FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: GORILLA MINERALS CORP. (the “Issuer”).

Trading Symbol: GOCO

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Second Quarter (six month period) ended January 31, 2018

Unaudited condensed consolidated interim financial statements of the Issuer for the **six** month period ended **January 31, 2018**, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix A.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed consolidated interim financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the **Six** month period ended **January 31, 2018**, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix B.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

As at December 4, 2017, the Issuer's Form 2A - Listing Statement, 16,185,258 common shares in the capital of the Issuer were issued and outstanding and 10,595,258 Class A Preferred shares in the capital of the Issuer were issued and outstanding. The Class A Preferred Shares are not listed for trading on the CSE.

(a) summary of securities issued during the period,

The following securities were issued during this period:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Dec 22, 2017	Units comprised of common shares and common share purchase warrants(1)	Private Placement	1,000,000	$0.10	$100,000	cash	N/A	N/A

(1) The common share purchase warrants have an exercise price of $0.15 per warrant and will expire on December 22, 2019.

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Jan 23, 2018	50,000	N/A	Consultant	$0.18	Jan 23, 2023	$0.18
Jan 23, 2018	50,000	Michael Woods, Officer	N/A	$0.18	Jan 23, 2023	$0.18

Jan 23, 2018	100,000	N/A	Consultant	$0.18	Jan 23, 2023	$0.18
Jan 23, 2018	300,000	N/A	Consultant	$0.18	Jan 23, 2023	$0.18
Jan 23, 2018	300,000	Don Sheldon, Director	N/A	$0.18	Jan 23, 2023	$0.18
Jan 23, 2018	300,000	Brian Murray, Director	N/A	$0.18	Jan 23, 2023	$0.18
Jan 23, 2018	300,000	Scott Sheldon, Director & Officer	N/A	$0.18	Jan 23, 2023	$0.18
Jan 23, 2018	300,000	Adrian Smith, Director	N/A	$0.18	Jan 23, 2023	$0.18
Total	1,700,000					

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at **January 31, 2018,** the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which 17,185,258 common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

As at **January 31, 2018**, the Issuer also has an unlimited number of Class A Preferred Shares with a par value of $0.001, of which 10,595,258 Class A Preferred Shares are issued and outstanding. The Class A Preferred Shares are not listed for trading on the CSE.

The special rights and restrictions attached to the Class A Preferred shares of the Issuer, are as follows:

(1) The holders of the Class A Preferred shares shall not be entitled to vote at any meetings of the shareholders of the Issuer and shall not be entitled to receive any notice of or attend any meetings of the shareholders of the Issuer (except meetings of the holders of Class A Preferred shares);

(2) The holders of Class A Preferred shares shall be entitled to non-cumulative dividends as and when declared by the Directors. The Class A Preferred shares have been initially created in order to dividend, on a pro rata basis, to Class A Preferred shareholders, the shares ("K2 Shares") that the Issuer has and will receive from K2 Gold Corporation ("K2") in connection with the Wels Option Agreement, or the net proceeds from the sale by the Issuer of K2 Shares. The Directors retain absolute discretion with respect to all matters in connection with the declaration and the delivery of dividends on the Class A Preferred Shares, including the type thereof;

(3) In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, or other distribution of the assets of the Issuer among its members for the purpose of winding up its affairs, the holders of the Class A Preferred shares shall not be entitled to have their shares redeemed nor be entitled to participate in any final distribution of assets;

(4) Holders of Class A Preferred shares shall not be entitled to require the Issuer to redeem the holder's Class A Preferred shares, however holders may submit their shares to the Issuer for cancellation for no consideration; and

(5) Upon K2 having completed the delivery of its shares to the Issuer pursuant to the Wels Option Agreement, or upon a valid and enforceable cancellation of the Wels Option Agreement, the Directors reserve the right to unilaterally buy back, for cancellation, all of the Class A Preferred shares against payment of their nominal par value to holders, as determined by the Directors.

(b) number and recorded value for shares issued and outstanding,

Date	Share Class	Number of Shares	Recorded value of shares
As at January 31, 2018	Common	17,185,258	1,728,412
As at January 31, 2018	Class A Preferred	10,595,258	-

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options: Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at **January 31, 2018**, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date
Jan 23, 2018	1,700,000	$0.18	Jan 23, 2023
TOTAL	**1,700,000**		

Warrants: As at **January 31, 2018**, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date
July 28, 2017	2,980,000	$0.15	July 28, 2019
Dec 22, 2017	1,000,000	$0.15	Dec 22, 2019
TOTAL	**3,980,000**		

Convertible Securities: As at **January 31, 2018**, the following convertible promissory notes were outstanding:

Lender	Date of Issue	Principal Amount of Promissory Note (1)	Conversion Price	Maturity Date
G. Mark Curry	March 1, 2017	54,793.67	$0.05	Feb 28, 2019
Sayonara Holdings Ltd	March 1, 2017	54,793.67	$0.05	Feb 28, 2019
Surgenia Productions Inc.	March 1, 2017	54,793.67	$0.05	Feb 28, 2019
TOTAL		**$164,381.01**		

(1) Interest ("Interest") on the unpaid balance of the Principal Amount will accrue from March 1, 2017 at the rate of 5% per annum, calculated and payable semi-annually, not in advance, both before and after default and before and after maturity, until the Principal Amount and Interest and all other monies due hereunder are fully paid and satisfied. The Principal Amount then outstanding, plus all accrued and unpaid Interest, will be paid in full on February 28, 2019 (the "Maturity Date"). The Issuer may at any time and from time to time prepay all or any part of the Principal Amount provided that all

accrued and unpaid Interest is paid in full on the date of prepayment of the Principal Amount or portion thereof. At any time prior to the Maturity Date, the Lender may at its sole option, convert all or any part of the Principal Amount into shares ("Conversion Shares") of the Issuer, at a deemed price of $0.05 per Conversion Share (the "Conversion Price"). Each Conversion Share is convertible into one common share (a "Common Share") of the Issuer.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at **January 31, 2018**, the following common shares of the Issuer were subject to a prescribed escrow agreement pursuant to National Policy 46-201:

Designation of class held in escrow(1)	Number of securities held in escrow	Percentage of class
Common Shares	8,604,180	50.07%

(1) The escrow agent or depository for the escrowed securities is the Issuer's transfer agent, National Issuer Services Ltd., and the securities are subject to an NP 46-201 escrow agreement with release provisions applicable to an emerging issuer wherein 10% of the escrowed securities are released on the date of listing of the Issuer's common shares on the CSE, and 15% are released every 6 months thereafter with all shares having been released as at 3 years from the date of listing of the Issuer's shares on the CSE.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director/Officer	Position with Issuer
Scott Sheldon	President, CEO & Director
Donald R. Sheldon	Director
R. Brian Murray	Director, CFO
Adrian Smith	Director
Michael Woods	Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the **six** month period ended **January 31, 2018**, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix B.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated March 29, 2018.

