



# Rocks To Riches

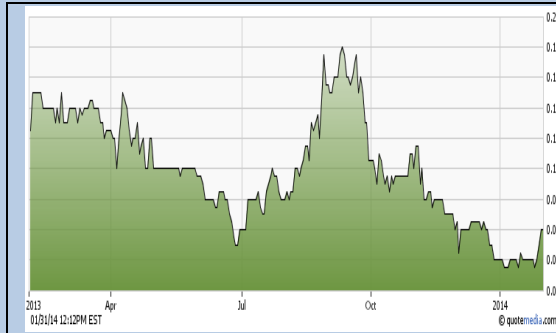
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## Walker River Resources (WRR:TSX-V)

[www.wrrgold.com](http://www.wrrgold.com)

### Stock Details at a Glance

As of January 31<sup>st</sup> 2014



Market Capitalization	\$1.7 million
52 Week High/Low	\$0.18/\$0.04
Avg 3 month Trading Volume	70,306
Approx Cash Position	\$130,000
Debt	Nil
Enterprise Value	\$1.6 million

### Share Structure

As of Jan 31<sup>st</sup> 2014

Basic Shares Outstanding	28,442,941	
Warrants	18,791,999	Weighted Average Exercise Price \$0.12
Options	2,838,750	Weighted Average Exercise Price \$0.145
Fully Diluted Share Structure	50,073,690	

*For more information refer to the Warrant & Option Details section on pg 10 of the report.*

### Top Shareholders

Management and Insiders

Control 4.6 million shares (17%)

### Investment Opportunity

- The time to acquire quality exploration projects is when the market is depressed and no one cares. That's when smart management teams pick up distressed or overlooked assets that have the potential to be big winners when the market turns.
- Walker River Resources is doing just that – picking up high grade quality gold assets in mining friendly Nevada.
- The company's flagship asset, the Sleeper-Lapon Canyon project exhibits potential for high-grade vein type gold mineralization as evidenced by the past underground activities on the property. Gold values of up to 20.6 ounces per ton have been documented (Nylene 1960) and reported cut-off mining grades were 1 ounce per ton.
- Recently WRR took a grab sample near the entrance to the old mine Adit C and it returned a value of 12.8 grams gold per tonne.
- In addition, extensive high-angle shear structures on the property potentially point the way to rich feeder zones below the currently known mineralization. Structurally, the Sleeper-Lapon Canyon project has very similar features to major gold deposits like Barrick's Pipeline deposit in Nevada.
- The project has the right address, situated in the Walker River trend, just 60 km south of Yerington, Nevada, right next to power and infrastructure.



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## Bottom Line: Why I like WRR

- Michel David, the President and CEO, has over 35 years of experience in the industry and has managed numerous projects all over the world. Under his guidance a number of these companies made significant gold discoveries.
- What caught my attention was the fact that Mr. David had many opportunities to work for more advanced companies but decided to take the reins at WRR due to the potential he knew existed in Nevada and more specifically at the Sleeper-Lapon Canyon property.
- After visiting the project with Mr. David, it was easy to appreciate the potential for defining more high-grade gold mineralization on the property. Four steeply dipping, strongly altered and silicified fault/shear zones can be traced for about 4 km on the property. Each of these zones measures 60-to-300 metres wide and two can be traced up to 700 metres vertical extent – from the ridge top to the bottom of the canyon. (Refer to figure 5 on pg 7).
- Only one of these extensive alteration zones was partially mined. All of the alterations zones need to be properly explored and drill tested.
- The Blue Sky potential is intriguing. These steep, cross fault structures within the NW striking Walker Lane structural trend could represent mineralized tension gaps that could tap into deeper feeder structures fed by underlying Cretaceous-aged intrusive rocks.

## Most Significant Risks

Walker River Resources should be considered a high risk bet. There is no guarantee that any of WRR's properties will host an economic gold discovery.

Raising money for exploration projects is always a challenge, and Walker River will need to raise money in order to conduct a drill program to test Sleeper-Lapon Canyon.

In addition, while there are currently no anticipated environmental, permitting and/or social problems, these issues can present themselves at any stage of exploration and development.

