



**GGL** RESOURCES CORP.

***MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE SIX MONTHS ENDED  
MAY 31, 2020***

***REPORT DATE: JULY 30, 2020***

# **GGL RESOURCES CORP.**

## **Management's Discussion and Analysis ("MD&A")**

### **FOR THE SIX MONTHS ENDED MAY 31, 2020 INFORMATION AS OF JULY 29, 2020 UNLESS OTHERWISE STATED**

The following discussion of the results of operations and financial condition of GGL Resources Corp. ("GGL" or the "Company") for the six months ended May 31, 2020 should be read in conjunction with GGL's May 31, 2020 condensed interim financial statements and the November 30, 2019 annual audited financial statements, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website [www.gglresourcescorp.com](http://www.gglresourcescorp.com). The information reported within this MD&A includes events taking place up to and including July 29, 2020, unless otherwise stated.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this MD&A, is complete and reliable.

#### **FORWARD-LOOKING STATEMENTS**

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "advance", "expects", "plans", "anticipates", "believes", "intends", "allocated", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or are "subject to" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

#### **COMPANY OVERVIEW**

GGL is in the business of exploration and evaluation of its mineral properties located in Canada. As at May 31, 2020, the Company had working capital of \$147,047 (November 30, 2019 – \$164,426) and an accumulated deficit of \$35,799,607 (November 30, 2019 - \$35,718,533). The Company has incurred losses in all years of its operations and expects to incur losses for the foreseeable future. There can be no assurance that the Company will operate profitably in the future, if at all.

## **MANAGEMENT AND BOARD OF DIRECTORS**

The following change to the board of directors occurred during the six months ended May 31, 2020:

Mr. Nick DeMare resigned as a director effective January 22, 2020. The Board now consists of:

- Mr. Eaton, Mr. Barclay, Ms. Flavelle, Mr. Kelsch and Mr. Turner.

Management comprises of the following:

- W. Douglas Eaton is Chief Executive Officer (“CEO”), David Kelsch is President and Chief Operating Officer (“COO”), Larry Donaldson is Chief Financial Officer (“CFO”), and Linda Knight is Corporate Secretary.

## **EXPLORATION PROJECTS (information up to the date of this MD&A)**

### **CH Project (ZIP Diamond Property), Northwest Territories (wholly-owned)**

The CH Project includes the 100% owned ZIP diamond property which encompasses 13 leases and 4 mineral claims totaling 11,215 hectares. Previous exploration campaigns by the Company have returned esker and till samples results of up to 250 and 100 kimberlitic indicator mineral grains per sample, respectively. The presence of preserved kelyphitic rims on some garnets is suggestive of a low transport distance indicating a proximal source. This in conjunction with diamond inclusion chemistry bolsters the potential for the ZIP property to host a new diamondiferous kimberlite field.

The compelling kimberlitic indicator mineral results are complimented by a low-level helicopter Resolve™ airborne magnetic and electromagnetic survey over the ZIP property. This airborne geophysical data, collected in an earlier program, is very high resolution at 50-meter flight line spacing and an average sensor height of 20 meters.

During the summer of 2019, the Company conducted field work on its ZIP diamond property. The field work was a collaborative effort between GGL and the Northwest Territories Geological Survey (“NTGS”). The program was fully funded by the NTGS’s Slave Geological Province Exploration Development Initiative (“SGPEDI”) which is chiefly funded by the Canadian Northern Economic Development Agency’s Strategic Investments in Northern Economic Development (“SINED”) program with GGL providing support and a base of operations at its all season ZIP camp which has an active Class ‘A’ land use permit. The NTGS sponsored work at ZIP included the collection of 123 esker and till samples.

These samples contain kimberlitic indicator minerals (KIMs) including garnet, ilmenite, chromite and chrome diopside of up to 75 total grains per sample (standardized to 20 kg). In addition, several samples contain garnet with preserved kelyphitic coating. This soft, grain surface material is readily abraded in glacial environments and when present, is suggestive of a low transport distance indicating a proximal source. These recent results have built on GGL’s existing property dataset from earlier sampling campaigns in areas of high interest, adding further refinement and bolstering confidence that the KIMs are locally sourced. This, in conjunction with previous analytical results showing diamond inclusion mineral chemistry suggests that ZIP has potential to host a new diamondiferous kimberlite field.

The project is fully permitted for drilling with a Class ‘A’ land use permit and hosts the ZIP all season camp centrally located on the property within 3 kilometers of the high interest areas. The Company will proceed with additional airborne geophysical target evaluation and selection in conjunction with the new KIM results.