Scott Sheldon
Name of Director or Senior Officer

Signed: *"Scott Sheldon"*
Signature

Director
Official Capacity

Issuer Details Name of Issuer Gorilla Minerals Corp,	For Quarter Ended January 31, 2018	Date of Report YY/MM/D 2018/03/29
Issuer Address 789 West Pender Street, Suite 810		
City/Province/Postal Code Vancouver, British Columbia V6C 1H2	Issuer Fax No. (604) 687-3141	Issuer Telephone No. (604) 687-2038
Contact Name Scott Sheldon	Contact Position Director/CEO	Contact Telephone No. (604) 725-1857
Contact Email Address scott@surgenia.com	Web Site Address www.gorillaminerals.com	

APPENDIX A

GORILLA MINERALS CORP.

Unaudited condensed consolidated interim financial statements
for the **six** month period ended **January 31, 2018**

GORILLA MINERALS CORP.

Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2018

(Unaudited)

(Expressed in Canadian dollars)

GORILLA MINERALS CORP.

Suite 810 – 789 West Pender Street
Vancouver, British Columbia, V6C 1H2
Phone: (604) 687-2038 Fax: (604) 687-3141

March 29, 2018

Consolidated Interim Financial Statements

Second Quarter Report

For the three and six months period ended January 31, 2018 and 2017

NOTICE TO READER

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company must disclose if an auditor has not performed a review of the interim financial statements.

The accompanying unaudited consolidated interim financial statements have been prepared by and are the responsibility of the Company's management.

These unaudited consolidated interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company.

Yours truly,

GORILLA MINERALS CORP.

"Scott Sheldon"

Scott Sheldon
CEO

GORILLA MINERALS CORP.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	January 31, 2018 $	July 31, 2017 $
Assets		
Current Assets		
Cash and cash equivalents	111,792	207,672
GST and other receivables	9,089	4,466
	120,881	212,138
Mineral properties (Note 4)	371,000	-
	491,881	212,138
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	127,371	39,886
Due to related parties (Note 8)	71,581	22,675
Notes payable (Note 5)	35,123	35,123
	234,075	97,684
Convertible promissory notes payable (Note 6)	160,554	151,476
	394,629	249,160
Shareholders' Equity		
Share capital (Note 7)	1,728,412	1,367,412
Contributed surplus	452,269	185,787
Deficit	(2,083,429)	(1,590,221)
	97,252	(37,022)
	491,881	212,138

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 12)

Approved by the Board of Directors on March 29, 2018:

"Scott Sheldon"	*"Donald Sheldon"*
Scott Sheldon, Director & CEO	Donald Sheldon, Director

GORILLA MINERALS CORP.
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended January 31, 2018 $	Three months ended January 31, 2017 $	Six months ended January 31, 2018 $	Six months ended January 31, 2017 $
Exploration Expenses	39,303	-	45,392	-
Administrative Expenses				
Audit and accounting	11,732	6,130	21,732	18,130
Consulting fees	100,000	-	100,000	-
Interest expense	4,576	5,472	9,078	10,855
Legal	28,449	1,268	83,449	4,517
General and administrative	6,334	990	7,253	1,246
Management fees	15,000	6,000	42,000	12,000
Stock-based compensation	266,482	-	266,482	-
Transfer agent, filing and stock exchange fees	15,454	4,525	15,911	5,155
Travel	957	-	1,911	-
	(488,287)	(24,385)	(593,208)	(51,903)
Other Income				
Gain on Option Agreement (Note 4)	-	154,590	305,000	154,590
Net income (loss) and comprehensive income (loss) for the period	(488,287)	130,205	(288,208)	102,687
Income (loss) per share, basic and diluted	(0.01)	0.01	(0.00)	0.00
Weighted average shares outstanding	33,240,082	21,190,516	32,408,124	21,190,516

GORILLA MINERALS CORP.
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital						
	Common Shares	Amount $	Preferred Shares	Amount $	Contributed surplus $	Deficit $	Total $
Balance, at July 31, 2016	21,190,156	1,069,412	-	-	165,554	(1,387,692)	(152,726)
Distribution of WMM shares to the shareholders (Note 4)	-	-	-	-	-	(150,000)	(150,000)
Net income for the period	-	-	-	-	-	102,687	102,687
Balance, at January 31, 2017	21,190,516	1,069,412	-	-	165,554	(1,435,005)	(200,039)
Balance, at July 31, 2017	27,150,516	1,367,412	10,595,258	-	185,787	(1,590,221)	(37,022)
Distribution of K2 shares to the shareholders (Note 4)	-	-	-	-	-	(205,000)	(205,000)
Private placement	2,000,000	100,000	-	-	-	-	100,000
Shares issued for property	5,220,000	261,000	-	-	-	-	261,000
Stock-based compensation	-	-	-	-	266,482	-	266,482
Net loss for the period	-	-	-	-	-	(288,208)	(288,208)
Balance, at January 31, 2018	34,370,516	1,728,412	10,595,258	-	452,269	(2,083,429)	97,252

GORILLA MINERALS CORP.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars)

	Six months ended January 31, 2018 $	Six months ended January 31, 2017 $
Cash provided by (used in):		
Operating activities		
Net income (loss) for the period	(288,208)	102,687
Adjustments for non-cash items		
Interest accrual on promissory note	9,078	10,855
Gain on Option Agreement (Note 4)	(305,000)	(154,590)
Stock-based compensation	266,482	-
Changes in non-cash operating working capital:		
GST recoverable	(4,623)	(1,008)
Accounts payable and accrued liabilities	87,485	(56,545)
Due to related parties	48,906	(29,017)
	(185,880)	(127,618)
Investing activities		
Option payments made	(110,000)	-
Option payments received	100,000	150,000
	(10,000)	150,000
Financing activities		
Issue of shares	100,000	-
	100,000	-
Increase (decrease) in cash	(95,880)	22,382
Cash, beginning of period	207,672	70
Cash, end of period	111,792	22,452
Supplemental information		
Interest paid	-	-
Taxes paid	-	-
Significant non-cash financing and investing activities		
Shares issued for property	261,000	-