## Upcoming Catalysts

**WRR intends to drill test the down-dip extension of high grade gold mineralization at the Sleeper-Lapon Canyon.**

## Lapon Canyon Project

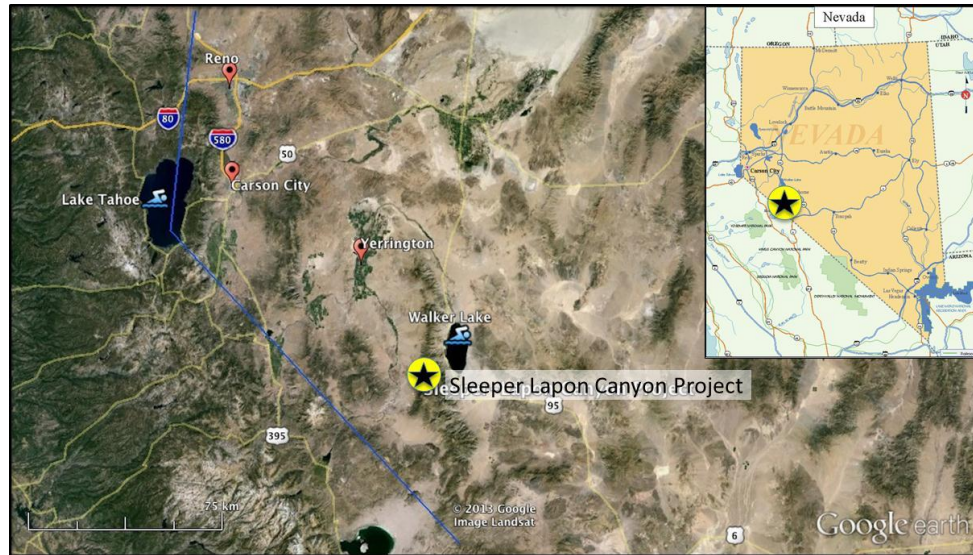
### Location, Access, Infrastructure and Ownership

The Sleeper-Lapon Canyon project is located in Mineral County, Nevada, 60 km southeast of Yerrington. It is located in a deeply incised valley (Lapon canyon) which is the site of historic gold placer mining in the 1900's. **(Refer to figures 1 and 2).**

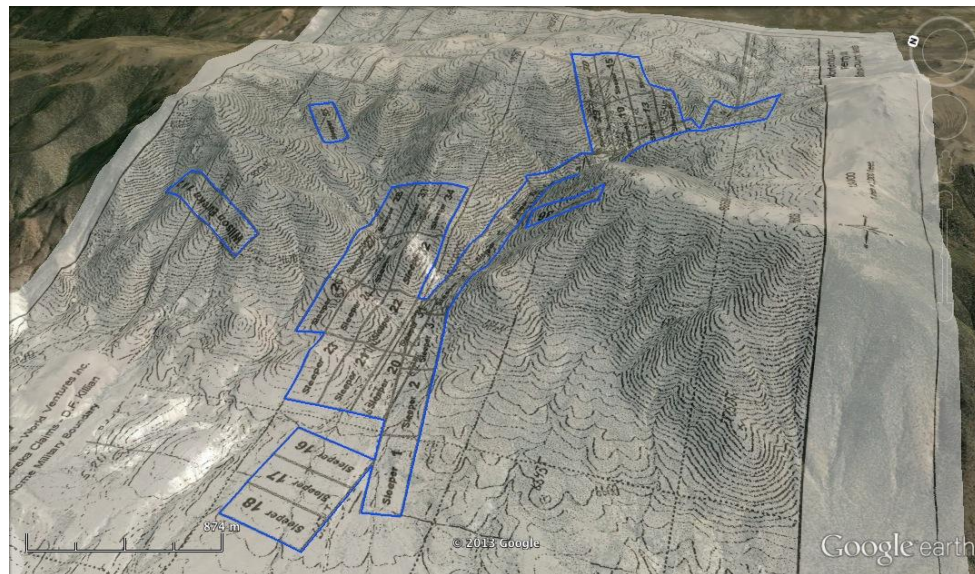
The property is easily accessible via state maintained gravel roads. The road up the canyon to the old mine site is accessible by 4WD. A state grid power transmission line is located just 3 km from the project.