No work was conducted during the quarter.

**Bishop Project, Northwest Territories (wholly-owned)**

The 100% owned Bishop property is 30,707 hectares of which 29,680 hectares (37 claims) were acquired by staking in winter 2018 as an expansion to the mining lease held by the Company which contains the diamondiferous Bishop kimberlite discovered in 2006. The property is centered 55 km SSW of the Ekati Diamond Mine and 40 km SW of the Diavik Diamond Mine. It is on trend with the economic diamond deposits of the Ekati Diamond Mine.

This region of Lac de Gras was extensively explored by the Company over a decade ago and included multiple seasons of exploration campaigns. Detailed airborne geophysics and heavy mineral sampling dominated the work. High resolution ground geophysical surveys, followed up on airborne targets prioritized by indicator mineral results. This work resulted in the discovery of the Bishop kimberlite which returned 11 diamonds from the initial 78.2 kilogram sample. Further review of the Bishop data suggests that additional drilling is required to thoroughly evaluate the geology, geometry and diamond distribution throughout the kimberlite as additional phases may be present.

A large gravity anomaly proximal to Bishop was subsequently tested with several short reverse circulation drill holes. This drilling intercepted a small amount of kimberlite. Further ground geophysics followed by core drilling is required to determine the size and potential grade of this kimberlite discovery.

The remainder of the property contains numerous high priority targets identified in previous exploration campaigns conducted by the Company. The world economic crisis of 2008 essentially eliminated access to capital for exploration companies and as a result the Company was not able to move these targets forward to drill evaluation. The Company plans to continue its target evaluation process which has been on hold since then.

In addition to the reacquisition of historic Company targets in the Bishop staking campaign, the Company was also successful in acquiring the Courageous kimberlite located in the south of the new land tenure. The Courageous kimberlite, initially identified in 2005, was further advanced with core drilling in 2008 by Consolidated Global Diamond Corp. ("CK"). The Company's review of public domain data and news releases identified this historic discovery as open ground. The Courageous kimberlite geophysical anomaly is described by CK as being a coincident magnetic and resistivity anomaly. CK announced drilling into sediments containing various amounts of tuffaceous kimberlite rocks. The crater sediments are further described as occupying a sub circular area of approximately 1,100 meters. Drilling difficulties prevented CK from penetrating beyond the crater sediments and fully evaluating the potential diatreme below. A 78.4 kg sample of the sediments returned eight micro-diamonds indicating the kimberlite source rocks are diamond bearing.

In May 2018, the Company conducted a ground geophysical program on the Bishop property prior to spring break-up.

The ground geophysical program was successful in identifying a number of compelling geophysical targets near the Bishop kimberlite as well as defining a robust gravity anomaly at the Courageous kimberlite that measures 800 meters by 600 meters and is characterized by a 0.5 milligal ("mGal") gravity low.

Two earlier drill campaigns focusing at the Bishop kimberlite have shown it to be a complex body with multiple intercepts across a 250 meter by 160 meter area. The 2018 geophysical program has identified new high priority targets with potential of adding additional kimberlite discoveries as stand-alone bodies or additional phases to the Bishop kimberlite complex.

No work was conducted during the quarter.

**Rhombus Project, Northwest Territories (wholly-owned)**

The 100% owned Rhombus property was acquired by staking in winter 2018 and lies 40 kilometers northwest of the Ekati Diamond Mine and consists of 25 mineral claims covering 21,336 hectares. This strategic location exploits an apparent periodicity in the Ekati and Diavik economic trends further supported by the nearly one carat per tonne large DO-27 kimberlite resource controlled by Peregrine Diamonds Ltd.

Rhombus contains 4 kimberlites discovered in the early 1990s, all of which are diamond bearing. A review of data in the public domain suggests there is the potential for additional unidentified kimberlite bodies.

In May 2018, the Company conducted a ground geophysical program on the Rhombus property prior to spring break-up.

The ground geophysical surveys were focused in and around the diamondiferous Torrie, Sue and Sputnik kimberlites discovered in the 1990s. Historically, gravity was not a widely used kimberlite exploration tool and GGL believes the 2018 gravity program may be the first in this area. The Rhombus survey identified a 0.35 mGal gravity low target measuring over 150 meters in diameter located 600 meters north of the Torrie kimberlite in a moderate size lake. The anomaly is open to the north requiring additional surveying to close it off.

No work was conducted during the quarter.

