



GGL RESOURCES CORP.

Condensed Interim Financial Statements
For the three months ended
February 29, 2020
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 February 29, 2020 and November 30, 2019

	Note	February 29, 2020 \$	November 30, 2019 \$
Assets			
Current assets			
Cash and cash equivalents	3	113,975	207,016
Receivables and prepayments	4	36,534	34,574
Marketable securities	5	1	1
		150,510	241,591
Non-current assets			
Mineral property interests	6	2,084,424	2,070,022
Reclamation deposits	7	76,400	76,400
Property and equipment	8	20,934	22,036
Total assets		2,332,268	2,410,049
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		22,521	52,311
Accounts payable to related parties	11	35,276	24,854
Total liabilities		57,797	77,165
Shareholders' equity			
Share capital	9	37,824,929	37,784,747
Contributed surplus	9	226,488	226,488
Commitment to issue shares	9	-	40,182
Deficit		(35,776,946)	(35,718,533)
Total shareholders' equity		2,274,471	2,332,884
Total liabilities and shareholders' equity		2,332,268	2,410,049
Nature of operations and going concern	1		
Subsequent event	15		

Approved on behalf of the Board of Directors on April 29, 2020:

"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 three months ended February 29, 2020 and February 28, 2019

	Number of shares #	Share capital \$	Contributed surplus \$	Commitment to issue shares \$	Deficit \$	Total Shareholders' equity \$
December 1, 2018	22,096,949	37,474,159	179,613	-	(34,993,376)	2,660,396
Loss and comprehensive loss for the period	-	-	-	-	(23,717)	(23,717)
February 28, 2019	22,096,949	37,474,159	179,613	-	(35,017,093)	2,636,679
December 1, 2019	26,784,449	37,784,747	226,488	40,182	(35,718,533)	2,332,884
Shares issued for services	502,273	40,182	-	(40,182)	-	-
Loss and comprehensive loss for the period	-	-	-	-	(58,413)	(58,413)
February 29, 2020	27,286,722	37,824,929	226,488	-	(35,776,946)	2,274,471

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 months ended February 29, 2020 and February 28, 2019

	Note	2020 \$	2019 \$
Expenses			
Depreciation	8	1,102	1,387
General administrative expenses		2,558	6,493
Insurance		4,847	3,967
Investor relations and shareholder information		2,801	-
Management, administrative and corporate development fees	11	22,793	39,422
Office rent	11	4,500	4,500
Professional fees	11	9,627	16,577
Property examination costs		-	452
Transfer agent and filing fees		6,277	6,400
Loss from operating expenses		(54,505)	(79,198)
Interest income		912	555
License fee	6(d)	-	30,000
Gain on marketable securities	5	-	25,000
Write-off of mineral property interests	6	(4,820)	-
Write-off of property and equipment	8	-	(74)
Loss and comprehensive loss for the period		(58,413)	(23,717)
Loss per share			
Weighted average number of common shares outstanding			
- basic #	10	24,800,258	22,096,949
- diluted #	10	24,800,258	22,096,949
Basic loss per share \$	10	(0.00)	(0.00)
Diluted loss per share \$	10	(0.00)	(0.00)

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 three months ended February 29, 2020 and February 28, 2019

	Note	2020 \$	2019 \$
Operating activities			
Loss and comprehensive loss for the period		(58,413)	(23,717)
Adjustments for:			
Depreciation		1,102	1,387
Gain on marketable securities		-	(25,000)
Write-off of mineral property interests		4,820	-
Write-off of property and equipment		-	74
Net change in non-cash working capital items	13	1,103	21,088
		(51,388)	(26,168)
Investing activities			
Deferred exploration and evaluation expenditures		(41,653)	(64,263)
Decrease in cash and cash equivalents		(93,041)	(90,431)
Cash and cash equivalents, beginning of period		207,016	211,355
Cash and cash equivalents, end of period		113,975	120,924
Supplemental cash flow information	13		

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

GGL Resources Corp.