(The accompanying notes are an integral part of these consolidated interim financial statements)

1. Nature of Operations and Continuance of Business

Gorilla Minerals Corp. ("Gorilla" or the "Company") was incorporated on April 27, 2012 in Canada with limited liability under the legislation of the Province of British Columbia. Gorilla's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol "GOCO" and its registered office is located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

Gorilla is an exploration stage company and is in the process of exploring its mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts spent for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its property, and upon future profitable production or proceeds from disposition of the properties. The operations of the Company will require various licences and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These condensed consolidated interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at January 31, 2018, the Company has not generated any revenues from operations and has an accumulated deficit of $2,083,429. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Presentation

(a) Statement of Compliance

These consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. Basis of Presentation (continued)

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3.

(c) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements. These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency.

(d) Subsidiaries

These consolidated financial statements include the financial statements of the Company and the wholly-owned subsidiary, Shiraz Petroleum Corporation (formerly Hella Resources Corp.) from the date of incorporation on November 17, 2014. Shiraz Petroleum Corporation is a dormant/inactive company.

3. Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash within three months.

(b) Mineral Properties

Recognition and Measurement

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees and advance royalty payments.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

3. Significant Accounting Policies (continued)

(b) Mineral Properties (continued)

The Company may occasionally enter into option-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would otherwise be undertaken by the Company.

The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted as a gain on disposal.

(c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(d) Income Taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity, respectively. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date.

3. Significant Accounting Policies (continued)

(d) Income Taxes (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

(e) Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than 12 months after the end of the reporting periods, which are classified as non-current assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Financial Assets at Fair Value Through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

3. Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an instrument is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Financial Liabilities

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. These liabilities include accounts payable and accrued liabilities, other liabilities and loans. Transaction costs on financial assets and liabilities other than those classified as fair value through profit and loss are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at fair value through profit and loss are expensed as incurred.

Impairment of Financial Assets

The Company assesses at the end of each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted using the instrument’s original effective interest rate.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss, is removed from equity and recognized in the income statement.

3. Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. Impairment losses recognized for equity securities are not reversed.

(f) Loss Per Share

Basic earnings or loss per share is computed by dividing the earnings or loss for the period by the weighted average number of common shares outstanding during the relevant period. The treasury stock method is used for the calculation of diluted earnings or loss per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. When a loss has been incurred, basic and diluted loss per share is the same because the exercise of options and warrants would be anti-dilutive.

(g) Comprehensive Income

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the balance sheet.

(h) Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

(i) Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. Significant Accounting Policies (continued)

(j) Critical Accounting Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

<u>Economic recoverability and probability of future economic benefits of mineral properties</u>
Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

<u>Determination of functional currency</u>
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

<u>Income taxes</u>
In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

<u>Site decommissioning obligations</u>
The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

3. Significant Accounting Policies (continued)

(k) New Accounting Standards

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has not yet assessed the impact, if any, that the new amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements. The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9, *Financial Instruments* – The IASB intends to replace IAS 39, *Financial Instruments: Recognition and Measurement* in its entirety with IFRS 9 which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRS 15, *Revenue from Contracts* – In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The Company does not expect the adoption of this standard to have any significant impact on its consolidated financial statements.

IFRS 16, *Leases* – In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

(Expressed in Canadian dollars)

4. Mineral Properties

During the six months ended January 31, 2018, the Company incurred exploration expenditures as follows:

Exploration and related expenditures	**New Brenda**	**Monster**	**Total**
Assays	$ 2,602	$ -	$ 2,602
Claim staking / maintenance	-	5,325	5,325
Geological	13,750	21,675	35,425
Geophysical survey	2,040	-	2,040
Land administration	-	-	-
Royalties	-	-	-
Government of Yukon Contribution Funds	-	-	-
Total mineral property expenditures	$ 18,392	$ 27,000	$ 45,392

During the six months ended January 31, 2017, the Company did not incur any exploration expenditures.

Wels Property, Yukon Territory, Canada

Pursuant to an option agreement dated June 6, 2011, Gorilla Resources Corp. was granted an option to acquire a 100% interest in the Wels property located in Whitehorse, Yukon Territory, Canada. On April 23, 2012, Gorilla Resources Corp. assigned all the benefits, rights and obligations under the option agreement to the Company. The property consists of 136 unpatented mining claims and is subject to a 3% Net Smelter Returns ("NSR") in favour of the optionor. The Company has the right to buy back the NSR for a cash payment of $750,000 for each 1%, to a maximum of $1,500,000, at any time. To maintain and exercise the option, the Company must:

- Make cash payments of $15,900 upon signing (paid by Gorilla Resources Corp.);
- Make cash payments of $15,450 upon the completion of a National Instrument 43-101 technical report (paid by Gorilla Resources Corp.);
- Issue 30,000 common shares on the sixth month anniversary (issued by Gorilla Resources Corp.);
- Make cash payments of $25,000 and issue 20,000 common shares on or before September 30, 2012 (subsequently extended to make a cash payment of $10,000 by October 31, 2012 and $15,000 by January 31, 2013) (paid/issued by the Company);
- Make payments of $40,000 on or before September 30, 2013, payable in cash, common shares, or a combination of cash and common shares (subsequently amended to payment of $20,000 in cash on or before February 28, 2014 pursuant to a payment extension agreement dated November 19, 2013) (paid by the Company);
- Issue 20,000 common shares on or before 14 days from the date of a payment extension agreement dated November 19, 2013 pursuant to a payment extension agreement dated November 19, 2013 (issued on November 21, 2013);
- Make payments of $80,000 on or before September 30, 2014, payable in cash, common shares, or a combination of cash and common shares (amended to payment of $40,000 in cash on October 16, 2014 and $40,000 issued in shares on October 24, 2014). (Paid/issued by the Company).

