



GGL RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

NOVEMBER 30, 2017 AND 2016

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of GGL Resources Corp.

We have audited the accompanying consolidated financial statements of GGL Resources Corp., which comprise the consolidated statements of financial position as at November 30, 2017 and November 30, 2016, and the consolidated statements of comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years ended November 30, 2017 and November 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GGL Resources Corp. as at November 30, 2017 and November 30, 2016, and its financial performance and its cash flows for the years ended November 30, 2017 and November 30, 2016 in accordance with International Financial Reporting Standards.

Vancouver, B.C.
March 23, 2018

"D&H Group LLP"

Chartered Professional Accountants

GGL RESOURCES CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	November 30, 2017	November 30, 2016 (Note 3)	December 1, 2015 (Note 3)
ASSETS			
Current			
Cash and cash equivalents (Note 5)	1,140,174	\$ 53,528	\$ 33,591
Amounts receivable (Note 6)	95,294	17,359	12,746
Prepaid expenses	9,549	9,932	12,375
Marketable securities (Note 7)	155,001	1	25,000
Total Current Assets	1,400,018	80,820	83,712
Exploration and Evaluation Assets (Note 9)	1,818,261	2,008,737	1,994,380
Property and Equipment (Note 10)	34,774	41,371	51,714
	\$ 3,253,053	\$ 2,130,928	\$ 2,129,806
LIABILITIES			
Current			
Accounts payable and accrued liabilities (Note 8)	\$ 144,774	\$ 92,290	\$ 91,159
Consulting fees payable (Note 13)	50,000	275,005	276,034
Total Liabilities	194,774	367,295	367,193
SHAREHOLDERS' EQUITY			
Share Capital (Note 11)	37,474,159	35,983,666	35,983,666
Contributed Surplus	61,474	88,605	124,605
Accumulated Other Comprehensive Income	(69,999)	(24,999)	-
Deficit	(34,407,355)	(34,283,639)	(34,345,658)
Total Shareholders' Equity	3,058,279	1,763,633	1,762,613
	\$ 3,253,053	\$ 2,130,928	\$ 2,129,806

Nature of Operations (Note 1)

Events After the Reporting Period (Note 19)

On behalf of the Board:

"Nick DeMare"

Nick DeMare, Director

"William A. Barclay"

William A. Barclay, Director

Date of Board of Directors approval for issue: March 23, 2018

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

GGL RESOURCES CORP.

Consolidated Statements of Comprehensive Loss

Years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

	2017	2016
Expenses		
Consulting fees	\$ 15,425	\$ -
Depreciation	113	141
Exploration costs - general	14,389	12,031
Legal and audit	29,624	13,779
Licenses, taxes, insurance and fees	29,343	22,015
Office services and expenses	45,705	25,777
Shareholders' meetings and reports	13,122	12,928
Stock-based compensation expense	20,869	-
Travel	546	-
Operating loss	(169,136)	(86,671)
Other income (loss)		
Interest income	745	526
Interest expense	(3,239)	(2,313)
Sale of exploration and evaluation assets	-	177,576
Write-off of exploration and evaluation assets	-	(63,099)
Write-off of property and equipment	(86)	-
	(2,580)	112,690
(Loss) income for the year before income taxes	(171,716)	26,019
Other Comprehensive loss	(45,000)	(24,999)
Net (loss) income and comprehensive loss for the year	(216,716)	1,020
(Loss) income per share - basic and diluted (Note 11)	\$ (0.021)	\$ 0.004
Weighted average number of common shares outstanding		
- basic and diluted (Note 11)	8,370,922	7,096,949

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

GGL RESOURCES CORP.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	<u>Share Capital</u>		<u>Contributed Surplus</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Deficit</u>	<u>Shareholders' Equity</u>
	<u># of Shares</u>	<u>Amount (\$)</u>				
Restated Balance November 30, 2015 (Notes 3 and 11)	7,096,949	\$ 35,983,666	\$ 124,605	\$ -	\$(34,345,658)	\$ 1,762,613
Expired warrants			(36,000)		36,000	-
Net income (loss)	-	-	-	(24,999)	26,019	1,020
Restated Balance November 30, 2016 (Notes 3 and 11)	7,096,949	\$ 35,983,666	\$ 88,605	\$ (24,999)	\$(34,283,639)	\$1,763,633
Expired warrants	-	-	(48,000)	-	48,000	-
Shares issued for cash - private placement	15,000,000	1,500,000	-	-	-	1,500,000
Share issue costs	-	(9,507)	-	-	-	(9,507)
Stock option grant	-	-	20,869	-	-	20,869
Net loss	-	-	-	(45,000)	(171,716)	(216,716)
				-		
Balance November 30, 2017 (Notes 3 and 11)	22,096,949	\$ 37,474,159	\$ 61,474	\$ (69,999)	\$(34,407,355)	\$ 3,058,279

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

GGL RESOURCES CORP.