**McConnell Creek Project, British Columbia (wholly-owned)**

The 100% owned McConnell Creek Project is located 400 km northwest of Prince George and 15 km southeast of the Kemess open pit copper-gold mine in British Columbia. The property is comprised of 7,549 hectares of mineral claims encompassing a 12 km long *Gold Target* hosted within a shear zone. In addition, a structurally controlled alkaline porphyry *Copper Target* with copper-gold-silver has been identified.

In Q3 of 2018, the Company conducted a 1-week field review of the property with a focus on select soil sampling, rock sampling and a review of historic core stored on site. A total of 72 soils and 44 rock samples were taken. All soils and rock samples were analyzed by Ultratrace 1-Aqua Regia-ICP/MS\*.

Isolated auger sampling in the *Gold Target* over known anomalous areas verified the presence of gold (as high as 8.93 g/mt in Au +100 mesh by FA-MeT\*\*). Rock sampling verified gold as high as 6.87 g/tonne (FA-GRAV\*\*\*) in oxidized fractures cross-cutting quartz-iron carbonate veins with pyrite +/- tetrahedrite. Select character sampling of the historic drill core returned gold values as high as 59.2 g/tonne (FA-GRAV\*\*\*) from oxidized fractures.

The *Copper Target* review focussed on soil sampling along historical Induced Polarization lines along paleo-terraces with mixed gravel and fines as well as rock sampling of known showings over a distance of 600 metres. This investigation defined a potassic-altered monzonite intrusion hosting supergene and hypogene copper-gold-silver mineralization along multi-oriented fractures, centreline to earlier veins as well as in later stage, quartz-sericite-limonite hydrothermal breccias. These narrow high-grade breccias can be traced for a distance of 600 metres and then are lost under cover. All rock samples taken in the copper target were anomalous in copper (from 0.25% to as high as 20.1% Cu) by 4Acid-ICP-OES \*\*\*\*, gold (from 1210 ppb to 4010 ppb Au) by FA-AA\*\*\*\*\* and silver (from 5.02 to 67.1 ppm Ag) by AR-MS\*.

Exploration work on the property qualifies for a BC Mining Exploration Tax Credit.

No work was conducted during the quarter.

*Footnote:**AR-MS\* = Ultratrace I - Aqua Regia-ICP-MS**FA-MeT\*\* = Fire Assay Metallic Screen**FA-GRAV\*\*\* = Fire Assay Gravimetric**4Acid-ICP-OES\*\*\*\* = Four Acid Near Total Digestion**FA-AA\*\*\*\*\* = Fire Assay Atomic Absorption***Stein Project, Nunavut (under option)**

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 (“Stein”) consists of 19 mineral claims covering an area of 23,750 hectares on the Southern Boothia Peninsula, 45 kilometers from tide water. The property is located 85 kilometers northwest of the community of Taloyoak, Nunavut which is serviced daily by commercial flights and seasonally by barge.

The Company can acquire a 60% undivided interest in Stein by conducting detailed ground geophysics on high priority airborne targets (completed), discovering kimberlite by drilling, trenching or in outcrop, and by converting prospecting permits to mineral claims (completed). 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 which includes drilling.

Stein is an advanced diamond exploration project having the benefit of numerous successive exploration campaigns and over \$1,500,000 in previous exploration expenditures. This historic work included multiple seasons of heavy mineral sampling in which kimberlitic indicator minerals were followed in the up-ice direction to a region believed to be the source area. This area was subsequently flown with detailed airborne magnetic surveys. No kimberlite drill testing has been conducted on the project to date.

The indicator mineral suite contains grains that are indicative of diamond inclusion chemistry showing high chrome, low calcium G10D pyrope garnets. The detailed airborne magnetic surveys have identified numerous high priority targets that have signatures similar in characteristics to kimberlites found elsewhere in Canada’s north. The Stein project is further complimented with the existence of a major structural feature identified on regional government airborne magnetic surveys which is greater than 100 kilometers in length and traverses the area of the project containing the high priority targets. In fields elsewhere, kimberlites can be geologically observed exploiting larger structural features utilizing them as conduits for emplacement.

The nearest known kimberlite discovery is over 230 kilometers to the southeast and perpendicular to the regional ice flow direction. The distance and direction greatly reduce the potential for the Stein mineral grains being an overprint from this field.

In July 2019, the Company completed ground geophysical magnetic surveys over high priority airborne targets. The Company’s detailed ground magnetic survey program has delineated a number of very compelling targets that are consistent with magnetic signatures over known kimberlites which have intruded through Cambrian-Devonian age Arctic Platform carbonate rocks at parallel latitudes elsewhere in Canada’s north. Similar geology is found on the Stein project.

