



GGL RESOURCES CORP.

(formerly, GGL Diamond Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28, 2010

(UNAUDITED)

NOTICE: The Company's auditors have not reviewed the attached Interim Consolidated Financial Statements for the period ended February 28, 2010.

GGL RESOURCES CORP. (formerly, GGL DIAMOND CORP.)

Consolidated Balance Sheets as at

	February 28, 2010 <u>(Unaudited)</u>	November 30, 2009 <u>(Audited)</u>
ASSETS		
Current		
Cash	\$ 112,871	\$ 162,962
Amounts receivable	31,632	25,052
Prepaid expenses	3,254	3,217
	147,757	191,231
Unproven mineral interests (Note 3)	16,698,386	16,842,998
Property and equipment	188,148	198,117
	\$ 17,034,291	\$ 17,232,346
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 366,900	\$ 345,993
Deferred revenues (Note 3(f))	44,700	44,700
	411,600	390,693
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	35,522,814	35,522,814
Contributed surplus (Note 6)	4,094,639	4,094,639
Deficit	(22,994,762)	(22,775,800)
	16,622,691	16,841,653
	\$ 17,034,291	\$ 17,232,346

On behalf of the Board:*“Raymond A. Hrkac”*

Raymond A. Hrkac, Director

“Nick DeMare”

Nick DeMare, Director

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

GGL RESOURCES CORP. (formerly, GGL DIAMOND CORP.)

Consolidated Statements of Operations and Deficit

For the three months ended

(Unaudited)

	February 28, 2010	February 28, 2009
Expenses		
Amortization	\$ 379	\$ 526
Consulting fees	32,813	14,062
Exploration costs - general	16,870	66,631
Legal and audit	(2,037)	2,786
Licences, taxes, insurance and fees	8,983	8,771
Office services and expenses	23,829	45,434
Shareholders' meetings and reports	757	725
Travel	610	-
Operating loss	(82,204)	(138,935)
Other income (loss)		
Interest income	7	84
Foreign exchange loss	(207)	(160)
Gain on sale of property and equipment	-	230,368
Interest expense	(191)	(165)
Operator's fees	3,811	-
Sale of data set and technical support	-	104,850
Write off of exploration and unproven mineral interests (Note 3(c))	(140,178)	(393,809)
	(136,758)	(58,832)
Net loss and comprehensive loss for the period	(218,962)	(197,767)
Deficit, beginning of period	(22,775,800)	(18,872,510)
Deficit, end of period	\$ (22,994,762)	\$ (19,070,277)
Loss per share - basic and diluted	\$ (0.001)	\$ (0.001)
Weighted average number of common shares outstanding		
- basic and diluted	150,423,693	144,607,025

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

GGL RESOURCES CORP. (formerly, GGL DIAMOND CORP.)

Consolidated Statements of Cash Flows

For the three months ended

(Unaudited)

	February 28, 2010	February 28, 2009
Cash flows from (used in) operating activities		
Net loss and comprehensive loss for the period	\$ (218,962)	\$ (197,767)
Adjustment for items not involving cash:		
- amortization of property and equipment	379	526
- amortization of exploration property and equipment	9,590	12,069
- future tax recovery	-	-
- gain on sale of property and equipment	-	(230,368)
- write off of exploration and unproven mineral interests	140,178	393,809
	(68,815)	(21,731)
Change in non-cash working capital items:		
- amounts receivable	(6,580)	39,850
- prepaid expenses	(37)	5,127
- accounts payable and accrued liabilities	31,403	(596,944)
	(44,029)	(573,698)
Cash flows from (used in) investing activities		
Additions to deferred exploration costs	(6,062)	188,986
Option payments received	-	25,000
Proceeds from sale of property and equipment	-	405,100
	(6,062)	619,086
(Decrease) increase in cash	(50,091)	45,388
Cash, beginning of period	162,962	332,665
Cash, end of period	\$ 112,871	\$ 378,053

See Note 9 Supplementary Cash flow information

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

GGL RESOURCES CORP. (formerly, GGL DIAMOND CORP.)

