terms of the Arrangement Agreement, Gorilla Resources will spin-off these assets by way of a statutory arrangement under the Business Corporation Act (British Columbia) to its wholly-owned subsidiary Gorilla Minerals Corp. (Gorilla Minerals) shareholders. Under the terms of the Arrangement Agreement Gorilla Resources shall transfer the Gold Assets and issue one Gorilla Resources share to Gorilla Minerals and Gorilla Minerals shall issue to Gorilla Resources, the number of Gorilla Minerals shares (the "Gorilla Minerals Distribution Shares") required that the Gorilla Minerals Corp. Share can be dividended out to the Gorilla Resources Shareholders by; Gorilla Resources transferring the Gorilla Minerals Distribution Share for every one Gorilla Resources share held as of the Share Distribution Record date; and each holder of Gorilla Minerals Distribution Shares.

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 West Property is located 50 Kilometres east of Beaver Creek and 190 kilometres south of Dawson City, Yukon (Figure 1). The Property is located on map sheets NTS 115J/05. 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. 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  $-30^{\circ}$ C to  $-45^{\circ}$ 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 conducted soil, silt sediment and rock sampling on the Wels West Property (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 silt 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 ten samples collected in 2002.

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 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 in 2011. Numerous gold-in-soil anomalies were located on the Wels West claims and a significant nickel-in-soil anomaly on the Wels Nickel Property. No anomalous 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.

A program of reconnaissance grid soil sampling was carried out on the Wels West Property in conjunction with sampling of the other claim blocks forming the original Wels Property by Gorilla Resources Corp. in 2011.

On the Wels West block grid lines were oriented at 017° azimuth and the spacing between lines was 200 metres. The lines are run parallel to the claim block orientation. Samples were collected at 100 metre intervals along the lines. The lines were run with hand-held GPS and compass. Samples were collected using rock hammers or mattocks and the sample sites were labelled and marked with flagging. This sampling can be considered to be on a level of a reconnaissance survey. A total of 678 soil samples were collected on the Property in 2011 and analyzed for gold and multi-element ICP analysis.

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. The aluminum results indicate a weak enrichment zone most often flanking higher level gold values suggesting possible clay alteration associated with the mineralization.

There are a number of gold-in-soil anomalies that occur on the Wels West Property. There are two well defined anomalous trends. The strongest anomaly is 1 250 metres long and from 50 to 200 metres wide. The anomaly trends east-west and is located near the center of the claim block. The anomaly reflects a dispersion zone with values ranging from 34.6 to 3 082 ppb gold. The anomaly coincides with an east-west trending topographic low area between two north trending ridges. The second anomaly occurs as discrete clusters near the crest of the ridge 500 metres south of the strongest anomaly gold-in-soil anomalous values range from 38.8 ppb to 625.8 ppb. There is an indication that several of the anomalous clusters are down-slope dispersions of the main bodies of the anomaly that trends east-west across the higher elevations of the ridge. Other scattered gold-in-soil anomalies occur north and south of the two main anomalies and all warrant further investigation. The results of the gold-in-soil geochemistry are displayed in Figure 5.1.

A moderate to strong nickel anomaly has been reported by Gorilla Resources Corp. in Stroshein, 2012, Technical Report titled Geology and Geochemistry of the Wels Nickel Property filed with Sedar on May 5, 2012.

The relative abundance of iron and magnesium are possibly related to the ferro-magnesium content of the underlying bedrock that suggests ultramafic rocks.

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 West Property lies within the Windy McKinley Terrane (WMT), (Figure 3) an assemblage of early Paleozoic – Cretaceous mélange 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 4 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 West 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 (Stroshein and Hulstein, 2006). Within the regionally mapped unit dun-brown weathereing, 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 gold. Potential gold mineralization on the Wels West Property may be related to the orogenic gold-quartz vein deposit type.

Orogenic gold-Quartz veins and veinlets with minor sulphide minerals crosscut a wide variety of host rocks and are localized along major regional faults and related splays. The wall rock is typically altered to silica, pyrite and muscovite within a broader carbonate alteration halo. Gold-quartz veins are found within zones of intense and pervaisive carbonate alteration along second order or later faults marginal to transcrustal breaks. Gold veins are more commonly economic where hosted by relatively large, competent units, such as intrusions or blocks of obducted oceanic crust. Individual deposits average 30 000 tonnes with grades of 16 grams per tonne gold and 2.5 grams per tonne silver. These types of deposits occur in Yukon at Caribou Creek (Minfile 1151049), Venus (Minfile 105D005) and Skukum Creek(105D022). There has been minor production from the Venus mine in the past (Yukon Minfile 105D005).