Walker River Resources has a four year lease on the project to earn a 100% interest from the D. Potts Trust. Monthly payments are US\$4,500 and there is a US\$400,000 buy out at any time. The project has a 1.5% NSR. The company is in the process of registering additional claims that cover the surrounding land position.

**Figure 1). Sleeper-Lapon Location Map**



**Figure 2). Sleeper Lapon Claim Map & topography draped over Google Earth image**  
(WRR is in the process of registering additional claims around those highlighted in blue below).



### Excellent Potential To Find More Gold

The history of the project is not well documented but here are some facts that are known:

- Placer gold was discovered at the mouth of the Lapon Canyon around 1904
- Placer mining up the creek resulted in the discovery of gold in the mine area in 1907



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- Small-scale high-grade gold mining occurred from 1914 onwards. The mine area was at the top of the canyon and at that time it was extremely difficult to access. This indicates mineralization was rich enough to drag equipment and supplies up a steep canyon.
- Two adits were developed (B and C) with a sublevel and raise between them. (Refer to figure 3). About 600 metres of underground adits and drifts were developed and a two-stamp mill was built.
- Cut-off grades in the stopes were reported to be 1 ounce gold per ton.
- In 1936 Newell sampled the adits and published values assaying as high as 5 ounces gold per ton. (Refer to complete sample list in Chart 1 on pg 6).
- In 1960, Nylene drove an adit 250 feet into the mountain and 275 ft below adit B.
- Nylene was targeting the down dip extension of the high-grade mineralization above.
- A sample taken at the end of this adit reportedly assayed 20.6 ounces gold per ton.
- In the 1960's a small mill was built and a tailings pond was constructed. A second larger ball mill (500 tons per day) was to be installed but the company ran out of money and abandoned the project. The 500 tpd mill still remains at the base of the canyon, uninstalled. (See Photo 1, on next page).
- No further mining work was reported.
- In the 1990's some minor trenching and a few shallow RC drill holes were drilled above the the uppermost adit.
- No one has tested the down-dip extension of the high-grade gold ore shoots that were being mined in the 1960's.
- The Nylene Adit potentially hit this mineralization which warranted the expansion of the mill (to 500 tpd). But it seems company apparently ran out of money before it could profit from the discovery.

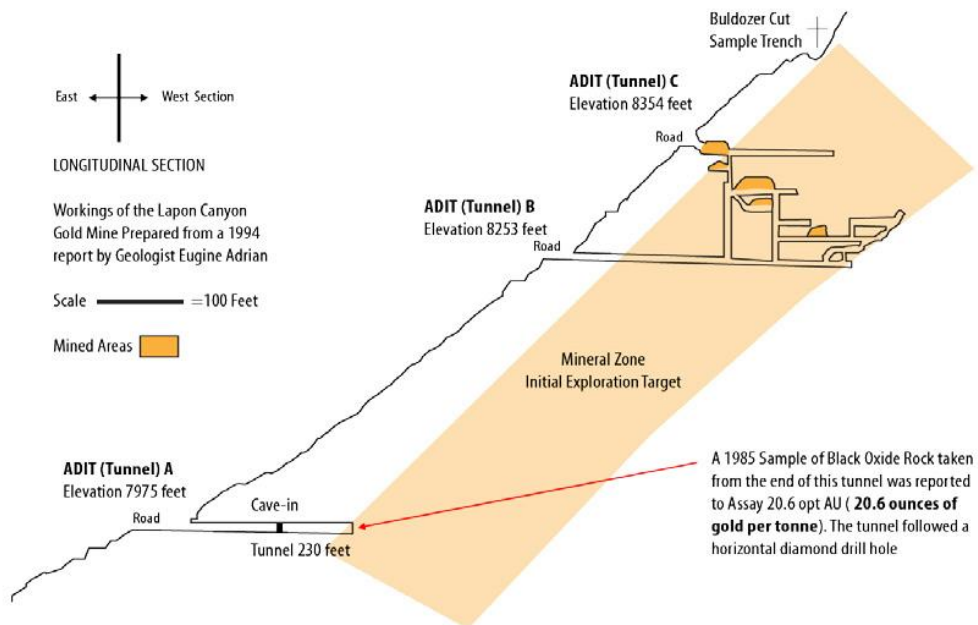
**A number of intriguing questions remain to be answered:**