A broad range of kimberlite like signatures were defined during the surveys which further bolsters the possibility of Stein delivering a new kimberlite field. Many known kimberlite fields exhibit a variety of magnetic responses which represent kimberlites intruding under varied circumstances and conditions. These signatures range from isolated magnetic highs to strong dipolar features to elongate dyke-like responses. The Stein project has delivered all three of these emplacement style signatures including a large isolated magnetic high approximately 200 meters in diameter, multiple strong, discrete dipolar signatures as well as an elongate dyke-like signature over 800 meters in length.

The Company considers many of these targets drill ready with the potential for the Stein project to deliver a new diamondiferous kimberlite district.

No work was conducted during the quarter.

### **Other Interests - Diamond Royalties**

#### *Doyle leases*

The Company maintains two diamond royalties on the Doyle mineral leases sold to Kennady Diamonds Inc. (“KDI”) in 2013 and 2016. In April 2018, KDI was acquired by Mountain Province Diamonds Inc. (“MPVD”) and as such the leases are controlled by MPVD. De Beers Canada Inc. and MPVD are 51%/49% joint owners in the Gahcho Kue Diamond Mine, Northwest Territories, Canada.

During the year ended November 30, 2013, the Company sold 9 of its mineral leases and 2 reinstated leases, including Bob Camp, to KDI, for \$150,000 cash and a retained 1.5% Net Returns Royalty (“NR”) on all the leases, except for one where the Company retains a 0.5% NR. KDI 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 six leases to KDI for \$200,000. The Company retains a 0.75% NR on all mineral products produced from the property. KDI has the right at any time prior to commencement of production from the property to purchase one-third (1/3) of the NR, being 0.25%, for the sum of \$1,000,000.

### **QUALIFIED PERSON**

The Company’s exploration programs are directed by David Kelsch, P.Geo., the President of the Company, who is a “qualified person” as defined by National Instrument 43-101 and who also prepared and approved the scientific and technical information contained in this MD&A.

### **OVERALL PERFORMANCE / RESULTS OF OPERATIONS**

#### **Three months ended May 31, 2020 compared to three months ended May 31, 2019**

The Company incurred a loss and comprehensive loss of \$40,654 for the three months ended May 31, 2020 compared to \$109,977 for the three months ended May 31, 2019 (a decrease of 63%). Loss and comprehensive loss is comprised of the following:

<b>Three months ended</b>			
	<b>May 31, 2020</b>	May 31, 2019	Change
	\$	\$	\$
<b>Expenses</b>			
Depreciation	1,102	1,363	(261)
General administrative expenses	4,118	5,227	(1,109)
Insurance	4,847	4,022	825
Investor relations and shareholder information	2,859	4,623	(1,764)
Management, administrative and corporate development fees	10,310	38,088	(27,778)
Office rent	4,500	4,500	-
Professional fees	10,142	7,233	2,909
Property examination costs	525	2,414	(1,889)
Transfer agent and filing fees	2,621	2,711	(90)
<b>Loss from operating expenses</b>	<b>(41,024)</b>	<b>(70,181)</b>	<b>29,157</b>
Interest income	390	405	(15)
License fee	-	-	-
Loss on marketable securities	-	(40,000)	40,000
Write-off of mineral property interests	(20)	-	(20)
Write-off of property and equipment	-	(201)	201
<b>Loss and comprehensive loss for the period</b>	<b>(40,654)</b>	<b>(109,977)</b>	<b>69,323</b>

A discussion of the most significant components of loss and comprehensive loss during the three months ended May 31, 2020 is as follows:

- Management, administrative and corporate development fees decreased as a result of cost saving measures and only the minimum of work was performed during the three months in 2020 compared to 2019. In 2019 management spent time on seeking financing for the Company.
- Professional fees are for legal, audit and accounting fees charged by the Yeadon Law Corp., Davidson & Company LLP (2019), D+H Group LLP (2018), and Donaldson Brohman Martin CPA Inc. (formerly, Donaldson Grassi), respectively (see “Related Party Disclosures”). Overall costs increased in 2020 due to higher legal fees.



