



**GGL** RESOURCES CORP.

***CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS***

***FOR THE THREE MONTHS ENDED***

***FEBRUARY 28, 2014***

*(UNAUDITED - Expressed in Canadian Dollars)*

***NOTICE OF NO AUDITOR REVIEW OF  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS***

*In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these consolidated interim financial statements they must be accompanied by a notice indicating that the consolidated interim financial statements have not been reviewed by an auditor.*

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

# GGL RESOURCES CORP.

Consolidated Interim Statements of Financial Position  
(Unaudited - Expressed in Canadian Dollars)

	February 28, 2014	November 30, 2013
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 38,480	\$ 70,152
Amounts receivable (Note 4)	59,620	79,862
Prepaid expenses	15,892	15,880
<b>Total Current Assets</b>	113,992	165,894
<b>Exploration and Evaluation Assets</b> (Note 5)	2,204,598	2,215,017
<b>Property and Equipment</b> (Note 6)	87,198	91,787
	\$ 2,405,788	\$ 2,472,698
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 101,035	\$ 112,801
Consulting fees payable (Note 9)	645,231	641,838
<b>Total Liabilities</b>	746,266	754,639
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 7)	35,951,456	35,951,456
<b>Share-based Payments Reserve</b>	4,217,619	4,217,619
<b>Deficit</b>	(38,509,553)	(38,451,016)
<b>Total Shareholders' Equity</b>	1,659,522	1,718,059
	\$ 2,405,788	\$ 2,472,698

Nature of Operations and Going Concern (Note 1)  
Events After the Reporting Period (Note 14)

## On behalf of the Board:

*"Raymond A. Hrkac"*

Raymond A. Hrkac, Director

*"Nick DeMare"*

Nick DeMare, Director

Date of Board of Directors approval for issue: April 25, 2014

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

**GGL RESOURCES CORP.**

Consolidated Interim Statements of Comprehensive Loss

For the three months ended

(Unaudited – Expressed in Canadian Dollars)

	February 28, 2014	February 28, 2013
<b>Expenses</b>		
Consulting fees	\$ 6,250	\$ 6,250
Depreciation	126	157
Exploration costs - general	9,278	12,440
Legal and audit	-	1,931
Licenses, taxes, insurance and fees	10,901	11,569
Office services and expenses	18,929	18,508
Travel	397	-
<b>Operating loss</b>	(45,881)	(50,855)
<b>Other income (loss)</b>		
Interest income	124	117
Interest expense	(270)	(223)
Sale of Shoe mineral leases	-	50,000
Write off of exploration and evaluation assets (Note 5)	(12,510)	(97,059)
	(12,656)	(47,165)
<b>Net loss and comprehensive loss for the period</b>	(58,537)	(98,020)
<b>Loss per share - basic and diluted</b>	\$ (0.000)	\$ (0.001)
<b>Weighted average number of common shares outstanding</b>		
- basic and diluted	166,173,693	157,903,693

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

**GGL RESOURCES CORP.**

Consolidated Interim Statements of Changes in Shareholders' Equity

For the three months ended

(Unaudited - Expressed in Canadian Dollars)

	<u>Share</u> <u># of Shares</u>	<u>Capital</u> <u>Amount (\$)</u>	<u>Subscription</u> <u>Advances</u>	<u>Share-</u> <u>based</u> <u>Payments</u> <u>Reserve</u>	<u>Deficit</u>	<u>Shareholders'</u> <u>Equity</u>
<b>Balance November 30, 2013</b>	<b>166,173,693</b>	<b>\$ 35,951,456</b>	<b>\$ -</b>	<b>\$ 4,217,619</b>	<b>\$(38,451,016)</b>	<b>\$ 1,718,059</b>
Comprehensive loss	-	-	-	-	(58,537)	(58,537)
<b>Balance February 28, 2014</b>	<b>166,173,693</b>	<b>\$ 35,951,456</b>	<b>\$ -</b>	<b>\$ 4,217,619</b>	<b>\$(38,509,553)</b>	<b>\$ 1,659,522</b>
<b>Balance November 30, 2012</b>	<b>157,423,693</b>	<b>\$ 35,783,110</b>	<b>\$ 60,000</b>	<b>\$4,181,619</b>	<b>\$(36,891,100)</b>	<b>\$ 3,133,629</b>
Shares issued for cash – flow –through private placement	1,200,000	24,000	-	36,000	-	60,000
Share issue costs	-	(2,997)	-	-	-	(2,997)
Subscription advances	-	-	(54,000)	-	-	(54,000)
Comprehensive loss	-	-	-	-	(98,020)	(98,020)
<b>Balance February 28, 2013</b>	<b>158,623,693</b>	<b>\$ 35,804,113</b>	<b>\$ 6,000</b>	<b>\$4,217,619</b>	<b>\$(36,989,120)</b>	<b>\$ 3,038,612</b>