Consolidated Statements of Cash Flows
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

	2017	2016
Cash flows from (used in) operating activities		
Net (loss) income for the year	\$ (171,716)	\$ 26,019
Adjustment for items not involving cash:		
Depreciation of equipment	113	141
Depreciation of exploration equipment	8,581	10,202
Stock-based compensation expense	20,869	-
Write-off of exploration and evaluation assets	-	63,099
Write-off of property and equipment	86	-
	(142,067)	99,461
Change in non-cash working capital items:		
Amounts receivable	(77,935)	(4,613)
Prepaid expenses	383	2,443
Accounts payable and accrued liabilities	(25,190)	(5,803)
	(244,809)	91,488
Cash flows from (used in) financing activities		
Advances on bridge loans (Notes 8, 13(d))	71,342	62,000
Loan (Note 11(c))	100,000	-
Repayments of bridge loans	(71,342)	(62,000)
Repayment of loan (Note 11(c))	(100,000)	-
Shares issued for cash	1,500,000	-
Share issuance costs	(9,507)	-
	1,490,493	-
Cash flows from (used in) investing activities		
Expenditures on exploration and evaluation assets	(156,855)	(71,551)
Purchase of equipment	(2,183)	-
	(159,038)	(71,551)
Increase in cash and cash equivalents	1,086,646	19,937
Cash and cash equivalents, beginning of year	53,528	33,591
Cash and cash equivalents, end of year	\$ 1,140,174	\$ 53,528

See Note 17 Supplementary Cash Flow Information.

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

GGL RESOURCES CORP.

Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

1. Nature of Operations

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

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

2. Basis of Preparation

Statement of Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations that are in effect for November 30, 2017. The policies set out below were consistently applied to all the periods presented.

Basis of Presentation

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

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

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

GGL RESOURCES CORP.

Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

3. Change in Accounting Policy

During the year ended November 30, 2017, the Company changed its accounting policy with respect to expired stock options. In prior years the Company's policy was to leave the initial recorded value for share-based compensation on expired options in contributed surplus. The Company has elected to change this accounting policy to now reverse the initial recorded value from contributed surplus to deficit when an option is cancelled or expires.

November 30, 2016 reconciliation of shareholders' equity

	As previously reported November 30, 2016	As restated November 30, 2016
SHAREHOLDERS' EQUITY		
Share Capital	35,983,666	35,983,666
Contributed Surplus	4,258,224	88,605
Accumulated Other Comprehensive Income	(24,999)	(24,999)
Deficit	(38,453,258)	(34,283,639)
Total Shareholders' Equity	1,763,633	1,763,633

December 1, 2015 reconciliation of shareholders' equity

	As previously reported December 1, 2015	As restated December 1, 2015
SHAREHOLDERS' EQUITY		
Share Capital	35,983,666	35,983,666
Contributed Surplus	4,258,224	124,605
Accumulated Other Comprehensive Income	-	-
Deficit	(38,479,277)	(34,345,658)
Total Shareholders' Equity	1,762,613	1,762,613

4. Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its 86.8% owned subsidiary Rio Sonora Resources Ltd. ("Rio Sonora") and its wholly-owned U.S. subsidiary, Gerle Gold (U.S.) Inc. ("Gerle Gold"). Both Rio Sonora and Gerle Gold are presently inactive. All inter-company transactions and balances have been eliminated. For 2018, the financial statements will no longer be called consolidated. Both of the subsidiaries have been struck off their respective jurisdiction's registry.

GGL RESOURCES CORP.

Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

4. Significant Accounting Policies, continued

(b) Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgements on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a small proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. At November 30, 2017, the Company did not write off any exploration and evaluation deferred costs (2016 - \$63,099) associated with claims which expired during the year. At November 30, 2017 and 2016, management has determined no impairment indicators were present with respect to the Company's exploration and evaluation assets held at year end.
- (iii) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

GGL RESOURCES CORP.

Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

4. Significant Accounting Policies, continued

(b) Critical Judgments and Sources of Estimation Uncertainty, continued

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- ii) Depreciation expenses are allocated based on assumed asset lives and depreciation rates. Should the asset life or depreciation rate differ from the initial estimate, an adjustment would be made in the consolidated statements of loss and comprehensive loss.
- iii) The estimated fair value of the available for sale investment.

(c) Exploration and Evaluation Assets

The cost of exploration and evaluation assets and the related exploration costs are deferred until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized using the units of production method following the commencement of production or written off if the properties are sold or abandoned. Management reviews the carrying values of exploration and evaluation assets with a view of assessing whether there has been any impairment of value. When it is determined that an exploration and evaluation asset will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or interest.

The amounts shown for exploration and evaluation assets represent costs, less write-offs and impairments incurred to date, and do not necessarily reflect present or future values. The Company recognizes costs recovered on the sale of exploration and evaluation assets against the carrying amount of the exploration and evaluation asset. Any amount in excess of the carrying amount is included in income. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects, and on future profitable production or proceeds from the disposition thereof.

Ownership in mineral interests involves certain inherent risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, ownership of its interests are in good standing.

GGL RESOURCES CORP.

Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

4. Significant Accounting Policies, continued

(d) Property Option Agreements

From time to time, the Company may acquire or dispose of exploration and evaluation assets pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are accounted for as payments are made or received. Amounts received under option agreements reduce the carrying amount of the exploration and evaluation assets under option.

(e) Property and Equipment

Property and equipment are carried at cost. Depreciation of the property and equipment is provided over the estimated useful lives of the assets on a declining-balance basis, unless otherwise noted, at the following annual rates:

Exploration equipment	20%
Office furniture	20%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statement of comprehensive loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized. The useful lives are reviewed annually.

(f) Flow-Through Shares

The resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The estimated income tax benefits transferred to shareholders are recorded as a future income tax liability and a reduction to share capital at the time of renunciation.

(g) Equity Transactions

The Company issues units in private placements. The Company applies the residual approach to calculate the fair value of the units, which are comprised of common shares and warrants. Under this approach the common shares are valued first and the difference between the gross proceeds and the fair value of the common shares is assigned to the warrants.

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Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

4. Significant Accounting Policies, continued

(h) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

(i) Foreign Currency Transactions

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(j) Income Taxes

Income tax expense is comprised of current and deferred tax. Income tax is recognized separately in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The income tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and include any adjustments to income tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is measured at the income tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

GGL RESOURCES CORP.

Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

4. Significant Accounting Policies, continued

(j) Income Taxes, continued

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except when the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities when there is an intention to settle the balances on a net basis.

(k) Contributed Surplus

The fair value of stock options and share purchase warrants issued as compensation is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, forfeiture rates, current market price of the underlying shares and volatility factors of the expected market price of the Company's common shares and the expected life of the options. The estimated fair value of awards of share-based payments is charged to expense as awards vest, with offsetting amounts recognized as contributed surplus. The fair value of direct awards of common shares is determined by the quoted market price of the Company's stock.

(l) Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement obligation is accreted using a systematic and rational method and is adjusted to reflect revisions to timing, the amount of the original estimate, and the current market-based discount rate of the undiscounted cash flow. As at November 30, 2017 and 2016, the Company does not have any asset retirement obligations.

(m) Long-lived Assets Impairment

Long-lived assets are reviewed when changes in circumstances suggest their carrying value has become impaired. An impairment is recorded if the carrying amount exceeds the recoverable amount. Impairments relating to assets other than goodwill can be reversed. If impairment is determined to exist, the assets will be written down to fair value. Fair value is generally determined as the amount that would be obtained from the sale of an asset in an arm's length transaction between two knowledgeable and willing parties.

GGL RESOURCES CORP.

Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

4. Significant Accounting Policies, continued

(n) Financial Instruments

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through comprehensive loss. Cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The marketable securities are classified as available for sale.