**Six months ended May 31, 2020 compared to six months ended May 31, 2019**

Exploration and evaluation expenditures on the projects for the six months ended May 31, 2020 and May 31, 2019 consisted of the following:

	Six months ended		
	May 31,	May 31,	Change
	2020	2019	
	\$	\$	\$
<b>Expenses</b>			
Depreciation	2,204	2,753	(549)
General administrative expenses	6,676	11,737	(5,061)
Insurance	9,694	7,989	1,705
Investor relations and shareholder information	5,660	4,623	1,037
Management, administrative and corporate development fees	33,103	77,510	(44,407)
Office rent	9,000	9,000	-
Professional fees	19,769	23,810	(4,041)
Property examination costs	525	2,846	(2,321)
Transfer agent and filing fees	8,898	9,111	(213)
<b>Loss from operating expenses</b>	<b>(95,529)</b>	<b>(149,379)</b>	<b>53,850</b>
Interest income	1,302	960	342
License fee	-	30,000	(30,000)
Loss on marketable securities	-	(15,000)	15,000
Write-off of mineral property interests	(4,840)	-	(4,840)
Write-off of property and equipment	-	(275)	275
<b>Loss and comprehensive loss for the period</b>	<b>(99,067)</b>	<b>(133,694)</b>	<b>34,627</b>

Changes in the project carrying amounts on the Company's mineral property interests for the six months ended May 31, 2020 are summarized as follows:

	December 1, 2019	Exploration and evaluation, net	Write-offs	May 31, 2020
	\$	\$	\$	\$
Fishback Lake	-	2,205	(2,205)	-
CH	750,323	10,001	-	760,324
Bishop	235,231	2,034	-	237,265
Rhombus	164,166	-	-	164,166
Providence Greenstone Belt	-	2,635	(2,635)	-
Stein	150,285	425	-	150,710
McConnell Creek	770,017	3,472	-	773,489
<b>Total</b>	<b>2,070,022</b>	<b>20,772</b>	<b>(4,840)</b>	<b>2,085,954</b>

The Company reported a loss and comprehensive loss of \$99,067 for the six months ended May 31, 2020 compared to \$133,694 for the six months ended May 31, 2019 (a decrease of 26% from 2019 to 2020). The most significant fluctuations in the components of loss and comprehensive loss were as follows:

- Management, administrative and corporate development fees decreased as a result of cost saving measures and only the minimum of work was performed during the six months ended May 31, 2020 compared to 2019. In 2019 management spent time on seeking financing for the Company.

- Professional fees are for legal, audit and accounting fees charged by the Yeadon Law Corp., Davidson & Company LLP (2019), D+H Group LLP (2018), and Donaldson Brohman Martin CPA Inc. (formerly, Donaldson Grassi), respectively (see “Related Party Disclosures”). Overall costs decreased in 2020 due to lower legal fees. Costs for legal fees during the six months ended May 31, 2019 included fees for the preparation of an amending agreement for the Doyle Royalties and an amendment to the President’s Services Agreement.
- Write-off of mineral property interests:
  - During the six months ended May 31, 2020, a write-off of \$2,205 was recorded against the Fishback Lake project as the Company has no current or future budgeted exploration programs in place for this project; and
  - During the six months ended May 31, 2020, a write-off of \$2,635 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.

### **QUARTERLY INFORMATION**

The following table illustrates the results of operations for the previous eight quarters:

<b>Period Ending</b>	<b>Revenue \$</b>	<b>Loss and comprehensive loss \$</b>	<b>Basic and Diluted Loss Per Share \$</b>
May 31, 2020	-	(40,654)	(0.00)
February 29, 2020	-	(58,413)	(0.00)
November 30, 2019	-	(522,986)	(0.02)
August 31, 2019	-	(68,477)	(0.00)
May 31, 2019	-	(109,977)	(0.00)
February 28, 2019	-	(23,717)	(0.00)
November 30, 2018	-	(162,440)	(0.01)
August 31, 2018	-	(113,989)	(0.01)

### **RELATED PARTY DISCLOSURES**

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 six months ended May 31, 2020 or May 31, 2019.

As at May 31, 2020, Strategic Metals Ltd. (“Strategic”) had a 46.31% 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.

On January 3, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting Ltd. (“Dave Kelsch Consulting”) in settlement of \$38,063 in consulting fees per a June 1, 2019 Amending Agreement. See “Share Capital” and “Commitment to issue shares”.

On May 15, 2020, the Company completed a private placement with Strategic, whereby Strategic subscribed to 2,000,000 non-flow-through common shares of the Company for gross proceeds of \$100,000.

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. See “Share Capital” regarding an amendment to Mr. Kelsch’s Services Agreement.
- (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 consulting services to the Company; and
- (f) Linda Knight is the Corporate Secretary of the Company.