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

## GGL RESOURCES CORP.

Consolidated Interim Statements of Cash Flows  
For the three months ended  
(Unaudited - Expressed in Canadian Dollars)

	February 28, 2014	February 28, 2013
<b>Cash flows from (used in) operating activities</b>		
Net loss for the period	\$ (58,537)	\$ (98,020)
Adjustment for items not involving cash:		
- depreciation of equipment	126	157
- depreciation of exploration equipment	4,463	6,415
- write off of exploration and evaluation assets	12,510	97,059
	(41,438)	5,611
Change in non-cash working capital items:		
- amounts receivable	20,242	(32,284)
- prepaid expenses	(12)	85
- accounts payable and accrued liabilities	(759)	8,406
	(21,967)	(18,182)
<b>Cash flows from (used in) financing activities</b>		
Advances (repaid) from related parties	-	(1,815)
Shares issued for cash – flow-through shares	-	60,000
Share issuance costs	-	(2,997)
Subscription advances	-	(54,000)
	-	1,188
<b>Cash flows from (used in) investing activities</b>		
Recoveries from exploration and evaluation assets	(9,705)	(23,576)
Purchase of exploration equipment	-	(5,000)
	(9,705)	(28,576)
<b>Decrease in cash and cash reserved for exploration</b>	(31,672)	(45,570)
<b>Cash and cash reserved for exploration, beginning of period</b>	70,152	97,470
<b>Cash and cash reserved for exploration, end of period</b>	\$ 38,480	\$ 51,900

See Note 12 Supplementary Cash Flow Information

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

# GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

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## 1. Nature of Operations and Going Concern

GGL Resources Corp. (“the Company”) was incorporated on May 25, 1981 under the provisions of the Company Act (British Columbia). The Company is listed on the TSX Venture Exchange, tier 2, under the symbol “GGL”. The Company’s head office is located at #906, 675 West Hastings Street, Vancouver, BC, V6B 1N2 Canada. The Company’s records office and registered address is Davis LLP, 666 Burrard Street, Vancouver, BC, V6C 2Z7 Canada.

The Company is in the exploration stage and, on the basis of information to date, does not yet have economically recoverable reserves. The underlying value of the exploration and evaluation assets and related deferred costs are entirely dependent upon the existence of such reserves, the ability of the Company to obtain the necessary financing to develop the reserves and upon future profitable production.

As at February 28, 2014, the Company has a negative working capital of \$632,274 (November 30, 2013 - \$588,745) and a deficit of \$38,509,553 (November 30, 2013 - \$38,451,016).

These consolidated interim financial statements have been prepared on a 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 operations for the foreseeable future. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not earned any revenues and is considered to be in the exploration stage. The Company’s operations are funded from equity financings which are dependent upon many external factors and it may be difficult to impossible to secure or raise additional funds when required. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company will continue to require additional funding to maintain its ongoing exploration programs, property maintenance payments and operations and administration for the next fiscal year. The Company also recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. In light of negative cash flows from operating activities, operating losses accrued in the past years and a negative working capital, the Company’s ability to continue its exploration programs is dependent on its ability to secure additional financing. The Company intends to continue its exploration programs. Management is actively pursuing such additional sources of financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

## 2. Basis of Preparation and Adoption of IFRS

### *Statement of Compliance and Conversion to International Financial Reporting Standards*

These consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). These consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in, and should be read in conjunction with, the Company’s audited consolidated financial statements for the year ended November 30, 2013.

# GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

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## 2. Basis of Preparation and Adoption of IFRS, continued

### *Basis of Presentation*

The Company's consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

## 3. Significant Accounting Policies adopted

- (a) Consolidated Financial Statements - IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated - Special Purpose Entities*. The Company has two subsidiaries which are inactive.
- (b) Joint Arrangements - IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS supersedes the current IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*.
- (c) Disclosure of Interest in Other Entities - IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.
- (d) Fair Value Measurement - IFRS 13 defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements).