4. Mineral Properties (continued)

Wels Property, Yukon Territory, Canada (continued)

On November 12, 2013, the Company granted to Enfield Resources an option to acquire a 100% undivided right, title and interest in certain mineral claims of the Wels property ("Wels Nickel Project"). The Company was entitled to receive a royalty interest equal to 5% of NSR. Enfield Resources was entitled to redeem the entitlement of the Company to its share of NSR by paying $1,500,000 to the Company for each 1% so redeemed, to a maximum of $7,500,000. In order to the option and to earn the interests in the Wels Nickel Project, Enfield was to make the following payments in cash to the Company:

- $10,000 on or before November 12, 2013 (received);
- $15,000 within 5 days of CSE Listing (received);
- $2,500 on or before May 1, 2014 (received);
- $80,000 on or before September 30, 2014 (Enfield defaulted on payment. The option agreement was terminated on October 30, 2014); and
- $80,000 on or before September 30, 2015.

On January 7, 2014, the Company entered into an Option and Joint Venture Agreement with First Ferro whereby the Company granted First Ferro an option to acquire a 40% undivided beneficial interest in certain mineral claims of the Wels property ("Wels Gold Project") by making the following payments:

- $7,500 on execution of the Arrangement Agreement (received);
- $10,500 within 5 days of the CSE Listing (received);
- $100,000 on or before June 30, 2014 (First Ferro defaulted on payment, Option Agreement was terminated on August 31, 2014);
- $100,000 on or before December 31, 2014;
- $100,000 on or before June 30, 2015; and
- $100,000 on or before December 31, 2015.

During the six months ended January 31, 2018, the Company received $Nil (2017: $Nil) from the Government of Yukon in contribution funds for mining exploration.

On August 11, 2016, the Company entered into an Option to Joint Venture Agreement (the "Option Agreement") with West Melville Metals Inc. ("WMM", later changed its name to K2 Gold Corporation ("K2")). Pursuant to the Option Agreement, the Company agreed to grant to K2 the sole and exclusive right and option to acquire an undivided 90% interest in the Wels property and other assets, as defined in the Option Agreement, subject to 3% NSR royalty on the minerals produced from the property, and upon the exercise of such option, the parties have agreed to form a joint venture (the "Option").

4. Mineral Properties (continued)

Wels Property, Yukon Territory, Canada (continued)

In order to exercise the Option, WMM must:

(a) pay to the Company:

- (i) $50,000, within five Business Days after the date of TSX Venture Exchange ("TSX-V")'s acceptance of the Option Agreement (received);
- (ii) an additional $100,000 on or before the date that is 30 days after the date of the Option Agreement (received);
- (iii) an additional $100,000 on or before the date that is 12 months after the date of the Option Agreement; and
- (iv) an additional $100,000 on or before the date that is 24 months after the date of the Option Agreement;

for total cash payments in aggregate of $350,000;

(b) issue and deliver to Gorilla:

- (i) 500,000 K2 shares within five Business Days after the date of TSX-V's acceptance of the Option Agreement (received, valued at $150,000);
- (ii) an additional 500,000 K2 shares on or before the date that is 6 months after the date of the Option Agreement (received, valued at $260,000);
- (iii) an additional 500,000 K2 shares on or before the date that is 12 months after the date of the Option Agreement (received, valued at $205,000);
- (iv) an additional 500,000 K2 shares on or before the date that is 18 months after the date of the Option Agreement;
- (v) an additional 500,000 K2 shares on or before the date that is 24 months after the date of the Option Agreement;
- (vi) an additional 500,000 K2 shares on or before the date that is 30 months after the date of the Option Agreement;

for a total issuance in aggregate of 3,000,000 K2 shares. The Company is to distribute its K2 shares to the Company's shareholders as soon as is reasonably practicable following the receipt of any such shares from K2 (Note 7).

New Brenda Property, British Columbia, Canada

On August 14, 2017, the Company acquired the New Brenda Property with a cash payment of $65,000 (paid) and 5,220,000 common shares of the Company with a deemed valued of $0.05 per share (issued). The New Brenda Property is comprised of 16 contiguous mineral claims located in South Central British Columbia in the traditional territory of the West Bank First Nation.

Monster Property, Yukon Territory, Canada

Subsequent to the six months ended January 31, 2018, the Company acquired a 100% interest in a cobalt indicated resource property located in the Yukon (the "Monster Property"). During the six months ended January 31, 2018, the Company made a cash payment of $45,000 towards the consideration paid for this property (Note 12).

5. Notes Payable

During the year ended July 31, 2014, the Company received loan proceeds of $40,365 from directors and companies owned by directors of the Company. During the year ended July 31, 2014, the Company repaid $7,567. The notes payable was accounted for at amortized cost using the effective interest rate method with the effective interest rate of 12% per annum. During the year ended July 31, 2014, the debt discount of $4,290 was credited to contributed surplus, debited to notes payable and amortized over the term of the notes.

During the year ended July 31, 2015, the Company received additional loan proceeds of $22,500 from directors and companies owned by directors of the Company. On March 31, 2015, the Company entered into two loan agreements with companies owned by directors of the Company in the amounts of $35,000 and $10,000, respectively (the “Loans”). The Loans replaced the notes payable, in the same amounts, that were previous owed to related parties. The Loans bears 5% interest, are unsecured, and are due on March 31, 2017. The Loans were accounted for at amortized cost using the effective interest rate method with the effective interest rate of 12% per annum. During the year ended July 31, 2015, the debt discount of $5,539 was credited to contributed surplus, debited to notes payable and amortized over the term of the notes.

On March 31, 2015, the Company entered into a convertible promissory note agreement with a company controlled by a director of the Company to convert $50,000 of the note into a convertible promissory note (Note 6).

During the six months ended January 31, 2018, the Company accrued an interest expense of $Nil (2017 - $2,111) related to the Loans.

6. Convertible Promissory Notes Payable

On March 31, 2015, the Company entered into various convertible promissory note agreements for a total principal amount of $150,000 (the “Convertible Notes”). Total proceeds of $50,000 was received from a third party, $50,000 note payable was converted by a company controlled by a director of the Company (Note 5), and $50,000 amount due to related party was converted by a company controlled owned by the President of the Company (Note 8).

The Convertible Notes bear 5% interest, are unsecured, and are due on March 31, 2017. At any time prior to the maturity date, the lenders may convert all or any part of the principal amount into shares of the Company at a price of $0.075 per share. At the date of issue, the debt portion of the convertible Notes was recorded at its fair value of $131,538, assuming a fair value of interest rate for comparable debt of 12% per annum. The equity component, which is the fair value attributed to the conversion feature, had a carrying value of $18,462, being the difference between the face amount and the fair value of the debt. The carrying value of the equity component was recorded as a separate component of shareholders' equity. Subsequent to initial recognition, the debt has been amortized over the term of the debt using the effective interest rate method at discount rate of 12%.