Transaction costs associated with FVTPL are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and consulting fees payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At November 30, 2017 and 2016, the Company has not classified any financial liabilities as FVTPL.

(o) Accounting Standards Issued but Not Yet Adopted

The following accounting standards have been issued, but are not effective until annual periods beginning on or after January 1, 2018, unless otherwise indicated, earlier application is permitted. As at the date of these consolidated financial statements, the following standards have not been applied in these consolidated financial statements.

- i) **IFRS 9 *Financial Instruments***: This standard partially replaces IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities.

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Notes to Consolidated Financial Statements
Years ended November 30, 2017 and 2016
(Expressed in Canadian Dollars)

4. Significant Accounting Policies, continued

(o) Accounting Standards Issued but Not Yet Adopted, continued

- ii) *IFRS 15 Revenue from contracts with customers*: IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.
- iii) *IFRS 16 Leases*: IFRS 16 is effective for reporting periods beginning on or after January 1, 2019. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lease accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 22 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor IAS 17.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the new standards, however there may be enhanced disclosure requirements. IFRS 16 Leases does not apply to the Company currently. The Company does not have any leases and did not have any in its past.

5. Cash and cash equivalents

	November 30, 2017	November 30, 2016
Cash	\$ 90,174	\$ 53,528
Short-term investment	1,050,000	-
	<u>\$ 1,140,174</u>	<u>\$ 53,528</u>

6. Amounts receivable

	November 30, 2017	November 30, 2016
Goods and Services/Harmonized sales tax receivable	\$ 21,621	\$ 16,703
Other	73,673	656
	<u>\$ 95,294</u>	<u>\$ 17,359</u>

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7. Marketable securities

- (a) In 2014 the Company concluded an agreement with Proxima Diamonds Corp. ("Proxima"), an arm's length private corporation in the process of going public, for the sale of a portion of the Company's Diamond database. The Company received \$100,000 cash and 500,000 common shares of Proxima. The 500,000 shares were originally recorded at an ascribed value of \$0.05 per common share. At November 30, 2016, the Company wrote down the investment to \$1. These shares represent an ownership interest in Proxima of approximately 1%.
- (b) During the year ended 2017, the Company signed an agreement with Silver Range Resources Ltd. ("Silver Range") involving the Providence Greenstone Belt ("PGB") claims and leases. The Company received \$33,200 cash and 1,000,000 common shares of Silver Range. The shares were recorded at \$0.20 per share common share being the closing price on the date of the share certificate. At November 30, 2017 the Company wrote down the price of the shares to the closing price at year end, \$0.155 per common share. See Note 9(b).

8. Bridge Loans

During the year ended November 30, 2016, the Company negotiated a line of credit from certain shareholders to provide bridge loan funding to pay property tenure costs and other corporate overhead costs. One of the lenders is a private company, the officers of which are the brother and sister of one of the directors of the Company, and this director has guaranteed repayment of the loan provided by this private company. The Company drew down on this bridge loan financing in the amount of \$62,000 during the year ended November 30, 2016. The bridge loan bears interest at 8% per year and is secured by a general security agreement (GSA). The principal portion of the 2016 bridge loan was repaid in 2016 and interest of \$1,453 was paid in 2017.

During the year ended November 30, 2017, two directors and the wholly owned company of another director advanced the Company a total of \$71,342 to pay tenure costs and other corporate overhead costs. These loans bear interest at 8% per year. The principal and interest of \$2,134 was repaid during the year. See Note 13(d).

9. Exploration and Evaluation Assets

	Balance November 30, 2016	2017 Mineral Interests Additions (Recoveries)	2017 Exploration Cost Additions (Recoveries)	2017 Written Off	Balance November 30, 2017
Fishback Lake	\$ 58,061	\$ -	\$ 1,709	\$ -	\$ 59,770
CH	624,126	-	(20,075)*	-	604,051
Providence Greenstone Belt	639,549	-	(172,110)*	-	467,439
McConnell Creek	687,001	-	-	-	687,001
	\$ 2,008,737	\$ -	\$(190,476)	\$ -	\$ 1,818,261

*See Notes 9(b) and (c)

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9. Exploration and Evaluation Assets, continued