Notes to Consolidated Financial Statements

February 28, 2010

These notes should be read in conjunction with the Audited Consolidated Financial Statements for the year ended November 30, 2009.

1. Nature of Operations

The Company changed its name from GGL Diamond Corp. to GGL Resources Corp. to better represent the Company's variety of assets. Trading under the new name began on September 8, 2009. There were no changes to the number of shares issued and outstanding or to the trading symbol.

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 mineral properties and related deferred costs is 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.

The Company intends to continue its exploration programs. 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. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is actively pursuing such additional sources of financing.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. Adoption of New Accounting Policies

Future Changes in Accounting Policies

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

GGL RESOURCES CORP. (formerly, GGL DIAMOND CORP.)

Notes to Consolidated Financial Statements

February 28, 2010

3. Unproven Mineral Interests

	Balance November 30, 2009	2010 Mineral Interests Additions	2010 Net Exploration cost additions	2010 Written off	Balance February 28, 2010
Doyle Lake	\$ 1,298,973	\$ -	\$ 9,280	\$ -	\$ 1,308,253
Fishback Lake	829,945	-	2,394	-	832,339
CH	7,078,117	-	4,211	-	7,082,328
Providence Greenstone Belt	4,793,338	-	(29,288)*	(140,178)	4,623,872
McConnell Creek	2,842,625	-	8,969	-	2,851,594
	\$ 16,842,998	\$ -	\$ (4,434)	\$(140,178)	\$ 16,698,386

* See Note 3(d)

	Balance November 30, 2009	2010 Net Additions	2010 Written off	Balance February 28, 2010
Unproven mineral interests	\$ 541,132	\$ -	\$ (13,080)	\$ 528,052
Deferred exploration costs	16,301,866	(4,434)	(127,098)	16,170,334
	\$ 16,842,998	\$(4,434)	\$(140,178)	\$16,698,386

Exploration costs incurred during the three months ended:

	February 28, 2010	February 28, 2009
Sampling	\$ 636	\$ -
Licences, recording fees and lease payments	10,965	10,965
Option payment received	-	(25,000)
Project supplies	(40,827)	3,224
Salaries and wages	305	7,093
Surveying	-	45
Technical and professional services	24,192	74,874
Transportation	295	2,711
	\$ (4,434)	\$ 73,912

GGL RESOURCES CORP. (formerly, GGL DIAMOND CORP.)

Notes to Consolidated Financial Statements

February 28, 2010

3. Unproven Mineral Interests, continued

(a) Doyle Lake, Northwest Territories, Canada

(i) Under the De Beers Agreement (“the Agreement”) dated May 25, 1995, 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); and

(ii) in addition, the Company holds 17 claims (16,206 acres) in the Doyle Lake area that are not subject to the Agreement. 16 of these claims are leases.

(b) Fishback Lake, Northwest Territories, Canada

The Company owns 7 claims (13,301 acres). One of these claims is a mining lease.

(c) CH, Northwest Territories, Canada

In 2009 the Company signed an exploration and option agreement on 73 of its 121 CH claims in the Northwest Territories (10 of these claims (23,477 acres) were written off in 2009). Rio Tinto Exploration Canada Inc. (formerly, Kennecott Canada Exploration Inc.) must make payments totalling \$1,000,000 and incur cumulative expenditures of \$10,000,000 in order to earn a 100% interest, subject to a gross overriding royalty of 1.5% of the appraised value of all gem and industrial diamonds recovered, sorted and graded from the property and a 1.5% net smelter returns royalty on the net value of all ores, minerals, metals and materials except diamonds, mined and removed from the property and sold or deemed to have been sold. The payments and both royalties are payable to the Company. The Company received the first payment of \$25,000 in 2009.