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

For the three months ended February 29, 2020 and February 28, 2019

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 ("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 February 29, 2020, the Company had working capital of \$92,713 (November 30, 2019 - \$164,426) and shareholders' equity of \$2,274,471 (November 30, 2019 - \$2,332,884). 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, 2019, 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 measured at fair value. 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.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

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, 2020. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

(c) New accounting standards

The Company adopted the following accounting standards that are effective for the Company's accounting period beginning on December 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 accordingly, there was no impact to the Company's financial statements as a result of adopting this 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.

There was no impact to the Company's financial statements as a result of adopting this new standard.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	February 29, 2020	November 30, 2019
	\$	\$
Cash	23,975	37,016
Guaranteed investment certificates	90,000	170,000
	113,975	207,016

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	February 29, 2020	November 30, 2019
	\$	\$
Sales tax recoverable	3,907	4,001
Exploration incentives receivable	15,386	14,281
Other receivables	1,639	1,389
Prepaid expenses	15,602	14,903
	36,534	34,574

As at February 29, 2020 and November 30, 2019, exploration incentives receivable comprises British Columbia Mining Exploration Tax Credits 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.

As at February 29, 2020, the Company holds 500,000 common shares of a private company at a \$1 nominal value, as there is no market or supportable fair value for the common shares. There was no gain or loss recognized on the common shares for the period ended February 29, 2020.

During the year ended November 30, 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 common shares were originally received under an option agreement at a fair value of \$200,000. The sale resulted in a realized loss of \$90,000, which is offset by the reversal of prior years’ unrealized losses, for a net gain of \$15,000 for the year ended November 30, 2019. As at February 29, 2020 and November 30, 2019, the Company did not hold any Silver Range common shares.

During the three months ended February 28, 2019, the Company recorded an unrealized gain on its formerly held Silver Range common shares in the amount of \$25,000. The valuation of the Silver Range common shares and resulting gain were determined in whole by reference to the bid price of the shares on the Exchange at the period then ended.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

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 three months ended February 29, 2020 is summarized as follows:

	December 1, 2019	Exploration and evaluation, net	Write-offs	February 29, 2020
	\$	\$	\$	\$
Fishback Lake	-	2,205	(2,205)	-
CH	750,323	9,789	-	760,112
Bishop	235,231	2,034	-	237,265
Rhombus	164,166	-	-	164,166
Providence Greenstone Belt	-	2,615	(2,615)	-
Stein	150,285	-	-	150,285
McConnell Creek	770,017	2,579	-	772,596
Total	2,070,022	19,222	(4,820)	2,084,424

	December 1, 2019	Additions, net	Write-offs	February 29, 2020
	\$	\$	\$	\$
Acquisitions / staking	311,185	-	-	311,185
Exploration and evaluation	1,758,837	19,222	(4,820)	1,773,239
Total	2,070,022	19,222	(4,820)	2,084,424

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

6. Mineral property interests (continued)

Changes in the project carrying amounts for the three months ended February 28, 2019 is summarized as follows:

	December 1, 2018 \$	Reclassification \$	Exploration and evaluation, net \$	February 28, 2019 \$
Fishback Lake	53,679	-	1,709	55,388
CH	633,905	64,440	-	698,345
Bishop	218,073	-	-	218,073
Rhombus	160,189	-	-	160,189
Zeus	47,046	-	-	47,046
Providence Greenstone Belt	439,681	(64,440)	7,200	382,441
Stein	6,460	-	-	6,460
McConnell Creek	736,455	-	22,425	758,880
Total	2,295,488	-	31,334	2,326,822

	December 1, 2018 \$	Additions, net \$	February 28, 2019 \$
Acquisitions / staking	317,772	-	317,772
Exploration and evaluation	1,977,716	31,334	2,009,050
Total	2,295,488	31,334	2,326,822

Exploration and evaluation expenditures on the projects for the three months ended February 29, 2020 and February 28, 2019, consisted of the following:

	February 29, 2020 \$	February 28, 2019 \$
Assays	6,516	10,428
Field	4,763	9,001
Labour	9,048	21,476
	20,327	40,905
Less: British Columbia Mining Exploration Tax Credit (Note 6(a)(vii))	(1,105)	(9,571)
Total	19,222	31,334

GGL Resources Corp.

