GGL RESOURCES CORP.

Condensed Interim Financial Statements

For the nine months ended

August 31, 2019

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED 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 condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

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

GGL Resources Corp.

Condensed Interim Statements of Financial Position
Unaudited – Prepared by Management

As at August 31, 2019 and November 30, 2018

	Note	**August 31, 2019 $**	November 30, 2018 $
Assets			
Current assets			
Cash and cash equivalents	3	295,967	211,355
Receivables and prepayments	4	32,315	46,684
Marketable securities	5	1	95,001
		328,283	353,040
Non-current assets			
Mineral property interests	6	2,486,621	2,295,488
Reclamation deposits	7	76,400	76,400
Property and equipment	8	23,413	27,819
Total assets		**2,914,717**	2,752,747
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		33,760	51,056
Accounts payable to related parties	11	27,877	41,295
Total liabilities		**61,637**	92,351
Shareholders' equity			
Share capital	9	37,784,937	37,474,159
Contributed surplus	9	226,488	179,613
Commitment to issue shares	9	37,202	-
Deficit		(35,195,547)	(34,993,376)
Total shareholders' equity		**2,853,080**	2,660,396
Total liabilities and shareholders' equity		**2,914,717**	2,752,747
Nature of operations and going concern	1		
Commitment	15		

Approved on behalf of the Board of Directors on October 30, 2019:

"W. Douglas Eaton" **Director**

"David Kelsch" **Director**

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

GGL Resources Corp.

Condensed Interim Statements of Changes in Shareholders’ Equity

Unaudited – Prepared by Management

For the nine months ended August 31, 2019 and August 31, 2018

	Number of shares \#	Share capital $	Contributed surplus $	Commitment to issue shares $	Accumulated other comprehensive loss $	Deficit $	Total Shareholders' equity $
December 1, 2017	22,096,949	37,474,159	61,474	-	(69,999)	(34,407,355)	3,058,279
Reclassification on adoption of IFRS 9	-	-	-	-	69,999	(69,999)	-
Share-based payments	-	-	119,998	-	-	-	119,998
Loss and comprehensive loss for the period	-	-	-	-	-	(364,832)	(364,832)
August 31, 2018	22,096,949	37,474,159	181,472	-	-	(34,842,186)	2,813,445
December 1, 2018	22,096,949	37,474,159	179,613	-	-	(34,993,376)	2,660,396
Private placement units issued	4,687,500	339,125	46,875	-	-	-	386,000
Flow-through premium liability	-	(11,000)	-	-	-	-	(11,000)
Share issue costs	-	(17,347)	-	-	-	-	(17,347)
Shares for services - commitment to issue	-	-	-	37,202	-	-	37,202
Loss and comprehensive loss for the period	-	-	-	-	-	(202,171)	(202,171)
August 31, 2019	**26,784,449**	**37,784,937**	**226,488**	**37,202**	**-**	**(35,195,547)**	**2,853,080**

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

GGL Resources Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

Unaudited – Prepared by Management

For the three and nine months ended August 31,

		Three months ended		Nine months ended	
	Note	**August 31, 2019 $**	August 31, 2018 $	**August 31, 2019 $**	August 31, 2018 $
Expenses					
General administrative expenses	8	12,095	3,047	23,832	21,020
Insurance		3,937	4,279	11,926	11,894
Investor relations and shareholder information		889	408	5,512	1,038
Management, administrative and corporate development fees	11	27,619	28,157	105,129	96,510
Office rent	11	4,500	4,500	13,500	12,000
Professional fees	11	11,786	20,593	35,596	39,991
Property examination costs (recovery)	8	(2,363)	6,762	3,236	31,845
Share-based payments	9,11	-	21,912	-	119,998
Transfer agent and filing fees		1,688	769	10,799	11,772
Loss from operating expenses		**(60,151)**	(90,427)	**(209,530)**	(346,068)
Interest income		910	1,438	1,870	6,236
License fee	6(d)	-	-	30,000	-
Gain (loss) on marketable securities	5	30,000	(25,000)	15,000	(25,000)
Settlement of flow-through premium liability	9(b),15	11,000	-	11,000	-
Fair value adjustment on commitment to issue shares	9	(14,313)	-	(14,313)	-
Write-off of mineral property interests	6	(35,923)	-	(35,923)	-
Write-off of property and equipment	8	-	-	(275)	-
Loss and comprehensive loss for the period		**(68,477)**	(113,989)	**(202,171)**	(364,832)
Loss per share					
Weighted average number of common shares outstanding					
- basic #	10	**26,784,449**	22,096,949	**23,722,177**	22,096,949
- diluted #	10	**26,784,449**	22,096,949	**23,722,177**	22,096,949
Basic loss per share $	10	**(0.00)**	(0.01)	**(0.01)**	(0.02)
Diluted loss per share $	10	**(0.00)**	(0.01)	**(0.01)**	(0.02)