## 4. Amounts Receivable

	February 28, 2014	November 30, 2013
Goods and Services/Harmonized sales tax receivable	\$ 59,225	\$ 62,079
Other	395	17,783
	<u>\$ 59,620</u>	<u>\$ 79,862</u>



# GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements

For the three months ended February 28, 2014

(Unaudited - Expressed in Canadian Dollars)

## 5. Exploration and Evaluation Assets

	Balance November 30, 2013	2014 Mineral Interests Additions	2014 Net Exploration cost additions	2014 Written Off	Balance February 28, 2014
Doyle Lake	\$ 158,477	\$ -	\$ 19	\$ -	\$ 158,496
Fishback Lake	52,397	-	1,709		54,106
CH	553,436	-	-	(5,707)	547,729
Providence Greenstone Belt	763,701	-	305	(6,803)	757,203
McConnell Creek	687,006	-	58	-	687,064
	<b>\$ 2,215,017</b>	<b>\$ -</b>	<b>\$ 2,091</b>	<b>\$(12,510)</b>	<b>\$ 2,204,598</b>

	Balance November 30, 2013	2014 Net Additions	2014 Written off	Balance February 28, 2014
Acquisition costs	\$ 212,212	\$ -	\$ (12,510)	\$ 199,702
Deferred exploration costs	2,002,805	2,091	-	2,004,896
	<b>\$ 2,215,017</b>	<b>\$ 2,091</b>	<b>\$(12,510)</b>	<b>\$ 2,204,598</b>

	Balance November 30, 2012	2013 Mineral Interests Additions	2013 Exploration Cost Additions (Recoveries)	2013 Written Off/ Impairments	Balance November 30, 2013
Doyle Lake	\$ 363,436	\$ -	\$ (14,390)	\$ (190,569)	\$ 158,477
Fishback Lake	80,081	-	1,709	(29,393)	52,397
CH	1,038,833	-	51,404	(536,801)	553,436
Providence Greenstone Belt	1,082,047	-	113,550	(431,896)	763,701
McConnell Creek	1,072,257	-	107	(385,358)	687,006
	<b>\$ 3,636,654</b>	<b>\$ -</b>	<b>\$ 152,380</b>	<b>\$(1,574,017)</b>	<b>\$ 2,215,017</b>

## GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

### 5. Exploration and Evaluation Assets, continued

	Balance November 30, 2012	2013 Net Additions	2013 Written Off/ Impairments	Balance November 30, 2013
Acquisition costs	\$ 283,512	\$ -	\$ (71,300)	\$ 212,212
Deferred exploration costs	3,353,142	152,380	(1,502,717)	2,002,805
	<b>\$ 3,636,654</b>	<b>\$ 152,380</b>	<b>\$(1,574,017)</b>	<b>\$ 2,215,017</b>

Included in exploration and evaluation assets are reclamation bonds held in the name of the Ministry of Energy, Mines and Petroleum Resources of BC and the Receiver General (for Northwest Territories claims) in the amount of \$76,400 (November 30, 2013 - \$76,400).

Exploration costs incurred during the three months ended:

	February 28, 2014	February 28, 2013
Aircraft	\$ -	\$ 41,481
Licenses, recording fees and lease payments	1,728	6,635
Project supplies	363	(3,047)
Salaries and wages	-	265
Surveying	-	5,034
Technical and professional services	-	5,153
Transportation	-	(8,696)
	<b>\$ 2,091</b>	<b>\$ 46,825</b>

(a) Doyle Lake, Northwest Territories, Canada

Under the De Beers Agreement (“the Agreement”) dated May 25, 1995, De Beers Canada Inc. (“De Beers”) has earned a 60% interest in the Doyle Lake Properties (“the Properties”), which consist of 5 claims and 3 fractional claims (12,972 acres), by completing exploration expenditures of \$4.65 million.

## GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements

For the three months ended February 28, 2014

(Unaudited - Expressed in Canadian Dollars)

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### 5. Exploration and Evaluation Assets, continued

#### (a) Doyle Lake, Northwest Territories, Canada, continued

Under the Agreement, De Beers will recover all of the Company's costs of prospecting, exploration, development and construction incurred preproduction, financed by De Beers or by way of third party borrowings, out of 90% of the annual available cash flow (i.e. cash flow after provision for ongoing operating and non-operating costs) from any mine constructed on the Properties with interest at LIBOR plus 3% or the actual interest rates agreed to be paid, whichever is applicable. The remaining 10% of such available cash flow will be distributed to the members in the Agreement in proportion to their interests in the Properties. If after the completion of a feasibility study and prior to the commencement of commercial production from the first mine, the members in the Agreement cease to carry on development work on the Properties other than by reason of force majeure for a period of more than two years, interest other than interest on third party borrowings, will not be accrued for the period exceeding two years. When development work resumes, the Company will continue to accrue the interest.