1. Does this high-grade gold mineralization that was historically mined continue down dip and along strike?
2. Do the other three parallel alteration zones on the property have similar gold mineralization? There is evidence of a small historical adit in an alteration zone in the lowest part of the Lapon Canyon. This most likely indicates the presence of mineralization.
3. Are these parallel alteration zones indications of a larger structure that crosscuts the major Walker Lane Shear Zone? (a 100 km wide structural corridor extending in a South East direction from Reno).
4. If the alterations zones are part of a crosscutting structure, is there a feeder system deeper down that is similar to the Goldstrike (Melkle) and Pipeline feeder structures?

Photo 1) Abandoned 500 tpd mill at bottom of Lapon Canyon

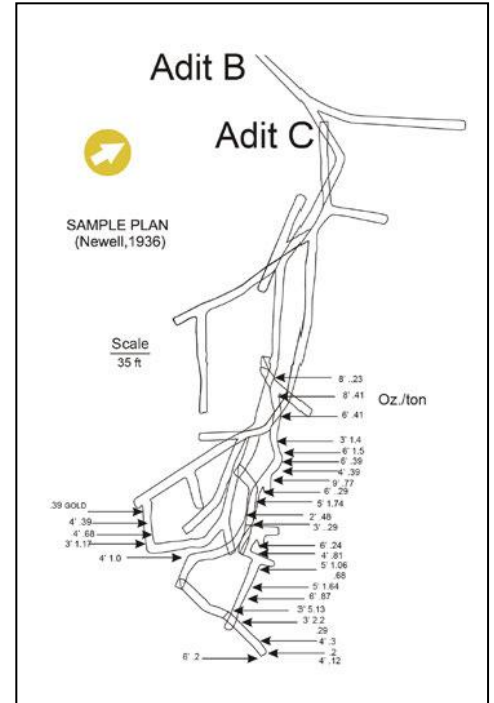


Figure 3). Cross Section of Old Sleeper-Lapon Adits



**Chart 1) Newell Adit Samples (1936) and Adit Plan Map with sample locations**

Sample	Sample Length (ft)	Grade (g/t)	Sample	Sample Length (ft)	Grade (g/t)
1	8	7.86	15	5	36.21
2	8	7.86	16	5	23.23
3	8	7.86	17	5	56.02
4	6	47.82	18	6	29.72
5	3	51.24	19	3	175.24
6	6	13.32	20	3	74.47
7	4	13.32	21	3	9.91
8	9	26.30	22	4	10.25
9	6	9.91	23	4	6.83
10	0.5	59.44	24	4	3.42
11	7	16.40	25	6	15.37
12	3	9.91	26	???	11.27
13	6	8.20	27	4	13.32
14	4	26.30	28	4	23.22