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

GGL Resources Corp.

Condensed Interim Statements of Cash Flows

Unaudited – Prepared by Management

For the nine months ended August 31,

	Note	**2019**	2018
		$	$
Operating activities			
Loss and comprehensive loss for the period		(202,171)	(364,832)
Adjustments for:			
Share-based payments		-	119,998
Depreciation - general and administrative		31	68
Depreciation - property examination costs		4,100	5,148
(Gain) loss on marketable securities		(15,000)	25,000
Settlement of flow-through premium liability		(11,000)	-
Fair value adjustment on commitment to issue shares		14,313	-
Write-off of mineral property interests		35,923	-
Write-off of property and equipment		275	-
Net change in non-cash working capital items	13	(12,277)	(1,923)
		(185,806)	(216,541)
Financing activities			
Issue of units for cash		386,000	-
Share issue costs		(17,347)	-
		368,653	-
Investing activities			
Proceeds from sale of marketable securities		110,000	-
Exploration incentives received		24,120	-
Deferred exploration and evaluation expenditures		(232,355)	(547,145)
		(98,235)	(547,145)
Increase (decrease) in cash and cash equivalents		**84,612**	(763,686)
Cash and cash equivalents, beginning of period		**211,355**	1,140,174
Cash and cash equivalents, end of period		**295,967**	376,488

Supplemental cash flow information 13

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

1. Nature of operations and going concern

GGL Resources Corp. (the "Company") was incorporated in British Columbia on May 25, 1981 under the provisions of the British Columbia Company Act and has extra territorial registration in the Northwest Territories and Nunavut. The Company is listed on the TSX Venture Exchange (the "Exchange") under the symbol "GGL". The Company's address is 1016 - 510 West Hastings Street, Vancouver, BC, V6B 1L8. The Company's records office and registered address is 1710 - 1177 West Hastings Street, Vancouver, BC, V6E 2L3, Canada.

The Company's principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral property interests are based on costs incurred to date, less impairments, and do not necessarily represent present or future values.

These condensed interim financial statements (the "financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, and historically has relied on property option or sale proceeds, loans and share capital financing to cover its operating expenses.

As at August 31, 2019, the Company had working capital of $266,646 (November 30, 2018 - $260,689) and shareholders' equity of $2,853,080 (November 30, 2018 - $2,660,396). The Company will continue to seek the funding necessary to enable it to carry on as a going concern, but management cannot provide assurance that the Company will be able to raise additional debt and/or equity capital. If the Company is unable to raise additional funds in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended November 30, 2018, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts in these financial statements are presented in Canadian dollars which is the functional currency of the Company.

Certain prior period figures within the statements of loss and comprehensive loss were reclassified to conform to the current period's presentation.

2. Significant accounting policies (continued)

(b) Significant accounting policies

Except as set out below, the accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited financial statements and are those the Company expects to adopt in its financial statements for the year ended November 30, 2019. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

Notably, new accounting standard IFRS 9 - Financial Instruments became effective for the Company on December 1, 2018. However, the Company early adopted and initially applied IFRS 9 retrospectively without restatement of comparative amounts, effective December 1, 2017. As a result, the Company changed its accounting policy for financial assets retrospectively on assets that were recognized at the date of application. The impact to the Company's financial statements was to reclassify its available-for-sale marketable securities to FVTPL, which resulted in a reclassification of $69,999 from accumulated other comprehensive loss to deficit on December 1, 2017. Future changes in the fair value of marketable securities are recorded directly in profit or loss.