	Balance November 30, 2016	2017 Net Additions	2017 Written Off	Balance November 30, 2017
Acquisition costs	\$ 155,088	\$ -	\$ -	\$ 155,088
Deferred exploration costs	1,853,649	(190,476)	-	1,663,173
	\$ 2,008,737	\$(190,476)	\$ -	\$ 1,818,261

	Balance November 30, 2015	2016 Mineral Interests Additions (Recoveries)	2016 Exploration Cost Additions (Recoveries)	2016 Written Off	Balance November 30, 2016
Doyle Lake	\$ 11,964	\$ (6,097)	\$ (5,867)	\$ -	\$ -
Fishback Lake	56,352	-	1,709	-	58,061
CH	604,772	-	51,774	(32,420)	624,126
Providence Greenstone Belt	634,291	-	35,937	(30,679)	639,549
McConnell Creek	687,001	-	-	-	687,001
	\$ 1,994,380	\$ (6,097)	\$ 83,553	\$ (63,099)	\$ 2,008,737

	Balance November 30, 2015	2016 Net Additions	2016 Written Off	Balance November 30, 2016
Acquisition costs	\$ 164,680	\$ (6,097)	\$ (3,495)	\$ 155,088
Deferred exploration costs	1,829,700	83,553	(59,604)	1,853,649
	\$ 1,994,380	\$ 77,456	\$ (63,099)	\$ 2,008,737

Included in exploration and evaluation assets are reclamation bonds held in the name of the Ministry of Energy, Mines and Petroleum Resources of BC and the Receiver General (for Northwest Territories claims) in the amount of \$76,400 (2016 - \$76,400).

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9. Exploration and Evaluation Assets, continued

Exploration costs incurred during the years ended November 30, 2017 and 2016 are as follows:

	2017	2016
Aircraft	\$ -	\$ 6,338
Geophysics	-	18,150
Licenses, recording fees and lease payments	66,707	75,374
Project supplies	17	18
Recovery of exploration costs (Note 9(b))	(233,200)	(16,327)
Rental of Zip camp	(24,000)	-
Staking	-	(6,097)
	\$ (190,476)	\$ 77,456

(a) Fishback Lake, Northwest Territories, Canada

The Company owns one claim (692 hectares) (2015 - 692 hectares). This claim is a mining lease.

(b) CH, Northwest Territories, Canada

The Company owns 34 claims (27,617 hectares) (2016 - 34 claims; 27,617 hectares), north-northeast of Yellowknife, acquired by staking during the years 2000 to 2003. These claims include the Courageous, Starfish, Winterlake North, Winterlake South, BP, Zip and Mill claims. All of these claims are leases.

During the year ended November 30, 2017, the Company signed an agreement dated September 6, 2017 with Silver Range Resources Ltd. ("Silver Range") whereby Silver Range has the optional right to explore the Company's PGB project (certain CH and PGB claims) for all metals and minerals, except for diamonds in return for a cash payment of \$33,200 (received), issuance of 1,000,000 Silver Range common shares (received)(Note 7(b)), surveying certain claims to take them to lease (completed), a commitment to maintain all mineral claims and leases for the entire PGB project in good standing until August 1, 2018, a commitment to make annual lease payments for all portions of the PGB project Silver Range maintains under option in subsequent years and \$1 million milestone payment upon completion of a Preliminary Economic Assessment relating to a deposit(s) located within the PGB project. GGL retains ownership of the PGB Property and the exploration camp on it. GGL retains the right to explore for diamonds on the PGB Property. If Silver Range discovers a deposit(s) with mineral resources that are calculated in a manner consistent with NI 43-101, Silver Range will be granted ownership of claims or mining leases surrounding those deposit(s) in return for a 1% net smelter return royalty payable to the Company on metal or mineral production, excluding diamonds, from those deposit(s). One-half of the royalty can be purchased by Silver Range for \$1 million. GGL will retain exploration and development rights for diamonds on any claims or mining leases transferred to Silver Range.

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9. Exploration and Evaluation Assets, continued

(b) CH, Northwest Territories, Canada, continued

The PGB project includes the Winterlake North, Winterlake South, BP, Zip, Mill and Providence Greenstone Belt claims. The total of the cash payment and value of the Silver Range shares (totaling \$233,200) is recorded as a recovery of costs expended on these claims.