6. Convertible Promissory Notes Payable (continued)

On March 1, 2017, the Company amended and replaced the Convertible Notes with new convertible promissory note agreements for a total principal amount of $164,381 (the "Amended Convertible Notes') which included accrued interest up to March 1, 2017 (Note 12). The Amended Convertible Notes bear 5% interest, are unsecured, and are due on February 28, 2019. At any time prior to the maturity date, the lenders may convert all or any part of the principal amount into shares of the Company at a price of $0.05 per share. At the date of issue, the component was recorded as a separate component of shareholders' equity. Subsequent to initial recognition, the debt has been amortized over the term of the debt using the effective interest rate method at discount rate of 12%.

During the six months ended January 31, 2018, the Company accrued an interest and accretion expense of $9,078 (2017 - $8,744) related to the Convertible Notes and the Amended Convertible Notes.

7. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

On May 29, 2017, the Company held its annual and special shareholders' meeting and approved the creation of an unlimited number of Class A Preferred Shares with a par value of $0.001.

On March 26, 2018, the Company split its common shares on the basis of two common shares for each existing common share held. All number of shares and per share amounts have been retroactively restated in these consolidated financial statements to reflect this share split (Note 12).

(b) Share transactions for the six months ended January 31, 2018 and year ended July 31, 2017:

On December 27, 2017, the Company closed a non-brokered financing of 2,000,000 units at $0.05 per unit for gross proceeds of $100,000. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to acquire an additional common share of the Company at a price of $0.075 per share for a period of two years.

On August 14, 2017, the Company acquired the New Brenda Property with a payment of 5,220,000 common shares of the Company with a deemed value of $0.05 per share.

On July 28, 2017, the Company closed a non-brokered financing of 5,960,000 units at $0.05 per unit for gross proceeds of $298,000. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to acquire an additional common share of the Company at a price of $0.075 per share for a period of two years.

On May 30, 2017, the Company issued 10,595,258 Preferred Shares to the existing common shareholders of the Company pro rata wherein for every common share held, a shareholder receives one Preferred Share.

(Expressed in Canadian dollars)

7. Share Capital (continued)

On May 30, 2017, the Company formally declared a dividend in specie on the outstanding Preferred Shares totaling 1,000,000 K2 shares (Note 4).

On March 1, 2016, the Company issued 8,200,000 common shares for $82,000 cash from various private placements.

(c) Warrants

	Six months ended January 31, 2018		Year ended July 31, 2017	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening	**5,960,000**	**$ 0.075**	2,105,216	$ 0.15
Granted	**2,000,000**	**0.075**	5,960,000	0.075
Expired	**-**	**-**	(2,105,216)	0.15
Ending	**7,960,000**	**$ 0.075**	5,960,000	$ 0.075

As at January 31, 2018, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
5,960,000	$0.075	July 28, 2019
2,000,000	$0.075	December 22, 2019

(d) Stock options

	Six months ended January 31, 2018		Year Ended July 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening	**-**	**$ -**	1,260,000	$ 0.125
Granted	**3,400,000**	**0.09**	-	-
Cancelled	**-**	**-**	(1,260,000)	0.125
Ending	**3,400,000**	**$ 0.09**	-	$
Exercisable	**3,400,000**	**$ 0.09**	-	$

The stock options granted during the six months ended January 31, 2018 were valued at $266,482 using the Black-Scholes Option Pricing Model, using the following assumptions:

Grant date	Expected life	Volatility	Dividend yield	Risk-free interest rate
January 23, 2018	5 years	148%	0%	1.64%

(Expressed in Canadian dollars)

8. Related Party Transactions

During the six months ended January 31, 2018, the Company incurred $42,000 (2017: $12,000) in management fees from a company owned by the President of the Company. At January 31, 2018, the Company owed $71,581 (July 31, 2017: $22,675) to directors, Corporate Secretary and their companies and had $35,123 (July 31, 2017 $35,123) of notes payable (Note 5) and $107,036 (July 31, 2017: $100,984) of convertible promissory notes payable (Note 6) to directors and their companies.

Refer to Notes 5, 6 and 7 for related party transactions.

9. Financial Instruments

(a) Classification of Financial Instruments

The Company has classified its financial instruments as follows:

	January 31, 2018 $
Financial assets:	
Held for trading, measured at fair value:	
Cash	111,792
	111,792
Financial liabilities, measured at amortized cost:	
Trade payable	127,371
Due to related parties	71,581
Notes payable	35,123
Convertible promissory notes payable	160,554
	394,629

(b) Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

9. Financial Instruments (continued)

(b) Fair Values (continued)

As at January 31, 2018, the fair values of accounts payable, due to related parties and notes payable, approximate their carrying values due to the relatively short-term maturity of these instruments. The Amended Convertible Notes, bearing 5% interest, unsecured, and due on February 28, 2019, are booked at amortized costs.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at January 31, 2018, the Company does have sufficient cash to settle current liabilities of $234,075.

(d) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(f) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates other than notes and convertible notes payables (Notes 5 and 6). The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

(g) Foreign currency exchange rate risk

The Company currently has no significant operations denominated in foreign currencies. Management believes there is no significant foreign currency exchange rate risk.

10. Capital Management

The Company defines its capital as cash and equity comprised of issued share capital and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements as at January 31, 2018.

11. Segmented Information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

12. Subsequent Events

On February 12, 2018, the Company closed a non-brokered private placement of 12,000,000 units issued at a price of $0.10 per unit for gross proceeds of $1,200,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of $0.15 per common share until February 12, 2020. Finders fees of 1,200,000 common shares issued at a deemed value of $0.09 per common share were paid to two individual finders in connection with the transaction.

On February 13, 2018, the Company acquired a 100% interest in a cobalt indicated resource exploration property located in the Yukon by paying $45,000 cash (paid) and issuing 1,600,000 common shares with a deemed value of $0.09 per common share (issued on February 13, 2018) (Note 4).

On March 2, 2018, the Company closed a shares for debt transaction with three consultants by issuing 2,857,140 common shares at a deemed price of $0.105 to extinguish $300,000 in debt.

On March 26, 2018, the Company split its common shares on the basis of two common shares for each existing common share held (Note 7).

APPENDIX B

GORILLA MINERALS CORP.