(c) Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2019. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

Effective for annual periods beginning on or after January 1, 2019:

- New standard IFRS 16 - *Leases*

  IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. It is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a single, on-balance sheet accounting model that is similar to current finance lease accounting. Leases become an on-balance sheet liability that attract interest, together with a new asset.

  The Company does not have any leases and has initially assessed that there will be no material reporting changes as a result of adopting the new standard.

- New Interpretation IFRIC 23 - *Uncertainty over Income Tax Treatments*

  On June 7, 2017, the IASB issued IFRIC Interpretation 23 - *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019.

  The Company does not expect any material reporting changes on adoption of the Interpretation.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	August 31, 2019	November 30, 2018
	$	$
Cash	75,967	41,355
Guranteed investment certificates	220,000	170,000
	295,967	211,355

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	August 31, 2019	November 30, 2018
	$	$
Sales tax recoverable	10,782	7,906
Other receivables	14,839	24,654
Prepaid expenses	6,694	14,124
	32,315	46,684

As at August 31, 2019, other receivables include accrued British Columbia Mining Exploration Tax Credits of $13,660 (November 30, 2018 - $24,120) relating to the McConnell Creek project (Note 6(a)(vii)).

5. Marketable securities

Marketable securities consist of common shares received on the option of mineral property interests.

During the three months ended August 31, 2019, the Company sold all of its 1,000,000 Silver Range Resources Ltd. (“Silver Range”) common shares to a company controlled by the Company’s CEO for proceeds of $110,000. The Silver Range shares were originally received under an option agreement at a fair value of $200,000. The sale results in a realized loss of $90,000, which is offset by the reversal of prior period unrealized losses, for a net gain of $30,000 for the three months ended August 31, 2019 and $15,000 for the nine months ended August 31, 2019, (unrealized loss of $25,000 for the three months ended August 31, 2018, and unrealized loss of $25,000 for the nine months ended August 31, 2018).

The Company continues to hold 500,000 common shares of a private company at a $1 nominal value, as there is no market or supportable fair value for the shares.

6. Mineral property interests

The Company's mineral property interests consist of exploration stage properties located in Canada (Northwest Territories, Nunavut, and British Columbia).

Changes in the project carrying amounts for the nine months ended August 31, 2019 are summarized as follows:

	December 1, 2018 $	Acquisitions / staking $	Exploration and evaluation, net $	Write-offs $	August 31, 2019 $
Fishback Lake	53,679	-	1,709	-	55,388
CH	633,905	-	44,269	-	678,174
Bishop	218,073	-	2,770	-	220,843
Rhombus	160,189	-	-	-	160,189
Zeus	47,046	-	-	-	47,046
Providence Greenstone Belt	439,681	-	7,793	(35,923)	411,551
Stein	6,460	44,945	93,456	-	144,861
McConnell Creek	736,455	-	32,114	-	768,569
Total	**2,295,488**	**44,945**	**182,111**	**(35,923)**	**2,486,621**

	December 1, 2018 $	Additions $	Write-offs $	August 31, 2019 $
Acquisitions / staking	317,772	44,945	(6,194)	356,523
Exploration and evaluation	1,977,716	182,111	(29,729)	2,130,098
Total	**2,295,488**	**227,056**	**(35,923)**	**2,486,621**

6. Mineral property interests (continued)

Changes in the project carrying amounts for the nine months ended August 31, 2018 are summarized as follows:

	December 1, 2017 $	Acquisitions / staking $	Exploration and evaluation (recovery), net $	August 31, 2018 $
Fishback Lake	51,970	-	1,709	53,679
CH	559,900	-	58,918	618,818
Bishop	14,151	71,138	127,570	212,859
Rhombus	-	51,100	108,213	159,313
Zeus	-	35,398	11,648	47,046
Providence Greenstone Belt	440,839	-	(2,858)	437,981
Stein	-	-	1,700	1,700
McConnell Creek	675,001	5,048	25,855	705,904
Total	**1,741,861**	**162,684**	**332,755**	**2,237,300**