During the year ended November 30, 2017, Silver Range staked five claims, 2,882 hectares within the area of interest of the PGB project. These claims will be registered in GGL's name as per the September 6, 2017 agreement with Silver Range. The claims are added in to the ones mentioned in 9(c).

(c) Providence Greenstone Belt, Northwest Territories, Canada,

The Company owns 16 claims (10,214 hectares) (2016 - 11 claims; 7,259 hectares) in the PGB area of the Northwest Territories. These claims lie within an extensive belt of rocks previously identified by a mapping project funded by the Geological Survey of Canada and reported as having the potential for hosting magmatic nickel mineralization.

During the year ended November 30, 2017, 11 claims were surveyed as part of the lease application process. The surveying costs were paid for by Silver Range as per the September 6, 2017 agreement (see Note 9(b)). Subsequent to year end, the 11 leases were in the process of being issued by the Mining Recorder (Note 19(c)).

Included in the recovery amount for the year ended November 30, 2017, is \$24,000 received from the rental of Zip camp and \$15,935 of extension deposits refunded.

(d) McConnell Creek, British Columbia, Canada

The Company owns 2 mineral claims (4,878 hectares) in the Omineca Mining Division of British Columbia. See Note 19(b).

(e) Doyle NSR

(i) During the year ended November 30, 2013, the Company sold nine of its mineral leases and two reinstated leases (5,051 hectares), including Bob Camp to Kennady Diamonds Inc, ("Kennady") for \$150,000 cash and a retained 1.5% NSR on all the leases except for one where the Company retains a 0.5% NSR.

(ii) During the year ended November 30, 2016, the Company sold its interest in the remaining four claims and two fractional claims (4,233 hectares) to Kennady for \$200,000. The Company will retain a 0.75% royalty interest (the "Royalty") on all mineral products produced from the property. Kennady has the right at any time prior to commencement of production from the property to purchase one-third (1/3) of the Royalty, being 0.25%, for the sum of \$1,000,000.

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10. Property and Equipment

<u>Cost</u>	<u>Office Furniture</u>	<u>Exploration Equipment</u>	<u>Total</u>
Balance as at November 30, 2015 and 2016	\$ 17,879	\$ 390,845	\$ 408,724
Addition in 2017	-	2,183	2,183
Disposal in 2017	-	(640)	(640)
Balance as at November 30, 2017	\$ 17,879	\$ 392,388	\$ 410,267

Accumulated Depreciation

Balance as at November 30, 2015	\$ 16,951	\$ 340,059	\$ 357,010
Depreciation	186	10,157	10,343
Balance as at November 30, 2016	\$ 17,137	\$ 350,216	\$ 367,353
Depreciation	149	8,545	8,694
Disposal	-	(554)	(554)
Balance as at November 30, 2017	\$ 17,286	\$ 358,207	\$ 375,493

Carrying Amounts

At November 30, 2015	\$ 928	\$ 50,786	\$ 51,714
At November 30, 2016	\$ 742	\$ 40,629	\$ 41,371
At November 30, 2017	\$ 593	\$ 34,181	\$ 34,774

During the year ended November 30, 2017, the Company wrote off a piece of broken equipment, \$86 (2016 - \$nil) and purchased a heater \$2,183 (2016 - \$nil).

Depreciation is recorded on the Statement of Comprehensive Loss as \$113 (2016 - \$141) in depreciation and \$8,581 (2016 - \$10,202) as part of general exploration costs.

11. Share Capital

- (a) Authorized: unlimited common shares without par value;
- (b) At the Company's Special general meeting ("Meeting") held on September 15, 2017, the shareholders approved the consolidation of all of the issued and outstanding common shares on the basis of five old for one new and a change of control. On September 21, 2017, the TSXV accepted the Company's filings with respect to the consolidation and trading of the post-consolidated shares began on September 21, 2017. The fiscal 2017 and 2016 share, per share amounts, stock options and warrants were adjusted to give effect to the consolidation.

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11. Share Capital, continued

- (c) During the year ended November 30, 2017, the Company completed a private placement of 15,000,000 non flow-through shares at \$0.10 per common share for gross proceeds of \$1,500,000 (share issuance costs of \$9,507).