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

	<b>Transactions Six months ended May 31, 2020 \$</b>	Transactions Six months ended May 31, 2019 \$	<b>Balances outstanding May 31, 2020 \$</b>	Balances outstanding November 30, 2019 \$
Dave Kelsch Consulting				
- geological services	7,438	13,500	-	373
(1) - consulting fees	10,170	39,738	893	7,936
	<u>17,608</u>	<u>53,238</u>	<u>893</u>	<u>8,309</u>
Archer Cathro	10,140	9,436	2,752	1,575
(2) Yeadon Law Corp	5,570	20,330	6,000	-
DBM CPA	16,000	16,000	8,000	11,500
Drechsler Consulting Ltd.	3,465	5,760	-	-
Linda Knight	20,288	32,012	965	3,470
	<u><b>73,071</b></u>	<u>136,776</u>	<u><b>18,610</b></u>	<u>24,854</u>

(1) Transactions for the six months ended May 31, 2020 include \$820 in interest expense (2019 - \$nil).

(2) Transactions for the six months ended May 31, 2020, include \$4,500 in share issue costs (Note 9) (2019 - \$14,753).

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

**COMMITMENTS**

The Company has no commitments other than that which relates to the Stein project under option.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company does not have operating revenues and must finance its exploration activity by raising funds through joint ventures or equity financing. The exploration and subsequent development of the Company's properties depend on the Company's ability to obtain required financing. There is no assurance that additional funding will be available to allow the Company to fully explore its existing mineral property interests. The Company requires sufficient funds to complete further exploration work. Failure to obtain financing could result in delays or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain mineral property interests.

The Company had working capital at May 31, 2020, of \$147,047 compared with working capital of \$164,426 as at November 30, 2019. The Company's current liabilities consist of accounts payable and accrued liabilities which are generally due within 30 days and accounts payable to related parties.

For the six months ended May 31, 2020, the Company used \$121,820 (May 31, 2019 - \$75,856) in cash from operating activities and used \$46,391 (May 31, 2019 - \$77,898) in investing activities comprising entirely of expenditures on mineral property interest. The Company's cash position as at May 31, 2020 was \$138,805 (November 30, 2019 - \$207,016).

**CRITICAL ACCOUNTING POLICIES**

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, and results of operations during each reporting period. Actual results could differ from those estimates and judgments. The areas requiring the use of management estimates and judgments, the Company's significant accounting policies, and information about future accounting standards/pronouncements can be found within Note 2 of the Company's annual audited financial statement for the year ended November 30, 2019.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**PROPOSED TRANSACTIONS**

The Company has no proposed transactions.

**SHARE CAPITAL****Transactions for the issue of share capital during the six months ended May 31, 2020:**

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

On May 15, 2020, the Company completed a private placement with Strategic consisting of 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000. There were no finders' fees paid in respect of the placement. Share issue costs, consisting of legal and filing fees of \$4,584, were incurred in respect of the placement.

**Commitment to issue shares**

On June 1, 2019, the Company entered into an Amending Agreement (the "Agreement") with 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 (see “Related Party Disclosures”). The Agreement expired on December 31, 2019 and was not renewed.

As at and for the six months ended May 31, 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 six months ended May 31, 2020, the Company incurred \$820 in interest expense to Dave Kelsch Consulting (See Related Party Disclosures), of which \$nil was included within accounts payable and accrued liabilities as at May 31, 2020 (November 30, 2019 - \$1,636 was included in accounts payable and accrued liabilities).

## WARRANTS

As at May 31, 2020, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Expiry date
4,687,500	4,687,500	0.15	May 28, 2022

## STOCK OPTIONS

As at May 31, 2020, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Weighted average exercise price \$	Expiry date
400,000	400,000	0.25	November 30, 2020
1,150,000	1,150,000	0.15	November 6, 2022
<b>1,550,000</b>	<b>1,550,000</b>	<b>0.18</b>	

No stock options were granted during the six months ended May 31, 2020 or May 31, 2019.

## OUTSTANDING SHARE DATA AS AT JULY 29, 2020:

Authorized and issued share capital:

Class	Par Value	Authorized	Issued (Number of shares)
Common	No par value	Unlimited	32,317,024

As at July 29, 2020 there were 1,550,000 stock options and 6,202,651 warrants outstanding pursuant to which a total of 7,752,651 shares may be issued in the future. The options, warrants, and common shares, should they be

exercised or issued, will result in further dilution to the Company's shareholders and pose a dilutive risk to potential investors.