Management's Discussion & Analysis
for the **SIX** month period ended **January 31, 2018**

GORILLA MINERALS CORP.

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FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF MARCH 29, 2018 TO ACCOMPANY THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF GORILLA MINERALS CORP. (THE “COMPANY”) FOR THE QUARTER ENDED JANUARY 31, 2018.

The following Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the six months ended January 31, 2018, which were prepared in accordance with International Financial Reporting Standards (“IFRS”). All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See “Risks and Uncertainties” in this MD&A for more information).

Overview of the Quarter Ended January 31, 2018

On August 14, 2017, the Company acquired the New Brenda Property with a cash payment of $65,000 and 5,220,000 common shares of the Company with a deemed value of $0.05 per share.

On December 27, 2017, the Company closed a non-brokered financing of 2,000,000 units at $0.05 per unit for gross proceeds of $100,000. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to acquire an additional common share of the Company at a price of $0.075 per share for a period of two years.

On January 23, 2018, the Company granted 3,400,000 stock options at an exercise price of $0.09 per share over a five year period.

On February 12, 2018, the Company closed a non-brokered private placement of 12,000,000 units issued at a price of $0.10 per unit for gross proceeds of $1,200,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of $0.15 per common share until February 12, 2020. Finders fees of 1,200,000 common shares issued at a deemed value of $0.09 per common share were paid to two individual finders in connection with the transaction.

On February 13, 2018, the Company acquired a 100% interest in a cobalt indicated resource exploration property located in the Yukon by paying $45,000 cash (paid) and issuing 1,600,000 common shares with a deemed value of $0.09 per common share (issued on February 13, 2018).

On March 2, 2018, the Company closed a shares for debt transaction with three consultants by issuing 2,857,140 common shares at a deemed price of $0.105 to extinguish $300,000 in debt.

On March 26, 2018, the Company split its common shares on the basis of two common shares for each existing common share held. All number of shares and per share amounts have been retroactively restated to reflect this share split.

The Company will continue to develop its exploration strategies with a view to maximizing shareholder value and focusing on its long term goal of moving the Company into production.

Overall Performance and Description of Business

The Company is an exploration stage company located at Suite 810, 789 West Pender Street, Vancouver, British Columbia, Canada V6C 1H2, engaged in the acquisition, exploration and development of mineral resource properties located in Canada.

On September 26, 2014, the Company entered into another arrangement agreement (the "Arrangement Agreement") which includes a statutory plan of arrangement with Whole New Home Technologies Inc. ("Whole New Home") and PDT Technologies Inc. ("PDT"). Pursuant to the Plan of Arrangement: (1) PDT shall purchase all the issued and outstanding shares of Whole New Home from the Company (the "Purchase Shares"), (2) Whole New Home shall acquire all the outstanding shares of PDT from all the PDT shareholders though a 1-for-1 share exchange, (3) the Company shall issue 2,000 of its Common Shares to Whole New Home (the "Exchange Shares") and receive in exchange 500,000 Common Shares of Whole New Home (the "Distribution Shares"), (4) the Distribution Shares shall be distributed to the shareholders of the Company as of its record date on a pro-rated basis as a stock dividend, with certain shareholders of the Company agreeing to exclude the number of the Company's shares required from the calculation of the portion of the Distribution Shares to which they would otherwise be entitled so as to effect a 1:1 distribution with the Distribution Shares; (5) the Exchange Shares and the Purchase Shares shall then be cancelled, and (6) Whole New Home shall apply for listing on the Canadian Securities Exchange. The Supreme Court of British Columbia granted a Final Order approving the Plan of Arrangement with PDT and Whole New Home on January 5, 2015. On April 14, 2015, the Arrangement Agreement was terminated.

On July 13, 2015, Whole New Home changed its name to Hella Resources Corp.

On April 29, 2016, Hella Resources Corp. changed its name to Shiraz Petroleum Corporation. Shiraz Petroleum Corporation is a dormant / inactive company.

Results of Operations

Results of Operations – For the three months ended January 31, 2018

For the three months ended January 31, 2018, the Company incurred a net loss of $488,287 (2017: net income of $130,205) as a result of a gain of $Nil (2017: $154,590) on the Option Agreement. Significant expenses included exploration expenses of $39,303 (2017: $Nil) incurred on the New Brenda and Monster property; audit and accounting fees of $11,732 (2017: $6,130); consulting fees of $100,000 (2017: $Nil); legal fees of $28,449 (2017: $1,268); management fees of $15,000 (2017: $6,000) due mainly to the Company transition to Canadian Securities Exchange and stock-based compensation of $266,482 (2017: $Nil) to management, directors and consultants of the Company. Interest expense for the quarter ended January 31, 2018 was $4,576 which was slightly lower than $5,472 for 2017 as a result of the Company paying back a loan at the end of 2017 fiscal year.

Results of Operations – For the six months ended January 31, 2018

For the six months ended January 31, 2018, the Company incurred a net loss of $288,208 (2017: net income of $102,687) as a result of a gain of $305,000 (2017: $154,590) on the Option Agreement. Significant expenses included exploration expenses of $45,392 (2017: $Nil) incurred on the New Brenda and Monster property; audit and accounting fees of $21,732 (2017: $18,130); consulting fees of $100,000 (2017: $Nil); legal fees of $83,449 (2017: $4,517); management fees of $42,000 (2017: $12,000) due mainly to the Company transition to Canadian Securities Exchange and stock-based compensation of $266,482 (2017: $Nil) to management, directors and consultants of the Company. Interest expense for the six months ended January 31, 2018 was $9,078 which was slightly lower than $10,855 for 2017 as a result of the Company paying back a loan at the end of 2017 fiscal year.

Summary of Quarterly Results:

2018/17 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	$ -	$ -	$ -	$ -
Income (loss) and comprehensive income (loss)	-	-	(488,287)	200,080
Basic and diluted loss per share	-	-	(0.01)	0.01
Total assets	-	-	491,881	543,847
Working capital	-	-	(113,194)	114,036

2017/16 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	$ -	$ -	$ -	$ -
Income (loss) and comprehensive income (loss)	(85,955)	190,739	130,205	(27,518)
Basic and diluted loss per share	(0.00)	0.01	0.01	(0.00)
Total assets	212,138	4,667	24,273	146,278
Working capital	114,454	(249,067)	(200,039)	(325,654)

2016/15 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	$ -	$ -	$ -	$ -
Loss and comprehensive loss	(22,487)	(42,747)	(30,182)	(147,511)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)
Total assets	146,293	127,032	144,810	113,134
Working capital	(144,764)	(85,612)	(51,538)	(79,652)

* No exercise or conversion is assumed during the quarters in which a net loss is incurred, as the effect is anti-dilutive.