	December 1, 2017 $	Additions $	August 31, 2018 $
Acquisitions / staking	155,088	162,684	317,772
Exploration and evaluation	1,586,773	332,755	1,919,528
Total	**1,741,861**	**495,439**	**2,237,300**

Exploration and evaluation expenditures on the projects for the nine months ended August 31, 2019 and August 31, 2018 consisted of the following:

	August 31, 2019 $	August 31, 2018 $
Assays	10,428	-
Field	39,975	52,348
Labour	65,787	104,258
Survey and consulting	77,891	175,102
Travel and accommodation	1,690	1,047
	195,771	332,755
Less: British Columbia Mining Exploration Tax Credit (Note 6(a)(vii))	(13,660)	-
Total	**182,111**	332,755

6. Mineral property interests (continued)

(a) Wholly-owned projects

(i) Fishback Lake, Northwest Territories, Canada

The Company owns one claim. This claim is a mining lease.

(ii) CH, Northwest Territories, Canada

The Company owns various claims north-northeast of Yellowknife, acquired by staking. These claims include the Starfish, Winterlake North, Winterlake South, BP, Zip and Mill claims, all of which are leases.

(iii) Providence Greenstone Belt ("PGB"), Northwest Territories, Canada

The Company owns 5 claims and 35 leases in the PGB area of the Northwest Territories. The Company has decided not to renew 5 of the leases and accumulated costs of $35,923 have been written-off.

(iv) Bishop, Northwest Territories, Canada

The Company owns 37 claims acquired by staking and 1 lease.

(v) Rhombus, Northwest Territories, Canada

The Company owns 25 claims acquired by staking.

(vi) Zeus, Northwest Territories, Canada

The Company owns 22 claims acquired by staking.

(vii) McConnell Creek, British Columbia, Canada

The Company owns 4 mineral claims in the Omineca Mining Division of British Columbia.

During the nine months ended August 31, 2019, the Company accrued British Columbia Mining Exploration Tax Credit ("BCMETC") recoveries of $13,660 (2018 - $11,081). Additionally, the Company received refundable BCMETC in the amount of $24,120 during the period then ended (2018 - $nil).

6. **Mineral property interests** (continued)

(b) Projects under option

Stein, Nunavut, Canada

During the year ended November 30, 2018, the Company entered into an option agreement with Arctic Star Exploration Corp. ("Arctic Star") to earn a 60% interest in Arctic Star's wholly-owned Stein Diamond Project in Nunavut, Canada. The Stein Diamond Project consists of 4 contiguous prospecting permits on the Southern Boothia Peninsula, NU.

The Company can acquire a 60% undivided interest in the Stein Diamond Project by conducting detailed ground geophysics on high priority airborne targets, discovering kimberlite by drilling, trenching or in outcrop, and by converting prospecting permits to mineral claims by February 1, 2020. Should kimberlite be discovered, a joint venture would be formed with an initial 60/40 contributing relationship. The project has a Class A land use permit that includes drilling.

(c) Other interests

Net Returns Royalty ("NR") – Doyle leases

During the year ended November 30, 2013, the Company sold 9 of its mineral leases and 2 reinstated leases, including Bob Camp, to Kennady Diamonds Inc. ("Kennady"), for $150,000 cash and a retained 1.5% NR on all of the leases, except for one where the Company retains a 0.5% NR. Kennady has the right, at any time prior to commencement of production from the property, to purchase one-third of the NR, for the sum of $2,000,000.

During the year ended November 30, 2016, the Company sold its interest in the remaining 6 Doyle leases to Kennady for $200,000. The Company retains a 0.75% NR on all mineral production from the property. Kennady has the right at any time prior to commencement of production to purchase one-third of the NR, being 0.25%, for the sum of $1,000,000.