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 rock units on the Wels West Property have been mapped as the same rock units as the Wels Nickel Property.





The Tectonic setting for these types of deposits are obducted fragments of oceanic, lower crustal and upper mantle ultramafic rocks within accreted oceanic teranes. 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 terrranes. 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.

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

Gorilla Minerals Corp. has not carried out any exploration of the Property.

### 10.0 DRILLING

There has not any type of drilling conducted 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 Resources Corp. in 2011.

The 2011 exploration program resulted in the collection of 678 grid soil samples. The samples were collected at 100 metre intervals from parallel lines separated by 100 metres. 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 agua regia analyzed by trace ICP-MS analysis for gold and an additional 35 elements (Acme analytical package 1DX2).

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 Wels West 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.
- 3) Examined indicator elements of iron, calcium and manganese to assess the quality of the soil samples collected and analyzed.

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 and broad definition of gold-in-soil anomalies. The analytical data has been reliable at highlighting potential mineralization.

Examination of sample quality indicator elements indicates that the samples are of good quality with only rare samples indicating leached or enrichment of the soils. These samples are in low marshy areas and not related to the anomalous zones.

The initial reconnaissance geochemical evaluation of the Property has discovered anomalous metal values of gold-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 West Property or that the information is indicative of the mineralization on the Property.

### 16.0 OTHER INFORMATION AND RELEVANT DATA

The Arrangement Agreement includes claims of the Wels South claim block. Reconnaissance grid sampling in the area did not locate any anomalous metal values in the soils. The claims are underlain by Carmacks Group volcanic rock units that represent a different geological setting than the rock units underlying the Wels West claim block.

### 17.0 INTERPRETATIONS AND CONCLUSIONS

There are a number of gold-in-soil anomalies that occur on the Wels West Property. There are two well defined anomalous trends. The strongest anomaly is 1 250 metres long and from 50 to 200 metres wide. The anomaly trends east-west and is located near the center of the claim block. The anomaly reflects a dispersion zone with values ranging from 34.6 to 3 082 ppb gold. The anomaly coincides with a topographic low area between two north trending ridges. The second anomaly occurs as discrete clusters near the crest of the ridge 500 metres south of the strongest anomaly gold-in-soil anomalous values range from 38.8 ppb to 625.8 ppb. There is an indication that several of the anomalous clusters are down-slope dispersions of the main bodies of the anomaly that trends east-west across the higher elevations of the ridge. Other scattered gold-in-soil anomalies occur north and south of the two main anomalies and all warrant further investigation.

The anomalous gold assay results correlate to anomalous values of arsenic, antimony, silver and weakly with lead and tungsten typical of orogenic gold-quartz type vein mineralization.

The copper, nickel, chromium and magnesium results have relatively high background levels reflecting the underlying mafic and ultramafic greenstone rock units of the Windy Assemblage. The copper values average greater than 50 ppm but the highest value is 211 ppm.

The risk for future exploration is that although the gold-in-soil anomalies are traced for up to 1 250 metres in length and are open along trend 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 gold-in-soil anomalies on an apparent to be east-west orientation.

### 18.0 RECOMMENDATIONS

The 2011 grid soil sampling survey on the Wels West Property was successful at identifying anomalous gold-in-soil trends. The geochemical signature of metals associated with the anomalies is consistent with orogenic gold-quartz vein type mineralization.

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 gold-in-soil anomalies. 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 or 100 metres) is to determine the upslope source for the dispersion of gold-in-soil and to test along trend beyond that currently identified length. The objective is to identify the areas of most abundant gold-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 gold and a suite of 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 anomaly.

Trenching by hand or portable mechanical units is recommended to investigate sites of high goldin-soil samples especially if the geophysical surveys identify structural features. The deposit type is typically structurally 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 500 samples @ \$36/sample \$18000 Labor - Field samplers 9 0 00 Hand and/or mechanized trenching: 5 0 0 0 Ground geophysics: 5 000 3 500 Geological mapping and prospecting: Camp and logistical support costs: 12 000 Helicopter support: 20 000 Supervision, independent reporting: 10 000 Contingencies @ 10% 8 2 5 0 Total estimated cost (excluding GST): \$ 100 750

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