During the first quarter ended October 31, 2017, the Company received $100,000 cash and 500,000 K2 shares pursuant to the Option Agreement related to the Wels property resulting in gain of $305,000 on the Statement of Income (Loss) and Comprehensive Income (Loss).

During the second quarter ended January 31, 2017, the Company received $150,000 cash and 500,000 K2 shares pursuant to the Option Agreement related to the Wels property resulting in a decrease of both the capitalized mineral properties of $145,410 on the Statement of Financial Position, and a gain of $154,590 on the Statement of Income (Loss) and Comprehensive Income (Loss).

During the third quarter ended April 30, 2017, the Company received additional 500,000 K2 shares resulting in an additional gain of $260,000 on the Statement of Income (Loss) and Comprehensive Income (Loss).

During the first quarter ended October 31, 2017, the Company received additional 500,000 K2 shares resulting in an additional gain of $205,000 on the Statement of Income (Loss) and Comprehensive Income (Loss).

Project Summaries and Activities

CANADA

Wels Property *(Yukon Territory)*

Pursuant to an option agreement dated June 6, 2011, Gorilla Resources Corp. was granted an option to acquire a 100% interest in the Wels property located in Whitehorse, Yukon Territory, Canada. On April 23, 2012, Gorilla Resources Corp. assigned all the benefits, rights and obligations under the option agreement to the Company. The property consists of 136 unpatented mining claims and is subject to a 3% Net Smelter Returns (“NSR”) in favour of the optionor. The Company has the right to buy back the NSR for a cash payment of $750,000 for each 1%, to a maximum of $1,500,000, at any time. To maintain and exercise the option, the Company must:

- Make cash payments of $15,900 upon signing (paid by Gorilla Resources Corp.);
- Make cash payments of $15,450 upon the completion of a National Instrument 43-101 technical report (paid by Gorilla Resources Corp.);
- Issue 30,000 common shares on the sixth month anniversary (issued by Gorilla Resources Corp.);
- Make cash payments of $25,000 and issue 20,000 common shares on or before September 30, 2012 (subsequently extended to make a cash payment of $10,000 by October 31, 2012 and $15,000 by January 31, 2013) (paid/issued by the Company);
- Make payments of $40,000 on or before September 30, 2013, payable in cash, common shares, or a combination of cash and common shares (subsequently amended to payment of $20,000 in cash on or before February 28, 2014 pursuant to a payment extension agreement dated November 19, 2013) (paid by the Company);
- Issue 20,000 common shares on or before 14 days from the date of a payment extension agreement dated November 19, 2013 pursuant to a payment extension agreement dated November 19, 2013 (issued on November 21, 2013);
- Make payments of $80,000 on or before September 30, 2014, payable in cash, common shares, or a combination of cash and common shares (amended to payment of $40,000 in cash on October 16, 2014 and $40,000 issued in shares on October 24, 2014). (paid/issued by the Company).

On November 12, 2013, the Company granted to Enfield Resources an option to acquire a 100% undivided right, title and interest in certain mineral claims of the Wels property (“Wels Nickel Project”). The Company was entitled to receive a royalty interest equal to 5% of NSR. Enfield Resources was entitled to redeem the entitlement of the Company to its share of NSR by paying $1,500,000 to the Company for each 1% so redeemed, to a maximum of $7,500,000. In order to the option and to earn the interests in the Wels Nickel Project, Enfield was to make the following payments in cash to the Company:

- $10,000 on or before November 12, 2013 (received);
- $15,000 within 5 days of CSE Listing (received);
- $2,500 on or before May 1, 2014 (received);
- $80,000 on or before September 30, 2014 (Enfield defaulted on payment. The Option Agreement was terminated on October 30, 2014); and
- $80,000 on or before September 30, 2015.

On January 7, 2014, the Company entered into an Option and Joint Venture Agreement with First Ferro whereby the Company granted First Ferro an option to acquire a 40% undivided beneficial interest in certain mineral claims of the Wels property (“Wels Gold Project”) by making the following payments:

- $7,500 on execution of the Arrangement Agreement (received);
- $10,500 within 5 days of the CSE Listing (received);
- $100,000 on or before June 30, 2014 (First Ferro defaulted on payment, Option Agreement was terminated on August 31, 2014);
- $100,000 on or before December 31, 2014;
- $100,000 on or before June 30, 2015; and
- $100,000 on or before December 31, 2015.

The Company was to be the operator of the Wels Gold Project and as such shall be responsible in its reasonable discretion for carrying out and administering exploration, development and mining work on the Wels Gold Project.

On August 11, 2016, the Company entered into an Option Agreement with WMM. Pursuant to the Option Agreement, the Company agreed to grant to WMM the sole and exclusive right and option to acquire an undivided 90% interest in the Wels property and other assets, as defined in the Option Agreement, subject to 3% NSR royalty on the minerals produced from the property, and upon the exercise of such option, the parties have agreed to form a joint venture (“Option”).

In order to exercise the Option, WMM must:

(a) pay to the Company:

- $50,000, within five Business Days after the date of TSX Venture Exchange ("TSX-V")'s acceptance of the Option Agreement (received);
- an additional $100,000 on or before the date that is 30 days after the date of the Option Agreement (received);
- an additional $100,000 on or before the date that is 12 months after the date of the Option Agreement (received in August 2017); and
- an additional $100,000 on or before the date that is 24 months after the date of the Option Agreement;

for total cash payments in aggregate of $350,000;

(b) issue and deliver to Gorilla:

- 500,000 K2 shares within five Business Days after the date of TSX-V's acceptance of the Option Agreement (received);
- an additional 500,000 K2 shares on or before the date that is 6 months after the date of the Option Agreement (received);
- an additional 500,000 K2 shares on or before the date that is 12 months after the date of the Option Agreement (received in August 2017);
- an additional 500,000 K2 shares on or before the date that is 18 months after the date of the Option Agreement;
- an additional 500,000 K2 shares on or before the date that is 24 months after the date of the Option Agreement;
- an additional 500,000 K2 shares on or before the date that is 30 months after the date of the Option Agreement;

for a total issuance in aggregate of 3,000,000 K2 shares. The Company intends to distribute its K2 shares to the Company's shareholders as soon as is reasonably practicable following the receipt of any such shares from K2.