In addition, the Company holds a 100% interest in 3 claims (75 acres) (2012 - 12 claims; 12,557 acres) in the Doyle Lake area that are not subject to the Agreement. 2 of these claims are leases.

#### (b) Fishback Lake, Northwest Territories, Canada

The Company owns 2 claims (3,108 acres). One of these claims is a mining lease.

#### (c) CH, Northwest Territories, Canada

The Company owns 32 claims (62,726 acres) north-northeast of Yellowknife, acquired by staking during the years 2000 to 2003. These claims include the Courageous, Starfish, Winterlake North, Winterlake South, BP, Zip and Mill claims. 21 of these claims are leases.

During the period, four claims (8,271 acres) were allowed to lapse and the related costs of \$5,707 were written off.

#### (d) Providence Greenstone Belt, Northwest Territories, Canada

The Company owns 29 claims (63,907 acres) in the Providence Greenstone Belt ("PGB") area of the Northwest Territories. These claims lie within an extensive belt of rocks previously identified by a mapping project funded by the Geological Survey of Canada and reported as having the potential for hosting magmatic nickel mineralization.

During the period, 3 claims (7,747 acres) were allowed to lapse and the related costs of \$6,803 were written off.

#### (e) McConnell Creek, British Columbia, Canada

The Company owns 2 mineral claims (4,878 hectares) in the Omineca Mining Division of British Columbia.

## GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

### 6. Property and Equipment

	<u>Office Furniture</u>		<u>Exploration Equipment</u>		<u>Total</u>
<b><u>Cost</u></b>					
Balance as at November 30, 2012	\$	58,953	\$	552,727	\$ 611,680
Additions		-		13,029	13,029
Disposals		-		(114,124)	(114,124)
Balance as at November 30, 2013	\$	58,953	\$	451,632	\$ 510,585
Addition		-		-	-
Balance as at February 28, 2014	\$	58,953	\$	451,632	\$ 510,585

#### **Accumulated Depreciation**

Balance as at November 30, 2012	\$	49,081	\$	436,154	\$ 485,235
Depreciation		1,975		20,972	22,947
Disposals		-		(89,384)	(89,384)
Balance as at November 30, 2013	\$	51,056	\$	367,742	\$ 418,798
Depreciation		395		4,194	4,589
Balance as at February 28, 2014	\$	51,451	\$	371,936	\$ 423,387

#### **Carrying Amounts**

At November 30, 2012	\$	9,872	\$	116,573	\$ 126,445
At November 30, 2013	\$	7,897	\$	83,890	\$ 91,787
At February 28, 2014	\$	7,502	\$	79,696	\$ 87,198

At February 28, 2014 depreciation is recorded on the Statement of Comprehensive Loss as \$126 in depreciation and \$4,463 is recorded as part of general exploration costs.

### 7. Share Capital

- (a) Authorized: unlimited common shares without par value;
- (b) Changes in warrants during the three months ended:

	<u>February 28, 2014</u>		<u>February 28, 2013</u>	
	<u>Number of warrants</u>	<u>Weighted average exercise price</u>	<u>Number of warrants</u>	<u>Weighted average exercise price</u>
Outstanding, beginning of period	12,750,000	\$0.07	4,000,000	\$0.10
Issued	-	-	1,200,000	\$0.05
Outstanding, end of period	12,750,000	\$0.07	5,200,000	\$0.09

## GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

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### 7. Share Capital, continued

The Company has the following warrants outstanding and exercisable as at February 28, 2014:

<u>Number of warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,600,000	\$0.10	September 20, 2014
1,200,000	\$0.10	January 24, 2016
2,400,000	\$0.10	August 17, 2017
<u>7,550,000</u>	<u>\$0.05/\$0.10</u>	<u>May 8, 2018</u>
<b><u>12,750,000</u></b>		

### 8. Stock Options

In 2006, the Company amended its Stock Option Plan to a 10% rolling plan whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the TSX Venture Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for a fixed number stock option plan, except for stock options granted to investor relations consultants which vest over 12 months. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors based on the most recent trading prices and subject to the TSX Venture Exchange policies.

Under this plan, the number of shares available for grant increases as the issued capital of the Company increases. No stock options have been granted since 2010.