(d) License rights

During the nine months ended August 31, 2019, the Company entered into a License Agreement dated December 19, 2018, with an arm's length party (the "Licensee") whereby the Company granted the Licensee the perpetual right and license to access specified data on areas located in the Northwest Territories for cash proceeds of $30,000, which was recorded as license fee income.

7. **Reclamation deposits**

The reclamation deposits are pledged to the Ministry of Energy, Mines and Petroleum Resources of British Columbia and the Government of the Northwest Territories. They are invested in guaranteed investment certificates with one-year terms that automatically renew. Management has determined that the Company has no material reclamation work related to the properties requiring the deposits.

8. **Property and equipment**

	Office furniture $	Exploration equipment $	Total $
Cost			
December 1, 2017, and November 30, 2018	17,879	392,388	410,267
Accumulated depreciation			
December 1, 2017	17,286	358,207	375,493
Depreciation	90	6,865	6,955
November 30, 2018	17,376	365,072	382,448
Cost			
December 1, 2018	17,879	392,388	410,267
Less: equipment written-off	(4,573)	(1,575)	(6,148)
August 31, 2019	**13,306**	**390,813**	**404,119**
Accumulated depreciation			
December 1, 2018	17,376	365,072	382,448
Depreciation	31	4,100	4,131
Less: equipment written-off	(4,363)	(1,510)	(5,873)
August 31, 2019	**13,044**	**367,662**	**380,706**
Net book value			
November 30, 2018	503	27,316	27,819
August 31, 2019	**262**	**23,151**	**23,413**

Depreciation is recorded on the statements of loss and comprehensive loss for the nine months ended August 31, 2019 as $31 (2018 - $68) within general and administrative expenses, and $4,100 (2018 - $5,148) within property examination costs.

9. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the nine months ended August 31, 2019:

(a) On May 28, 2019, the Company completed a private placement consisting of the issue of 4,137,500 non-flow-through units at a price of $0.08 each for gross proceeds of $331,000. Each non-flow-through unit consisted of one common share and one share purchase warrant, with each warrant being exercisable into a common share at an exercise price of $0.15 until May 28, 2022.

The units were issued at a price that exceeded the trading value of the Company's common shares which is a reflection of the residual value of the warrants attached to the private placement units. The residual value of the warrants was determined to be $41,375 and has been recorded as a reduction of share capital and an increase in contributed surplus.

(b) On May 28, 2019, the Company completed a flow-through private placement consisting of the issue of 550,000 flow-through units at a price of $0.10 each for gross proceeds of $55,000. Each unit consisted of one flow-through common share and one share purchase warrant, with each warrant being exercisable into a non-flow-through common share at an exercise price of $0.15 until May 28, 2022.

The flow-through units were issued at a premium to the trading value of the Company's common shares which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $11,000 and was recorded as a reduction of share capital with an offset to flow-through premium liability. The premium was reversed upon the required exploration expenditures being completed and recorded as income on settlement of the flow-through premium liability. A further residual value was allocated to the warrant component of the flow-through units, in the amount of $5,500 and has been recorded as a reduction of share capital and an increase in contributed surplus.

Share issue costs of $17,347 were incurred in respect of the private placements which included legal and filing fees recorded as a reduction to share capital.

Transactions for the issue of share capital during the nine months ended August 31, 2018:

There were no transactions for the issue of share capital during the nine months ended August 31, 2018.

Commitment to issue shares

On June 1, 2019, the Company entered into an Amending Agreement (the "Agreement") with Dave Kelsch Consulting Ltd. ("Dave Kelsch Consulting"), a company controlled by the President and COO of the Company. Pursuant to the Agreement, Dave Kelsch Consulting will receive a consulting fee of $850 per day, of which at least 30% will be paid in cash and the remainder paid in common shares of the Company (Note 11(a)).

The consulting fee is paid/accrued on a monthly basis, and the number of common shares issuable by the Company is calculated at the end of each month during which the consulting services were provided, based on the volume weighted average price of the Company's common shares during such month, minus 50% of the maximum discount permitted by the policies of the Exchange. The common shares are issuable semi-annually, and interest is charged at a rate of 2% per month compounded monthly on unpaid amounts, and is payable in cash. As at August 31, 2019, a total of 391,583 common shares are issuable to Dave Kelsch Consulting.