### **SUBSEQUENT EVENTS**

(a) On July 23, 2020, the Company closed a non-brokered private placement for gross proceeds of \$300,000 consisting of the following:

- 1,666,666 non-flow-through units at a price of \$0.09 per unit for gross proceeds of \$150,000; and

Each non-flow-through unit consists of one non-flow-through common share and one-half of a share purchase warrant, with each whole warrant being exercisable into a non-flow-through common share at a price of \$0.15 until July 23, 2021.

- 1,363,636 flow-through units at a price of \$0.11 per unit for gross proceeds of \$150,000.

Each flow-through unit consists of one flow-through common share and one-half of a share purchase warrant, with each whole warrant being exercisable into a non-flow-through common share at a price of \$0.15 until July 23, 2021.

In connection with the placement, the Company paid a cash finder's fee of \$1,200.

(b) On July 27, 2020 the Company entered into three option agreements in respect of contiguous parcels of federal lode mining claims in Esmeralda County, Nevada collectively called the Gold Point property.

The first option agreement is with a private Nevada corporation (the "Optionor") and entitles GGL to acquire a 100% interest in the LBD property, consisting of 10 federal lode mining claims, by making cash payments totaling US\$1,000,000 and incurring expenditures on, in or under the Project Area of not less than US\$850,000 on or before July 31, 2025. This option agreement also provides that the Optionor shall retain a 2% net smelter return royalty related to mineral products from commercial production from the property. GGL has the right to purchase one-half of the royalty for US\$1,000,000.

The second option agreement is with Silver Range Resources Ltd. ("Silver Range") in respect of the EGP property, consisting of 39 federal lode mining claims, and provides that GGL has the right to earn a 75% interest therein by making cash payments totaling CAD\$180,000 and incurring aggregate expenditures on, in or under the Project Area of an aggregate of CAD\$1,500,000 on or before July 31, 2023. Upon making these payments and incurring these expenditures, GGL will have earned a 75% interest in and to the EGP property and will enter into a 75%/25% joint venture with Silver Range for the further exploration and development of the property. Upon exercising the option, Silver Range will be entitled to receive a one-time cash payment of US\$4.00 per ounce based on the number of ounces of gold identified in the earlier of a measured or indicated mineral resource, or a proven or a probable mineral reserve, as contained in a NI 43-101 compliant technical report applicable to the property.

The third option agreement is with Silver Range Resources Ltd. and a private Nevada corporation (collectively the "Optionors"), pursuant to which GGL has been granted the right to acquire a 100% interest in and to the TOM property, consisting of 14 federal lode mining claims, by incurring expenditures on, in or under the Project Area of not less than US\$1,500,000 on or before July 31, 2023. Upon exercising the option, each of the Optionors will be entitled to receive a one-time cash payment of US\$1.00 per ounce based on the number of ounces of gold identified in the earlier of a measured or indicated mineral resource, or a proven or a probable mineral reserve, as contained in a NI 43-101 compliant technical report applicable to the property. The option agreement also provides that each of the Optionors shall retain a 1% smelter return royalty related to mineral products from commercial production from the property. GGL has the right to purchase one-half of each of the royalties for a payment of US\$2 per ounce on the first 250,000 ounces of gold contained in any measured or

indicated resource estimate, or any proven or probable reserve, and US\$1 per ounce of gold above 250,000 ounces thereafter.

The Gold Point Project hosts past producing gold-silver mines and is road accessible. It consolidates three properties covering a combined area of approximately 4.5 km<sup>2</sup>, with camp-scale exploration potential.

### **Highlights:**

- **Intermittent small scale mining between 1882 and 1962 produced an estimated 74,000 oz gold;**
- **Existing workings are mostly open and dry to approximately 275 m below surface on both the Orleans (1020' level) and Western Veins (960' level);**
- **Thirty-five historical samples collected post-mining across the Orleans Vein, from the 960' to 1020' levels, reportedly averaged 0.389 opt gold; and,**
- **Historical production records indicate recoveries between 92% to 98% for gold and 53% to 82% for silver, through cyanidation.**

### **About Gold Point**

The Gold Point Project is located 26 miles south of Goldfield, Nevada, and covers several historical mine sites that intermittently produced gold and silver between 1882 and 1962. The first activity at Gold Point dates back to 1868, when prospectors discovered lime deposits, and subsequently silver, which was the primary commodity mined until approximately 1927 when deeper operations encountered more gold rich veins. Mining continued intermittently until 1942 when production was suspended by a government order related to the war effort. Operations resumed again in 1946 but were terminated in 1962 due to corporate issues.