(d) Providence Greenstone Belt, Northwest Territories, Canada

The Company owns 123 claims (269,811 acres) in the Providence Greenstone Belt 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, 8 claims (16,078 acres) were allowed to lapse and the related costs of \$140,178 were written off.

During the period, the Company sold some of its fuel inventory for \$45,689.

(e) McConnell Creek, British Columbia, Canada

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

(f) General exploration, Northwest Territories, Canada

In 2009 the Company signed a non-exclusive licence agreement for the use of its Slave Geological Province data set for diamond exploration for \$100,000 and would provide 500 hours of technical support at a price of \$50,000 prepaid. As at February 28, 2010, the amount of \$44,700 presented as deferred revenues represents the remaining hours of technical support.

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Notes to Consolidated Financial Statements

February 28, 2010

4. Share Capital

- (a) Authorized: unlimited common shares without par value;
- (b) 150,423,693 common shares issued (no changes during the period);
- (c) During the quarter ended February 28, 2010, 200,000 stock options expired unexercised;
- (d) At February 28, 2010, the Company had the following share purchase warrants outstanding:

<u>Number of warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,855,000	\$0.40	Aug. 13, 2010
20,000	\$0.40	Aug. 18, 2010
710,000	\$0.10	Sept. 21, 2010
888,000	\$0.10/ \$0.20/ \$0.30	Aug. 20, 2012
1,310,334	\$0.10/ \$0.20/ \$0.30	Sept. 21, 2012
<u>5,783,334</u>		

No changes in warrants during the period ended February 28, 2010.

5. 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 fixed number stock option plans, except for stock options granted to investor relations consultants. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors.

Under this plan, the number of shares available for grant increases as the issued capital of the Company increases.

Stock options outstanding as at February 28, 2010:

	Shares	Weighted Average Exercise Price
Options outstanding as at Nov. 30, 2009	14,133,333	\$0.21
Expired	(200,000)	\$0.10
Options outstanding as at February 28, 2010	13,933,333	\$0.22
2010 options exercisable	13,933,333	\$0.22
2009 options exercisable	10,288,333	\$0.35

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Notes to Consolidated Financial Statements

February 28, 2010

5. Stock Options, continued

	2010	2009
Weighted average remaining contractual life	3.02 years	3.34 years
Weighted average fair value of options granted during the period	N/A	N/A

6. Contributed Surplus

No changes in contributed surplus for the period ended February 28, 2010.

7. Related Party Transactions

During the three months ended February 28, 2010, the Company was billed \$37,500 (2009 - \$37,500) by a director, including \$32,813 (February 28, 2009 - \$14,063) for consulting fees and \$4,687 (February 28, 2009 - \$23,437) for technical and professional services. Included in the February 28, 2010 accounts payable is \$244,947 (2009 - \$113,330) owed by the Company to the director. Transactions with related parties are measured at the exchange amount which is the amount agreed to by transacting parties.

8. 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, 2010 and 2009.

9. Supplementary Cash flow information

Non-cash operating, financing, and investing activities were conducted by the Company during the fiscal quarters ended February 28, 2010 and 2009 as follows:

	2010	2009
Operating activities		
Accounts payable for deferred exploration costs	\$ <u>183,699</u>	\$ <u>201,116</u>
Financing activities		
Issuance of common shares as finder's fee	\$ <u>-</u>	\$ <u>-</u>
Investing activities		
Accounts payable for deferred exploration costs	\$ <u>(183,699)</u>	\$ <u>(201,116)</u>
Other supplementary cash flow information:		
Cash paid for interest charges	\$ <u>191</u>	\$ <u>165</u>
Cash paid for income taxes	\$ <u>-</u>	\$ <u>-</u>

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Notes to Consolidated Financial Statements

February 28, 2010

10. Comparative Figures

Certain 2009 figures have been reclassified to conform to the presentation used in the current period.

11. 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 mineral properties 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 equivalents.

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 and cash equivalents.

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

12. Subsequent Events

No subsequent events.