The Company signed a letter of intent (“LOI”) with Strategic Metals Ltd. (“Strategic”) dated August 1, 2017. In the LOI, Strategic agreed to subscribe for 10,000,000 shares (\$1,000,000) of the private placement mentioned above; and loan \$100,000 to the Company without interest. In return the Company agreed to: hold a shareholder meeting to approve a consolidation of the Company’s shares on a five old for one new basis and to approve the creation of a new control person; appoint three Strategic nominees to the Board after the meeting and repay the \$100,000 Strategic loan. All of the agreed to terms were completed by Strategic and the Company. After the private placement, Strategic holds a 45.255% interest in the Company. See Notes 13(e) and (g).

- (d) Changes in warrants during the years ended November 30, 2017 and 2016 are as follows:

	2017		2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of year	623,000	\$1.70	671,000	\$1.75
Expired	(96,000)	\$2.50	(48,000)	\$2.50
Outstanding, end of year	527,000	\$1.54	623,000	\$1.70

The Company has the following warrants outstanding and exercisable as at November 30, 2017:

<u>Number of warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
302,000	\$2.50	May 8, 2018
<u>225,000</u>	\$0.25	November 25, 2018
<u>527,000</u>		

12. Stock Options

In 2013, the Company amended its Stock Option Plan to a 10% rolling plan whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the 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.

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12. Stock Options, continued

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

	# of Options Outstanding	Weighted Average Exercise Price
Options outstanding as at November 30, 2015 and 2016	450,000	\$0.25
2017 Grant	1,275,000	\$0.15
Options outstanding as at November 30, 2017	1,725,000	\$0.18

	November 30, 2017	November 30, 2016
Weighted average remaining contractual life	4.44 years	4.01 years
Weighted average fair value of options granted during the year	\$0.15	N/A

The following table sets forth information relating to stock options outstanding as at November 30, 2017:

Number outstanding at November 30, 2017	Exercise price	Expiry Date	Weighted average remaining contractual life (years)
450,000	\$0.25	November 30, 2020	3.01
1,275,000	\$0.15	November 6, 2022	4.94
1,725,000			

During year ended November 30, 2017, the Company granted 1,275,000 stock options (2016 – nil) to directors, officers and consultants. $\frac{1}{4}$ of the stock options will vest every three months commencing with the first stock options exercisable three months after the date of grant. Stock- based compensation expense recorded for the year ended November 30, 2017 was \$20,869.

The fair value of share options granted in 2017 is estimated using the Black-Scholes option pricing model using the following assumptions:

	2017
Risk-free interest rate	1.63%
Estimated volatility	172.06%
Expected life	5 years
Expected dividend yield	0%
Estimated forfeiture rate	0%

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12. Stock Options, continued

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

13. Related Party Disclosures

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

- (a) After completion of the private placement, a new Chief Financial Officer was appointed. His charges are estimated at \$6,500 and accrued in consulting fees and accounts payable.
- (b) The President and Chief Operations Officer was appointed on November 2, 2017 and signed a Services Agreement with the Company effective November 6, 2017 to provide consulting services to the Company. His fees are recorded \$8,925 in consulting fees, \$3,400 in technical and professional services and \$12,325 remains in accounts payable as at November 30, 2017.
- (c) There is a debt owing to one former related party, being Mr. Ray Hrkac, a former director and a former officer (prior to November 16, 2016). The debt to Mr. Hrkac is a current liability (consulting fees payable), non-interest bearing and is past due. The debt was paid subsequent to year end. See Note 19(a).
- (d) During the year ended November 30, 2017, two directors and a wholly owned company of a director provided loans to the Company totaling \$71,342. Interest of \$2,134 was paid on these loans. See Note 8.
- (e) A director and secretary of Strategic Metals Ltd. (45.255% owner of the Company) provided \$4,000 of legal services to the Company during the year ended November 30, 2017. The total remains in accounts payable as at November 30, 2017.
- (f) A wholly owned management company of one of the directors provided some administrative services to the Company from 2015 to present. The fees charged for those services totaled \$9,750 (none of the fees charged were for the services of the director to the Company) and were billed in 2017. \$1,244 remained payable as at November 30, 2017.
- (g) A new Chief Executive Officer ("CEO") was also appointed after the closing of the private placement. He is the President, CEO and a director of Strategic Metals Ltd. (see Note 11(c)). The CEO also controls Archer, Cathro & Associates (1981) Limited which rents office space and provides office support to the Company, totalling \$2,487 which also remains payable as at November 30, 2017.