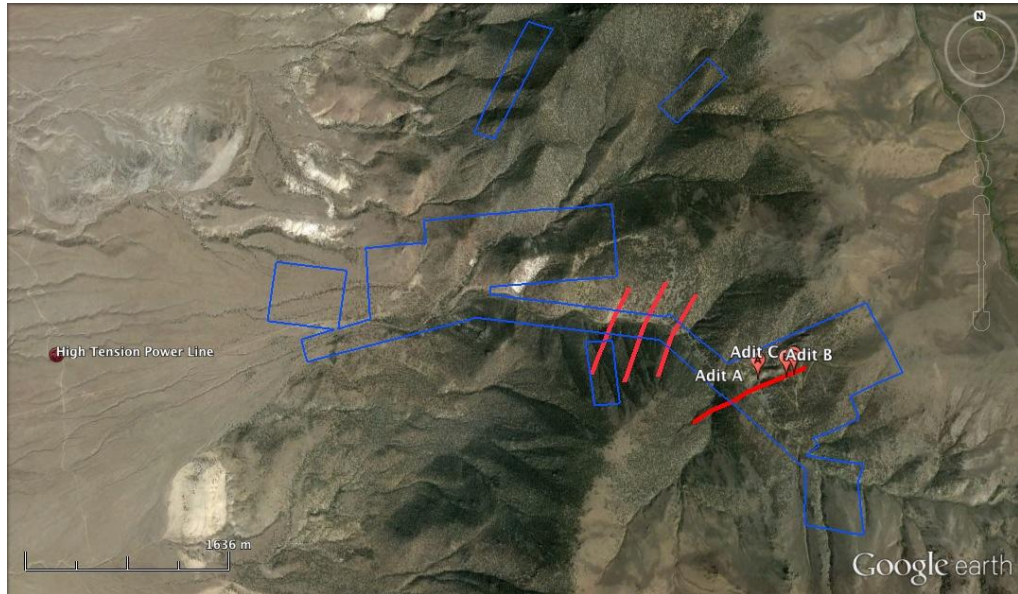


**Figure 4) Google Earth view of Sleeper-Lapon Canyon with Mill and Portal access sites marked**



**Figure 5) Outline of Mining Claims (Blue) and trace of Alteration trends (Red)**

(WWR is currently registering additional claims to cover prospective ground around current land position)



### The Bigger Picture and Analogues to other Large Deposits

The Sleeper-Lapon Canyon Project is located on the west flank of the Wassuk Range within the Walker Lane Shear Zone. Walker Lane is a linear north-northwest-trending depression extending 800 km north from the Garlock Fault Las Vegas area to south-central Oregon.

This trough is part of the Walker Lane Fault Zone, a major tectonic system that includes Owens and Death Valleys and several prominent faults. Located at the juncture of two contrasting tectonic styles, the Sierra Nevada and the Basin and Range, the Walker Lane region is deforming in a complex way by both extensional and *transcurrent* (sliding) fault movements. (Figure 6)

**Figure 6). Major Mineralization Trends in Nevada**



### Walker Lane Gold and Silver Deposits

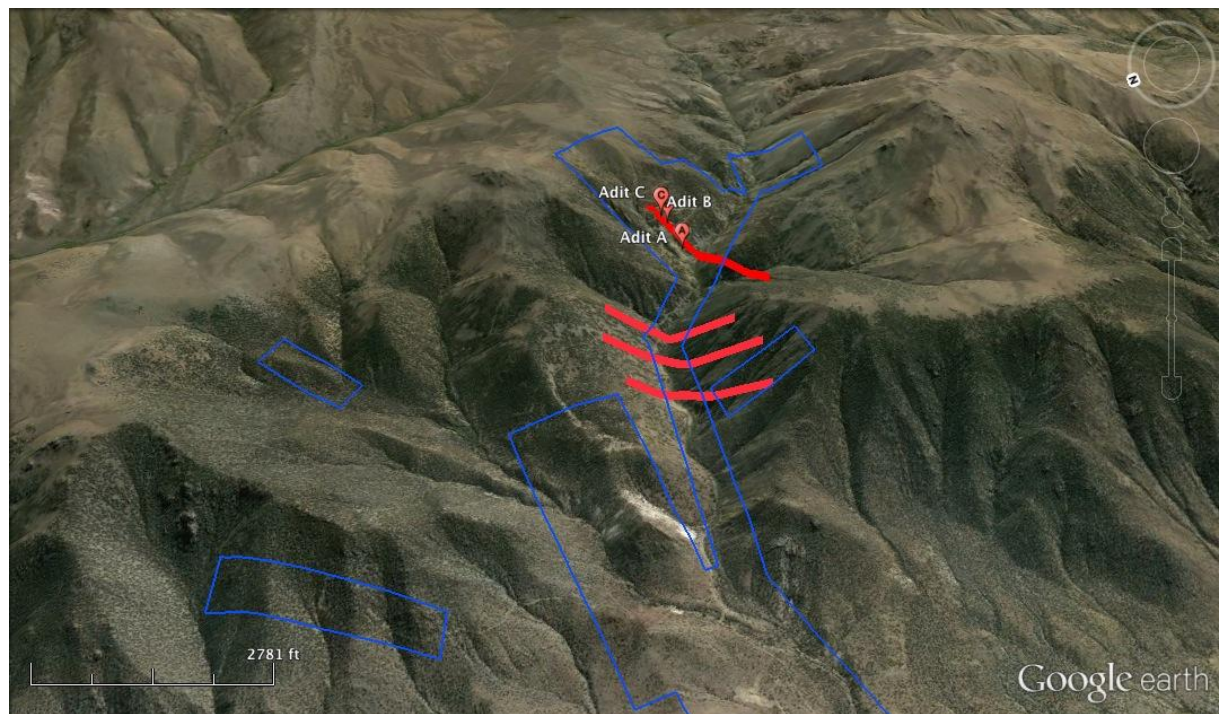
- Comstock
- Round Mountain
- Goldfield
- Bullfrog
- Tonopah
- Bodie
- Aurora
- Paradise Peak
- Rawhide
- Borealis