New Brenda Property *(British Columbia)*

On August 14, 2017, the Company acquired the New Brenda Property with a cash payment of $65,000 and 5,220,000 common shares of the Company.

The New Brenda Property is comprised of 16 contiguous mineral claims covering an area of 10,500 Hectares west of the past producing Brenda Cu-Mo open pit located in southern British Columbia, approximately 40 kilometers west of Kelowna. The property is readily vehicle accessible via a well developed network of forest service roads connected to Highway 97c or from the community of Peachland.

A soil sampling and prospecting program was carried out in June 2017 on the Property. The areas sampled were within Twilight and Silverback Zones. Soil samples were collected every 50m along lines spaced at 200m. Three contiguous samples from the Twilight Zone are highly anomalous in gold and occur in the central portion of the target area. There is also a E-W trending line of moderately anomalous samples extending from the central highly anomalous area to the west of the target area. At the south end of the target is an inverted "U" shaped series of highly anomalous soil samples. The large target (600m X 500m) remains open to the south.

Dan Meldrum, M.Sc. P.Geo, author of the Technical Report is the Qualified Person, in accordance with the NI 43-101 of the Canadian Securities Administrators, and is responsible for the technical content of this press release.

Monster Property *(Yukon Territory)*

On February 13, 2018, the Company acquired a 100% interest in a cobalt indicated resource exploration property located in the Yukon by paying $45,000 cash (paid) and issuing 1,600,000 common shares with a deemed value of $0.09 per common share (issued on February 13, 2018). The Copper Cobalt Monster Property consists of one block of 212 mineral claims totaling a surface area of 43.3 km^2. The property is in the Dawson Mining District within the traditional territory of the Tr’ondëk Hwëch’in First Nation.

New Opportunities

The Company continues to evaluate mineral properties and is focused on deposits in Canada with economic merit and good logistics will be considered for acquisition.

Outstanding Share Data

The Company has an authorized share capital of an unlimited number of common shares and an unlimited number of Class A Preferred Shares with a par value of $0.001.

On March 26, 2018, the Company split its common shares on the basis of two common shares for each existing common share held. All number of shares and per share amounts have been retroactively restated to reflect this share split.

As at the date of this report, 52,027,656 common shares and 10,595,258 Class A preferred shares were issued and outstanding.

The Company has 5,960,000 share purchase warrants exercisable at $0.075 per share until July 28, 2019, 2,000,000 share purchase warrants exercisable at $0.075 per share until December 22, 2019 and 12,000,000 share purchase warrants exercisable at $0.15 per share until February 12, 2020.

The Company has 3,400,000 stock options exercisable at $0.09 per share until January 23, 2023.

Related Party Transactions

During the six months ended January 31, 2018, the Company incurred $42,000 (2017: $12,000) in management fees from a company owned by the President of the Company. At January 31, 2018, the Company owed $71,581 (July 31, 2017: $22,675) to directors, Corporate Secretary and their companies and had $35,123 (July 31, 2017 $35,123) of notes payable and $107,036 (July 31, 2017: $100,984) of convertible promissory notes payable to directors and their companies.

Liquidity and Solvency

The following table summarizes the Company’s cash on hand, working capital and cash flow:

As at		**January 31, 2018**		**July 31, 2017**
Cash	$	111,792	$	207,672
Working capital		(113,194)		114,454

Period Ended		**January 31, 2018**		**July 31, 2017**
Cash used in operating activities	$	(185,880)	$	(219,685)
Cash provided by (used in) investing activities		(10,000)		150,000
Cash provided by financing activities		100,000		277,287
Change in cash	$	(95,880)	$	207,602

The Company is dependent on the sale of treasury shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital asset is a resource property. Exploration expenditures are expensed as incurred.

The Company's resource property agreement is an option agreement and the exercise thereof is at the discretion of the Company. To earn its interest in the properties, the Company must incur certain expenditures in accordance with the agreements (see "Project Summaries and Activities" in this MD&A for more information).

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

On August 14, 2017, the Company acquired the New Brenda Property as described herein.

On February 13, 2018, the Company acquired the Monster Property as described herein.

There are no other proposed transactions that will materially affect the performance of the Company.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

Critical Accounting Estimates

The Company prepares its financial statements in accordance with IFRS, which require management to estimate various matters that are inherently uncertain as of the date of the financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's financial statements. The Company's significant accounting policies are discussed in the consolidated financial statements. Critical estimates in these accounting policies are discussed below.

Environmental Rehabilitation Provision

The Company recognizes the fair value of a liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows.

Future Changes in Accounting Standards

IFRS 9, Financial Instruments – The IASB intends to replace IAS 39, Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRS 15, Revenue from Contracts – In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The Company does not expect the adoption of this standard to have any significant impact on its consolidated financial statements.

IFRS 16, Leases – In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Financial Instruments

Designation and Valuation of Financial Instruments

The Company's financial instruments consist of receivables, accounts payable, due to related parties, notes payable and convertible promissory notes payable. Receivables are classified as loans and receivables, and accounts payable, due to related parties, notes payable, and convertible promissory notes payable are classified as other financial liabilities, and recorded at amortized cost using the effective interest rate method. The Company does not hold any derivative financial instruments.

As at January 31, 2018, the fair values of accounts payable, due to related parties and notes payable, approximate their carrying values due to the relatively short-term maturity of these instruments. The Amended Convertible Notes, bearing 5% interest, unsecured, and due on February 28, 2019, are booked at amortized costs.

Risks

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST/HST receivable due from the Federal Government of Canada. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments.

The property that the Company has an option to earn an interest in is in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

Financial and Disclosure Controls and Procedures

During the six months ended January 31, 2018, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's consolidated financial statements of the Company for the six months ended January 31, 2018.

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim and Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.gorillaminerals.com and www.sedar.com.

Trends

Trends in the industry can materially affect how well any junior exploration company is performing and by the capital markets which have made the raising of finance difficult. Under the current economic conditions, the Company is advancing its property as quickly as possible while still remaining prudent when considering large cost items such as drilling and geophysics.

Outlook

The outlook for precious metals is good and this is reflected in the Company's ongoing activity. The capital markets are prospect for financing the Company's are challenging but management believes the Company will continue as a viable entity. The Property will require significant investment as it transitions into development stage projects.

Cautionary Statement

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.