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14. Income Taxes

The recovery of income taxes shown in the consolidated statements of comprehensive loss differ from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	November 30, 2017	November 30, 2016
(Income) loss before income taxes	\$ 216,716	\$ (1,020)
Combined federal and provincial income tax rate	27%	26%
Expected recovery for income taxes	58,513	(265)
Non-deductible expenses and other	(23,806)	(19,064)
Income tax rate changes	194,813	-
Non-capital loss expiry	-	(38,521)
Recovery of valuation allowance	(229,520)	57,850
Future income tax recovery	\$ -	\$ -

The income tax effects of temporary timing differences and unused tax losses that give rise to significant components of future income tax assets are as follows:

	November 30, 2017	November 30, 2016
<i>Future Income Tax assets</i>		
Exploration and evaluation assets	\$ 4,043,183	\$ 3,833,835
Property and equipment	136,432	190,739
Non-capital losses carry-forwards	1,229,155	1,060,824
Capital losses	1,150	1,108
Share issue costs	2,220	586
Deferred income tax assets	5,412,140	5,087,092
Valuation allowance	(5,412,140)	(5,087,092)
	\$ -	\$ -

The Company has non-capital losses for income tax purposes of approximately \$4,532,000 (2016 - \$4,080,000), and cumulative tax pools of approximately \$16.7 million (2016 - \$16.7 million) for Canadian income tax purposes which are available to reduce Canadian taxable income in future years. The benefit of these non-capital losses and tax pools have not been recognized in the Company's accounts as it is not probable such benefit will be realized. The non-capital losses expire commencing 2026 through 2036.

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15. Segmented Information

The Company is involved in mineral exploration and development activities, which are conducted in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the years ended November 30, 2017 and 2016.

16. Financial Instruments

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

Financial instruments – Disclosures

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

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

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

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

(a) Fair Value

The fair value of financial instruments at November 30, 2017 and 2016 is summarized as follows:

	November 30, 2017		November 30, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
<i>FVTPL</i>				
Cash and cash equivalents	\$ 1,140,174	\$ 1,140,174	\$ 53,528	\$ 53,528
<i>Loans and receivables</i>				
Amounts receivable	\$ 95,294	\$ 95,294	\$ 17,359	\$ 17,359
<i>Available for sale</i>				
Marketable securities	\$ 155,001	\$ 155,001	\$ 1	\$ 1
Financial Liabilities				
<i>Other Financial liabilities</i>				
Accounts payable and accrued liabilities	\$ 144,774	\$ 144,774	\$ 92,290	\$ 92,290
Consulting fees payable*	\$ 50,000	\$ 50,000	\$ 275,005	\$ 275,005

* Included in consulting fees payable is related party costs of \$50,000 (2016-\$260,525) (Note 13(c)).

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16. Financial Instruments, continued

(a) Fair Value, continued

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

(b) Financial Risk Management

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

Credit risk

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

Currency risk

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

Liquidity risk

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

Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the November 30, 2017 value of market securities, every 10% increase or decrease in the share prices of these companies would have impacted income for the year, up or down, by approximately \$15,500 before income taxes.

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17. Supplementary Cash Flow Information

Non-cash operating, financing, and investing activities were conducted by the Company during the years ended November 30, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Operating activities		
Accounts payable for exploration and evaluation assets	\$ <u>77,997</u>	\$ <u>225,328</u>
Investing activities		
Additions to exploration and evaluation assets	\$ (77,997)	\$ (225,328)
Additions to marketable securities	(200,000)	-
Recovery of exploration and evaluation assets	<u>200,000</u>	<u>-</u>
	<u>(77,997)</u>	<u>(225,328)</u>
Other supplementary cash flow information:		
Cash paid/accrued for interest charges	\$ <u>3,239</u>	\$ <u>2,313</u>

18. Management of Capital

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

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

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

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

19. Events After the Reporting Period

Subsequent to November 30, 2017:

- (a) the Company paid the remainder of the consulting fee payable to Mr. R. Hrkac;
- (b) an additional 2,671 hectares were staked adjacent to the McConnell claims in BC (Note 9(d)); and
- (c) 11 PGB lease documents are being finalized by the Mining Recorder (Note 9(c)).