	<u># of Options Outstanding</u>	<u>Weighted Average Exercise Price</u>
<b>Options outstanding as at November 30, 2012</b>	<b>8,980,000</b>	<b>\$0.14</b>
Expired	(3,825,000)	\$0.18
Options outstanding as at November 30, 2013	5,155,000	\$0.10
Expired	-	-
<b>Options outstanding as at February 28, 2014</b>	<b>5,155,000</b>	<b>\$0.10</b>

  

	<u>Feb. 28, 2014</u>	<u>Feb. 28, 2013</u>
Weighted average remaining contractual life	0.62 years	1.03 years
Weighted average fair value of options granted during the period	N/A	N/A

## GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

### 8. Stock Options, continued

The following table sets forth information relating to stock options outstanding as at February 28, 2014:

Expiry Dates	Exercise prices	Number outstanding and exercisable at February 28, 2014	Weighted average remaining contractual life (years)
Aug. 19/14	\$0.10	4,275,000	0.47
June 24/15	\$0.10	880,000	1.32
		<b>5,155,000</b>	

The fair value of each option granted to an employee is estimated as of the date of grant using the *Black-Scholes option pricing model* with the following assumptions: risk-free interest rate, dividend yield, volatility, expected life and estimated forfeiture rate.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

### 9. Related Party Disclosures

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

There are two related parties: one director and officer and one consultant. The related parties may demand payment of their outstanding fees, which are non-interest bearing, at any time.

February 28, 2014	Consulting Fees	Technical and professional services	Consulting Fees Payable
Management	\$ 6,250	\$ -	\$ 479,026
Non-management	\$ -	\$ -	\$ 146,725
Total	\$ 6,250	\$ -	\$ 625,751

February 28, 2013	Consulting Fees	Technical and professional services	Current Accounts Payable	Non-current Amounts owed to related parties
Management	\$ 6,250	\$ -	\$ 6,250	\$465,633
Non-management	\$ -	\$ 9,053	\$ 6,090	\$142,130
Total	\$ 6,250	\$ 9,053	\$ 12,340	\$607,763

# GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

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## 10. Segmented Information

The Company is involved in mineral exploration and development activities, which are conducted in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the three months ended February 28, 2014 and 2013.

## 11. Financial Instruments

The Company classifies all financial instruments as fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, or other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instruments – Disclosures

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - inputs that are not based on observable market data.

### (a) Fair Value

The fair value of financial instruments at February 28, 2014 and 2013 is summarized as follows:

	February 28, 2014		February 28, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
<i>FVTPL</i>				
Cash	\$ 38,480	\$ 38,480	\$ 51,900	\$ 51,900
<i>Loans and receivables</i>				
Amounts receivable	\$ 59,620	\$ 59,620	\$ 102,505	\$ 102,505
<b>Financial Liabilities</b>				
<i>Other Financial liabilities</i>				
Accounts payable and accrued liabilities	\$ 101,035	\$ 101,035	\$ 234,444	\$ 234,444
Consulting fees payable *	\$ 645,231	\$ 645,231	\$ -	\$ -
Amounts owed to related parties	\$ -	\$ -	\$ 607,763	\$ 607,763

\* Consulting fees payable includes amounts owed to related parties.

# GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements

For the three months ended February 28, 2014

(Unaudited - Expressed in Canadian Dollars)

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## 11. Financial Instruments, continued

### (a) Fair Value, continued

The recorded amounts for cash, cash reserved for exploration, amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's fair value of cash, and cash reserved for exploration under the fair value hierarchy are measured using Level 1 inputs.

### (b) Financial Risk Management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange (currency) risk and liquidity risk.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, cash reserved for exploration and amounts receivable. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company deposits the majority of its cash with high credit quality financial institutions in Canada.

#### Currency risk

The Company operates in Canada and transacts business with foreign vendors and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk. Currency risk is not considered significant

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The Company manages liquidity by carefully monitoring its operating requirements.



## GGL RESOURCES CORP.

Notes to Consolidated interim Financial Statements  
For the three months ended February 28, 2014  
(Unaudited - Expressed in Canadian Dollars)

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### 12. Supplementary Cash Flow Information

Non-cash operating, financing, and investing activities were conducted by the Company during the three months ended:

	February 28, 2014	February 28, 2013
Operating activities		
Accounts payable for exploration and evaluation assets	\$ 485,071	\$ 105,648
Financing activities		
Advances from related parties for exploration and evaluation assets	\$ -	\$ 660,571
Investing activities		
Additions to exploration and evaluation assets	\$ (485,071)	\$ (766,219)
Other supplementary cash flow information:		
Cash paid for interest charges	\$ 270	\$ 223

### 13. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash reserved for exploration.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to maximize ongoing development efforts, the Company does not pay dividends.

### 14. Events After the Reporting Period

The Board of Directors approved the adoption of an advance notice policy for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors. A copy of the policy is available via SEDAR under the Company's issuer profile at [www.sedar.com](http://www.sedar.com) or upon request by contacting the Company. A brief summary is provided in the Company's March 19, 2014 news release.