There are a number of deposits close to the Sleeper-Lapon project including the past producing historic Comstock Lode silver/gold mine, the past producing Esmeralda/Aurora gold mine as well as Gryphon Gold's Borealis Mine. Nevada Copper's Pumpkin Hollow project is also situated on the West flank of the Wassuk range 30 km north of Lapon. It hosts 4.1 billion lbs of copper and 1.1 million ounces of gold.

Sleeper-Lapon is believed to be underlain by Cretaceous-aged intrusives consisting of granodiorite to monzonite and intruded by gabbro, diorite and pegmatitic dykes. The project is cut by a series of steeply dipping cross fault shear structures that strike in an east-west direction. These zones are strongly altered and oxidized with sericitic, argillitic and carbonate alteration. Silica in the form of veins, and in some cases silicification (with iron oxide) is prevalent.

These shear structures appear to cut obliquely across the Walker Lane Trend. This is an important fact since cross cutting structures are responsible for many precious and base metal deposits in all the major mining camps. (Figure 7).

**Figure 7) Google Image of Alteration Zones that are believed to be part of more extensive Cross Fault Structures**



These zones vary in width from about 60 metres to over 300 metres. Four of these structures can be seen in the Lapon Canyon and two of them can be traced to the base of the Wassuk Range to the west for a strike length of over 4 km. The colluvium at the base of the Wassuk Range may mask other zones.

The height of the alteration zones is about 700 metres – measured from the uppermost C-Adit to the base of the Range.

The Borealis Mine property is situated just 25 km SW of the Sleeper-Lapon project. Structures in this mine

are dominantly northeast-striking faults with steep dips and generally west-northwest-striking faults with steep southerly dips.

The NI-43-101 report states that these fault systems lie on regional trends of known mineralized systems; thus, Borealis appears to be at a major intersection of structural and mineralized trends.

Figure 8 below highlights the fact that the regional alteration/structural trends that can be seen at the Borealis mine are similar to what is seen at Sleeper-Lapon.

**Figure 8) Similar Alteration trends at Borealis (top right of image) and Sleeper-Lapon (bottom left)**



## Valuation

A numeric valuation of an exploration company at this stage is meaningless.

I like the project because WRR has a very low Enterprise Value (only about \$1.5 million) and what I believe is an excellent chance of intersecting high-grade gold mineralization down-dip of old mine workings on its Sleeper Lapon Canyon project.

**A successful initial drill campaign should lift the stock price and focus the attention of the market to the bigger picture potential of this project.**

The President and CEO, Michel David, is not only a capable and successful geologist, he has attracted R. Stuart "Tookie" Angus to join the company as an advisor. Tookie is a very successful and well-connected financier.

In addition to Sleeper-Lapon Canyon, Walker River is in the process of building a portfolio of high-grade, well situated Nevada assets, which have been overlooked in the current bear market.