During the nine months ended August 31, 2019, the Company accrued $37,202 (2018 - $nil), as a commitment to issue shares, including the recognition of a fair value adjustment on commitment to issue shares of $14,313, representing the difference between the period end valuation of the shares issuable by the Company, and the initial recognition of the consulting services rendered of $22,889, which is recorded within mineral property interests (Note 13). As at August 31, 2019, accrued interest expense included within accounts payable and accrued liabilities was $140 (Note 11). All share issuances are subject to regulatory approval, including Exchange acceptance, and will be subject to such hold periods as are required by the Exchange and applicable regulatory authorities.

9. Share capital (continued)

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements.

A summary of the status of the Company's warrants as at August 31, 2019 and November 30, 2018, and changes during the period/year then ended is as follows:

	Nine months ended August 31, 2019		Year ended November 30, 2018	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period/year	-	-	527,000	1.54
Issued	4,687,500	0.15	-	-
Expired	-	-	(527,000)	1.54
Warrants outstanding, end of period/year	**4,687,500**	**0.15**	-	-

As at August 31, 2019, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Weighted average exercise price $	Weighted average remaining life (years)	Expiry date
4,687,500	4,687,500	0.15	2.74	May 28, 2022

9. Share capital (continued)

Stock options

The Company has a Stock Option Plan (the "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 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 Exchange policies.

A participant who is not a consultant conducting investor relations activities, who is granted an option under the plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is a consultant conducting investor relations activities who is granted options under the plan will have their options become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

A summary of the status of the Company's stock options as at August 31, 2019 and November 30, 2018, and changes during the period/year then ended is as follows:

	Nine months ended August 31, 2019		Year ended November 30, 2018	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	#	$	#	$
Options outstanding, beginning of period/year	1,725,000	0.18	1,725,000	0.18
Options outstanding, end of period/year	**1,725,000**	**0.18**	1,725,000	0.18

As at August 31, 2019, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Weighted average exercise price $	Weighted average remaining life (years)	Expiry date
450,000	450,000	0.25	1.25	November 30, 2020
1,275,000	1,275,000	0.15	3.19	November 6, 2022
1,725,000	**1,725,000**	**0.18**	**2.68**	

No stock options were granted during the nine months ended August 31, 2019 or August 31, 2018.

Share-based payment expense is recognized based on the stock options that vested during the period. For the nine months ended August 31, 2019, share-based payment expense was $nil (2018 - $119,998).

Contributed surplus

Contributed surplus is comprised of the accumulated fair value of stock options recognized as share-based payments, the residual value of share purchase warrants attached to unit private placements and share purchase warrants recognized within share issue costs. Contributed surplus is increased by the fair value of these items on vesting and is reduced by corresponding amounts when stock options or share purchase warrants expire, are exercised, or cancelled.

10. Loss per share

The calculation of basic and diluted loss per share for the nine months ended August 31, 2019, is based on the loss attributable to common shareholders of $202,171 (2018 - $364,832) and a weighted average number of common shares outstanding of 23,722,177 (2018 - 22,096,949).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation for the periods presented, as their effect would have been anti-dilutive.

11. Related party payables and transactions

The Company's related parties include key management personnel and Directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

There were no stock options granted to key management personnel and Directors during the nine months ended August 31, 2019 or August 31, 2018.

During the nine months ended August 31, 2019, $nil (2018 - $101,175) was recognized within share-based payment expense on stock options granted to key management personnel and Directors which vested during the period then ended.

As at August 31, 2019, Strategic Metals Ltd. ("Strategic") had a 43.17% interest in the Company (November 30, 2018 - 45.26%). The Company and Strategic have certain common officers, and the large share position of Strategic in the Company gives it control of the Company. During the nine months ended August 31, 2019, Strategic subscribed to 1,562,500 non-flow-through units of the Company pursuant to the private placement completed during the period then ended (Note 9(a)) for gross proceeds of $125,000. In addition, key management personnel and Directors and other related parties subscribed to 2,262,500 non-flow-through units and 450,000 flow-through units of the private placement, for gross proceeds of $226,000.