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

For the three months ended February 29, 2020 and February 28, 2019

6. Mineral property interests (continued)

(a) Wholly-owned projects

(i) Fishback Lake, Northwest Territories, Canada

The Company owns one claim in the form of a mining lease.

During the three months ended February 29, 2020, a write-off of \$2,205 (year ended November 30, 2019 - \$55,388) was recorded against the Fishback Lake project as the Company has no current or future budgeted exploration programs in place for this project.

(ii) CH, Northwest Territories, Canada

The Company owns various claims north-northeast of Yellowknife, acquired by staking. These claims include the Starfish, Winterlake North, BP, and Zip claims, all but 4 claims are leases.

During the three months ended February 28, 2019, the Company reclassified cumulative exploration costs of \$64,440 in connection with certain Zip claims that were previously recorded within the Providence Greenstone Belt project, as discussed below.

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

The Company owns 2 leases in the PGB area of the Northwest Territories.

During the three months ended February 29, 2020, a write-off of \$2,615 (year ended November 30, 2019 - \$383,034) was recorded against the PGB project as the Company has allowed certain leases to lapse without renewal, and there are no current or future budgeted exploration programs in place for this project.

Additionally, during the three months ended February 28, 2019, the Company reclassified cumulative exploration costs of \$64,440 from the PGB project to the CH project, representing historical costs incurred on certain Zip claims which otherwise make up a portion of the CH project.

(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.

During the year ended November 30, 2019, a write-off of \$47,046 was recorded against the Zeus project as the Company has no current or future budgeted exploration programs in place for this project.

(vii) McConnell Creek, British Columbia, Canada

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

During the three months ended February 29, 2020, the Company accrued British Columbia Mining Exploration Tax Credit ("BCMETS") recoveries of \$1,105 (2019 - \$9,571) (Note 4).

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

6. Mineral property interests (continued)**(b) Projects under option**

Stein, Nunavut, Canada

The Company has an option agreement with Arctic Star Exploration Corp. (“Arctic Star”) whereby it can 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. Upon discovery of kimberlite, 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 year ended November 30, 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.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

8. Property and equipment

	Office furniture \$	Exploration equipment \$	Total \$
<u>Cost</u>			
December 1, 2018	17,879	392,388	410,267
Less: property and equipment written-off	(4,573)	(1,575)	(6,148)
November 30, 2019	13,306	390,813	404,119
<u>Accumulated depreciation</u>			
December 1, 2018	17,376	365,072	382,448
Depreciation	40	5,468	5,508
Less: property and equipment written-off	(4,363)	(1,510)	(5,873)
November 30, 2019	13,053	369,030	382,083
<u>Cost</u>			
December 1, 2019	13,306	390,813	404,119
February 29, 2020	13,306	390,813	404,119
<u>Accumulated depreciation</u>			
December 1, 2019	13,053	369,030	382,083
Depreciation	8	1,094	1,102
February 29, 2020	13,061	370,124	383,185
<u>Net book value</u>			
November 30, 2019	253	21,783	22,036
February 29, 2020	245	20,689	20,934

There was no write-off of property and equipment incurred during the three months ended February 29, 2020. During the three months ended February 28, 2019, a write-off of property and equipment of \$74 was recorded.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

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 three months ended February 29, 2020:

- On January 3, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting Ltd. with a fair value of \$40,182, in settlement of \$38,063 in consulting fees as described below.

Transactions for the issue of share capital during the three months ended February 28, 2019:

There were no transactions for the issue of share capital during the three months ended February 28, 2019.

Commitment to issue shares

On June 1, 2019, the Company entered into a six month Amending Agreement (the "Agreement") with Dave Kelsch Consulting Ltd. ("Dave Kelsch Consulting"), a company controlled by the President and COO of the Company, whereby Dave Kelsch Consulting agreed to a consulting fee of \$850 per day, of which at least 30% would be paid by cash and the remainder paid in common shares of the Company (Notes 11(a)). The Agreement expired on December 31, 2019, and was not renewed.