# Rocks To Riches

## Warrant and Option Details

**Chart 2. Warrant and Option Pricing and Expiry Dates**

Warrants	Exercise Price	Expiry Date	Options	Exercise Price	Expiry Date
1,034,666	\$0.25	Feb 25 <sup>th</sup> 2015	888,750	\$0.15	March 20 <sup>th</sup> , 2017
1,980,000	\$0.15	Feb 25 <sup>th</sup> 2015	450,000	\$0.14	March 15 <sup>th</sup> , 2017
15,773,333	\$0.10	July 2 <sup>nd</sup> , 2018	1,500,000	\$0.15	Sept 4 <sup>th</sup> , 2018
Weighted Avg	\$0.12		Weighted Avg	\$0.145	

## Management Team

### Management

#### **Michel David, BSc, President & CEO, Director**

Mr. David has over 35 years of experience in geology and geophysics, base metal and precious metal exploration and mining. He obtained a BSc in geology from McGill University in 1975 and has managed numerous projects in southern Africa, Brazil, Colombia, the Philippines, Korea and throughout North America with emphasis in the Province of Quebec. Mr. David has been a director and officer of several mining exploration companies based in Val d'Or, Quebec. Under his guidance a number of these companies made significant gold discoveries exploring and developing both from surface and underground.

#### **Eugene Gauthier, P.Eng, VP of Exploration Director**

Mr. Gauthier brings over 25 years of mining experience to Walker River. Mr. Gauthier has worked in production and mining for several Canadian mines, in particular Gwillim, Louvicourt, Western Quebec and Malartic southern. Mr. Gauthier is the Vice President of Exploration for the company.

#### **Jerry Minni, CFO Director**

Mr. Minni is a certified general accountant with over 30 years of experience and has been employed as an officer of several public companies involved in mining and business development. Mr. Minni has been and remains a director and officer of several public companies involved in the mineral resource sector and has an extensive knowledge of the regulatory filing processes within Canada.

#### **Quinn Field-Dyde, Director**

Mr. Quinn Field-Dyde is the Corporate Secretary, Independent Director of Bravura Ventures Corp., since August 6, 2010. Mr. Quinn Field-Dyde served as Investor Relations Consultant, Minegate Resources Capital Group, February 2010 to June 2010; Quality Assurance, Embassy Interactive Inc. from April 2009 to January 2010; Quality Assurance and Associate Production and Design, Embassy Visual Effects from February 2007 to March 2009; Assistant Foreman, LMS Reinforcing Steel Group from September 2006 to December 2006.

#### **R. Stuart (Tookie) Angus, Advisor**

For the past 35 years Mr. Angus has been focused on structuring and financing both domestic and international exploration, development and mining ventures. Most recently, Mr. Angus was Managing Director of Mergers & Acquisitions for Endeavor Financial. Prior to joining Endeavor Financial he was a former partner and head of Global Mining Group for the Canadian law firm Fasken Martineau DuMoulin. Mr. Angus is the former Chairman of the Board of BC Sugar Refinery Limited, he was a Director of First Quantum Minerals until June 2005, a Director of Canico Resources Corporation until its takeover by CVRD in 2005, a Director of Bema Gold until its takeover by Kinross Gold in 2007, a Director of Ventana Gold until its takeover by AUX Canada Acquisitions in 2011 and a director of Plutonic Power until its merger with Magma Energy in 2011. Currently Mr. Angus is Chair of Nevsun Resources Ltd.



# Rocks To Riches

All references to material contained in this Rocks To Riches report is public information sourced from the company's website, press releases, personal communication with Management.

Thomas Schuster, the author of the Rocks To Riches Report, and principal of TMS Enterprises, was only compensated for his time to write this report about Walker River Resources. Thomas currently holds no securities in WRR.

**To receive an electronic copy of this report and future reports please contact Mr. Schuster at [Thomas@RockstoRiches.ca](mailto:Thomas@RockstoRiches.ca)**

**About the Author:** With a degree in Geological Sciences from the University of Toronto, Thomas started his career in the early 1990s as an exploration geologist in the famous Timmins mining camp in Northern Ontario. He then moved to Vancouver and took a position as staff Journalist at the well-known mining publication, *The Northern Miner*, reporting the merits and shortcomings of Canadian exploration and mining projects worldwide. This built a foundation for his later work as a Mining Analyst for the Toronto-based institutional investment firm, Fraser Mackenzie. Thomas is currently based in Vancouver working as an independent consulting mining analyst.

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