The Company transacted with the following related parties:

(a) David Kelsch is a Director of the Company, as well as the President and Chief Operating Officer. He controls Dave Kelsch Consulting, which provides the Company with consulting services, as well as technical and professional services. On June 1, 2019, the Company entered into an Amending Agreement with Dave Kelsch Consulting (Note 9).

(b) Douglas Eaton is a Director and the Company's CEO. He is a shareholder of and has significant influence over Archer, Cathro & Associates (1981) Limited ("Archer Cathro"), which is a geological consulting firm. Archer Cathro provides the Company with office space and administrative support. He is also a Director, President and CEO of Strategic.

(c) Glenn Yeadon is a Director and Corporate Secretary of Strategic. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp."), which provides the Company with legal services.

(d) Larry Donaldson is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA") (formerly Donaldson Grassi Chartered Professional Accountants until January 31, 2019), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services. He is also CFO of Strategic.

(e) Drechsler Consulting Ltd. is controlled by Richard Drechsler, who is Vice-President of Communications for Strategic. Drechsler Consulting Ltd. provides the Company with consulting services.

(f) Linda Knight is the Corporate Secretary of the Company.

11. Related party payables and transactions (continued)

The aggregate value of transactions and outstanding balances with related parties are as follows:

		Transactions Nine months ended August 31, 2019	Transactions Nine months ended August 31, 2018	**Balances outstanding August 31, 2019**	Balances outstanding November 30, 2018
		$	$	**$**	$
	Dave Kelsch Consulting				
	- geological services	46,013	110,050	3,124	9,460
(1)	- consulting fees	46,252	35,063	4,116	7,136
		92,265	145,113	7,240	16,596
	Archer Cathro	14,768	16,195	1,800	3,899
(2)	Yeadon Law Corp	24,075	12,840	3,964	5,132
	DBM CPA	24,000	22,800	8,000	11,500
	Drechsler Consulting Ltd.	8,460	7,875	1,229	662
	Linda Knight	50,556	52,763	5,644	3,506
		214,124	257,586	**27,877**	41,295

(1) Transactions for the nine months ended August 31, 2019 include $140 in interest expense (Note 9).
(2) Transactions for the nine months ended August 31, 2019 include $14,753 in share issue costs.

All related party balances are unsecured and are due within thirty days without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) Management, administrative and corporate development fees
- Includes the consulting fees charged to the Company by Dave Kelsch Consulting and a related business.
- Includes the consulting fees charged to the Company by Drechsler Consulting Ltd.
- Includes the accounting and administrative services charged to the Company by Linda Knight.

(b) Office rent
- Includes office rent charged to the Company by Archer Cathro.

(c) Professional fees
- Includes legal services charged to the Company by Yeadon Law Corp.
- Includes the accounting services charged to the Company by DBM CPA.

12. Income taxes

Income tax recovery for the nine months ended August 31, 2019 and August 31, 2018 varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	August 31, 2019 $	August 31, 2018 $
Loss for the period before income taxes	(202,171)	(364,832)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	55,000	99,000
Change in tax resulting from:		
Unrecognized items for tax purposes	1,075	(32,895)
Share issue costs	5,000	-
Tax benefits on losses not recognized	(46,225)	(66,105)
Tax benefits to be renounced on flow-through expenditures	(14,850)	-
Income tax recovery	-	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

	August 31, 2019 $	November 30, 2018 $
Mineral property interests	3,965,000	3,973,000
Marketable securities	3,000	18,000
Property and equipment	140,000	138,000
Non-capital loss carry forwards	1,351,000	1,301,000
Capital losses	13,000	1,000
Share issue costs	5,000	2,000
Unrecognized deferred tax assets	(5,477,000)	(5,433,000)
Net deferred tax assets	-	-

As at August 31, 2019, the Company has non-capital loss carry forwards of approximately $5,005,000 (November 30, 2018 - $4,817,000) which expire between 2026 and 2039.