As at and for the three months ended February 29, 2020, there was no accrual for commitment to issue shares.

The consulting fee was paid/accrued on a monthly basis, and the number of common shares issuable by the Company was 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 were issuable semi-annually, and interest was charged at a rate of 2% per month compounded monthly on unpaid amounts and is payable in cash.

As at November 30, 2019, a total of 502,273 common shares were accrued and issuable to Dave Kelsch Consulting with a fair value of \$40,182, in settlement of \$38,063 in consulting fees, of which \$20,895 was recorded within mineral property interests. The common shares were issued to Dave Kelsch Consulting on January 3, 2020.

During the three months ended February 29, 2020, the Company incurred \$820 in interest expense to Dave Kelsch Consulting (Note 11), of which \$nil was included within accounts payable and accrued liabilities as at February 29, 2020 (November 30, 2019 - \$1,636 was included in accounts payable and accrued liabilities).

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

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 February 29, 2020 and November 30, 2019, and changes during the period/year then ended is as follows:

	Three months ended February 29, 2020		Year ended November 30, 2019	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	4,687,500	0.15	-	-
Issued	-	-	4,687,500	0.15
Warrants outstanding, end of period/year	4,687,500	0.15	4,687,500	0.15

As at February 29, 2020, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Weighted average remaining life (years)	Expiry date
4,687,500	4,687,500	0.15	2.24	May 28, 2022

GGL Resources Corp.

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

For the three months ended February 29, 2020 and February 28, 2019

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 February 29, 2020 and November 30, 2019, and changes during the period/year then ended is as follows:

	Three months ended February 29, 2020		Year ended November 30, 2019	
	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 February 29, 2020, 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
(1)	50,000	50,000	0.25	0.14	April 21, 2020
(1)	125,000	125,000	0.15	0.14	April 21, 2020
	400,000	400,000	0.25	0.75	November 30, 2020
	1,150,000	1,150,000	0.15	2.69	November 6, 2022
	1,725,000	1,725,000	0.18	1.98	

(1) These stock options subsequently expired unexercised.

No stock options were granted during the three months ended February 29, 2020 or February 28, 2019.

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.

GGL Resources Corp.

Notes to the Condensed Interim Financial Statements

Unaudited – Prepared by Management

For the three months ended February 29, 2020 and February 28, 2019

10. Loss per share

The calculation of basic and diluted loss per share for the three months ended February 29, 2020, is based on the loss attributable to common shareholders of \$58,413 (2018 - \$23,717) and a weighted average number of common shares outstanding of 24,800,258 (2019 – 22,096,949).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation for the years 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 three months ended February 29, 2020 or February 28, 2019.

As at February 29, 2020, Strategic Metals Ltd. ("Strategic") had a 42.37% interest in the Company (November 30, 2019 - 43.17%). 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 year ended November 30, 2019, Strategic subscribed to 1,562,500 non-flow-through units of the Company pursuant to the private placement completed during the year then ended 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 which expired on December 31, 2019 (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.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

11. Related party payables and transactions (continued)

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

	Transactions Three months ended February 29, 2020 \$	Transactions Three months ended February 28, 2019 \$	Balances outstanding February 29, 2020 \$
Dave Kelsch Consulting			
- geological services	5,525	1,700	2,700
(1) - consulting fees	6,368	20,613	2,101
	<u>11,893</u>	<u>22,313</u>	<u>4,801</u>
Archer Cathro	4,519	4,564	1,834
Yeadon Law Corp	1,070	8,560	1,342
DBM CPA	8,000	8,000	20,000
Drechsler Consulting Ltd.	2,880	3,015	1,229
Linda Knight	14,388	15,794	6,070
	<u>42,750</u>	<u>62,246</u>	<u>35,276</u>

(1) Transactions for the three months ended February 29, 2020 include \$820 in interest expense (Note 9) (2019 - \$nil).