Since 1962, various operators have sought to reopen the mines and revitalize the district; however, there is no evidence that any systematic exploration has been conducted or significant mining done.

The Gold Point Project is underlain by Precambrian Reed Dolomite and Wyman Formations siltstone, limestone and shale. Weak metamorphism in the Wyman Formation is believed to be caused by the Jurassic Sylvania granitic pluton, exposed to the west and south of the project area.

Native gold and chlorargyrite (silver chloride), with minor amounts of chalcopyrite, galena, and pyrite occur in northwest striking, steeply north dipping, quartz veins that cross cut shale and limestone of the Wyman Formation. Multiple stages of movement along the vein structures resulted in brecciation of the veins, which have been re-cemented by chalcedonic quartz and limonite. The veins are typically 1 to 2 m wide and locally range up to 7 m in width. Most of the gold production came from higher-grade shoots that rake relatively consistently from level to level. None of the underground workings at the Gold Point Project reached the water table. Historical production reports indicated that recovery of gold and silver were achieved through cyanidation and are within the range of 92% to 98% for gold and 53% to 82% for silver.

Gold to silver ratios generally increase with depth. The ratios in near surface workings are approximately 1:8 increasing in deeper workings to approximately 1:4. The ratio on the deepest level of the Orleans Vein averages 1:3.

Although at least 15 significant veins have been historically reported in the district, the majority of production within the bounds of the Gold Point Project was from the Orleans Vein and to a lesser extent the Western Vein.

The Orleans Vein was developed to the 1020' level (approximately 275 m below surface), and produced an estimated 48,000 oz gold. Mining on the Orleans Vein ceased in 1962 when a cave in occurred. Sampling done in 1982 from post-mining workings on the Orleans Vein reportedly includes:

- 35 samples from the 900' to 1020' levels averaging 0.389 opt gold and 1.44 opt silver;

- A sample from a 0.5 m wide vein on the 1000' level returning 7.97 opt gold; and
- 21 samples from the 600' to 1020' levels averaging 0.314 opt gold and 1.42 opt silver, including a chip sample across 1.22 m grading 2.15 opt gold and 1.78 opt silver.

The Western Vein was developed to the 900' level (approximately 275 m below surface) and produced an estimated 27,000 oz up to 1922.

Limited historical assay records for the Western Vein are available, with the most recent being production reports from 1935, which indicate that the average mill feed grades that year were between 0.08 opt to 0.15 opt gold and 1.5 to 9.4 opt silver. An historical report indicates that higher-grade ore shoots in the district plunge steeply to the east, but that the workings on the Western Vein did not follow this plunge and likely passed out of the higher grade areas below the 200' level.

Past exploration at the Gold Point Project focused on areas where the veins were exposed at surface or in areas immediately adjacent to the underground workings. There is little evidence of any significant work that may have been done to test for veins in areas covered by overburden.

## **RISKS AND UNCERTAINTIES**

### **Global Pandemic (COVID-19)**

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.

### **Competitive Conditions**

The mineral exploration industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

### **Environmental Regulations, Permits and Licenses**

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent.

### **Mineral Exploration and Development**

The Company's properties are in the exploration stage and no proven or probable reserves have been defined or delineated. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of an economic or commercial deposit on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.



**Commodity Prices**

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of diamonds, gold, silver, nickel, copper, zinc, and lead or interests related thereto. The price of commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of substitutes, commodity stock levels maintained by producers and others, and inventory carrying costs. The effect of these factors on commodity prices and therefore the economic viability of the Company's operations cannot accurately be predicted.

**Title Risks**

Although we believe that the Company's mineral titles are secure there is no guarantee that title to the mineral property interests in which the Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.

**Price Fluctuations: Share Price Volatility**

Securities markets in the United States and Canada are subject to a high level of price and volume volatility, and the market price of securities of many mineral exploration companies are subject to wide fluctuations in price which may not necessarily relate to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

**Future Financings**

The Company's continued operation will be dependent in part upon its ability to generate operating income and to procure additional financing. Fluctuations of global equity markets can have a direct effect on the ability of exploration companies to finance project acquisition and development through the equity markets. There can be no assurance that funds from the Company's current financing sources can be generated or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration or development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of its operations.

**OTHER INFORMATION**

The Company's web site address is [www.gglresourcescorp.com](http://www.gglresourcescorp.com). Other information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).