As at August 31, 2019 the Company has unused capital losses of approximately $98,000 (November 30, 2018 - $8,000), which have no expiry date and can only be used to reduce future income from capital gains.

As at August 31, 2019, the Company has unclaimed resource and other deductions in the amount of approximately $17,173,000 (November 30, 2018 - $17,004,000), which may be deducted against future taxable income.

As at August 31, 2019, the Company has share issue costs totaling approximately $19,000 (November 30, 2018 - $6,000), which have not been claimed for income tax purposes.

As at August 31, 2019, the Company has unused temporary differences in respect of property and equipment totaling approximately $517,000 (November 30, 2018 - $513,000), which have no expiry.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

13. Supplemental cash flow information

Changes in non-cash operating working capital during the nine months ended August 31, 2019 and August 31, 2018, were comprised of the following:

	August 31, 2019 $	August 31, 2018 $
Receivables and prepayments	28,029	79,761
Accounts payable and accrued liabilities	(33,899)	(115,947)
Accounts payable to related parties	(6,407)	34,263
Net Change	**(12,277)**	(1,923)

The Company incurred non-cash financing and investing activities during the nine months ended August 31, 2019 and August 31, 2018, as follows:

	August 31, 2019 $	August 31, 2018 $
Non-cash financing activities:		
Share capital reduced by flow-through share premium	11,000	-
Non-cash investing activities:		
Deferred exploration expenditures included in other receivables	(13,660)	(11,081)
Deferred exploration expenditures included in accounts payable and related party payables	34,139	37,372
Value of commitment to issue shares included in mineral property interests	22,889	-
	43,368	26,291

During the nine months ended August 31, 2019 and August 31, 2018 no amounts were paid for interest or income tax expenses.

14. Financial risk management

Capital management

The Company is a resource exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at August 31, 2019, is comprised of shareholders' equity of $2,853,080 (November 30, 2018 - $2,660,396).

The Company currently has no source of revenues. In order to fund future projects and pay for general and administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral property interests and its ability to borrow or raise additional financing from equity markets (see Note 1).

There were no changes to the Company's capital management approach during the nine months ended August 31, 2019.

14. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, other receivables, marketable securities, reclamation deposits, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of other receivables, accounts payable and accrued liabilities, and accounts payable to related parties, approximate their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
August 31, 2019				
Cash and cash equivalents	295,967	-	-	295,967
Marketable securities	-	-	1	1
Reclamation deposits	76,400	-	-	76,400
	372,367	**-**	**1**	**372,368**
November 30, 2018				
Cash and cash equivalents	211,355	-	-	211,355
Marketable securities	95,000	-	1	95,001
Reclamation deposits	76,400	-	-	76,400
	382,755	-	1	382,756

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and market and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents. All of the Company's cash and cash equivalents are held in a Canadian financial institution, and management believes the exposure to credit risk with respect to such an institution is not significant. The Company has minimal receivable exposure as its refundable tax credits and other receivables are due from Canadian Governments.

(b) Interest rate risk

The Company is not exposed to interest rate risk as it does not hold financial securities or debt that would be impacted by fluctuating interest rates other than its cash and cash equivalents which are subject to variable rates. Fluctuations in market rates would have an insignificant impact on the Company's operations.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due (see Note 1). The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

14. Financial risk management (continued)

(d) Market risk

The Company is not exposed to market risk as it no longer holds publicly traded marketable securities as at August 31, 2019. Based on the August 31, 2018 value of marketable securities, every 10% fluctuation in the share prices of these companies would have had a $13,000 impact on profit or loss for the period before income taxes.

(e) Currency risk

The Company conducts minimal transactions in foreign currencies and currency risk is not considered significant.

15. Commitment

On May 28, 2019, the Company completed a private placement of flow-through units for gross proceeds of $55,000 (Note 9 (b)). As at August 31, 2019, the Company had met its obligation to spend the funds on qualified exploration programs. The Company must renounce the expenditures and available income tax benefits to the flow-through shareholders no later than December 31, 2019.