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.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

12. Income taxes

Income tax recovery for the three months ended February 29, 2020 and February 28, 2019 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:

	February 29, 2020	February 28, 2019
	\$	\$
Loss for the period before income taxes	(58,413)	(23,717)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	16,000	6,000
Change in tax resulting from:		
Unrecognized items for tax purposes	-	4,000
Tax benefits on losses not recognized	(16,000)	(10,000)
Income tax recovery	-	-

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

	February 29, 2020	November 30, 2019
	\$	\$
Mineral property interests	4,093,000	4,088,000
Marketable securities	3,000	3,000
Property and equipment	140,000	140,000
Non-capital loss carry forwards	1,384,000	1,371,000
Capital losses	13,000	13,000
Share issue costs	4,000	5,000
Unrecognized deferred tax assets	(5,637,000)	(5,620,000)
Net deferred tax assets	-	-

As at February 29, 2020, the Company has non-capital loss carry forwards of approximately \$5,125,000 (November 30, 2019 - \$5,076,000) which expire between 2026 and 2040.

As at February 29, 2020 the Company has unused capital losses of approximately \$99,000 (November 30, 2019 - \$99,000), which have no expiry date and can only be used to reduce future income from capital gains.

As at February 29, 2020, the Company has unclaimed resource and other deductions in the amount of approximately \$17,245,000 (November 30, 2019 - \$17,212,000), which may be deducted against future taxable income.

As at February 29, 2020, the Company has share issue costs totaling approximately \$16,000 (November 30, 2019 - \$18,000), which have not been claimed for income tax purposes.

As at February 29, 2020, the Company has unused temporary differences in respect of property and equipment totaling approximately \$520,000 (November 30, 2019 - \$519,000), which have no expiry.

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

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

13. Supplemental cash flow information

Changes in non-cash operating working capital during the three months ended February 29, 2020 and February 28, 2019, were comprised of the following:

	February 29, 2020	February 28, 2019
	\$	\$
Receivables and prepayments	(855)	5,294
Accounts payable and accrued liabilities	(6,137)	(8,930)
Accounts payable to related parties	8,095	24,724
Net Change	1,103	21,088

The Company incurred non-cash financing and investing activities during the three months ended February 29, 2020 and February 28, 2019, as follows:

	February 29, 2020	February 28, 2019
	\$	\$
Non-cash financing activities:		
Re-allocated to share capital on issuance for commitment to issue shares	40,182	-
Non-cash investing activities:		
Deferred exploration expenditures included in exploration incentives receivable	(15,386)	(33,691)
Deferred exploration expenditures included in accounts payable and related party payables	3,251	1,189
	(12,135)	(32,502)

During the three months ended February 29, 2020, the Company paid \$2,456 in interest expense (Note 9) (2019 - \$nil). During the three months ended February 29, 2020 and February 28, 2019, no amounts were paid for 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 February 29, 2020, is comprised of shareholders' equity of \$2,274,471 (November 30, 2019 - \$2,332,884).

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 three months ended February 29, 2020.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

14. Financial risk management (continued)**Financial instruments - fair value**

The Company's financial instruments consist of cash and cash equivalents, exploration incentives receivable, other receivables, marketable securities, reclamation deposits, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of exploration incentives receivable, 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
	\$	\$	\$	\$
February 29, 2020				
Cash and cash equivalents	113,975	-	-	113,975
Marketable securities	-	-	1	1
Reclamation deposits	76,400	-	-	76,400
	190,375	-	1	190,376
November 30, 2019				
Cash and cash equivalents	207,016	-	-	207,016
Marketable securities	-	-	1	1
Reclamation deposits	76,400	-	-	76,400
	283,416	-	1	283,417

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 exploration incentives receivable 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.

GGL Resources Corp.**Notes to the Condensed Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended February 29, 2020 and February 28, 2019

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 February 29, 2020. During the three months ended February 28, 2019, the Company was exposed to market risk relating to its holdings of Silver Range common shares. For every 10% fluctuation in the share price of these common shares, profit or loss would have been impacted, up or down, by approximately \$12,000 before income taxes during the three months ended February 28, 2019.

(e) Currency risk

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

15. Subsequent event

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.