



June 30, 2018 and 2017

Financial Statements
(Expressed in Canadian Dollars)

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Independent Auditors' Report

To the Shareholders of:
GGX GOLD CORP.

We have audited the accompanying financial statements of GGX Gold Corp., which comprise the statements of financial position as at June 30, 2018 and 2017, the statements of changes in shareholders' equity, comprehensive loss, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GGX Gold Corp. as at June 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter – Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the ability of GGX Gold Corp. to continue as a going concern. The company incurred a net loss of \$2,992,289 during the year ended June 30, 2018, and as of that date, had accumulated losses since inception of \$8,129,304. These conditions, along with the other matters explained in Note 1 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if GGX Gold Corp. was unable to continue as a going concern.

WDM

Chartered Professional Accountants

Vancouver, B.C.
October 27, 2018

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GGX GOLD CORP.

Statements of Financial Position

As at June 30, 2018 and 2017
(Expressed in Canadian Dollars)

	Note	2018 \$	2017 \$
ASSETS			
CURRENT			
Cash	14	214,384	58,679
GST Recoverable		64,255	15,043
Deposits	5	19,153	75,725
Marketable Securities	6	78,817	-
		<u>376,609</u>	<u>149,447</u>
NON-CURRENT			
Investments	7	-	198,000
Restricted Marketable Securities	6	61,945	-
Property and Equipment	8	189,105	17,920
Exploration and Evaluation Asset	9	-	-
		<u>627,659</u>	<u>365,367</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		435,153	188,094
Flow-Through Share Premium Liability	11	60,333	-
		<u>495,486</u>	<u>188,094</u>
SHAREHOLDERS' EQUITY			
Share Capital	10	7,834,925	5,079,500
Stock Options Reserve		374,040	252,559
Share Purchase Warrants Reserve		52,512	129,492
Deficit		(8,129,304)	(5,284,278)
		<u>132,173</u>	<u>177,273</u>
		<u>627,659</u>	<u>365,367</u>

Nature of Business and Ability to Continue as a Going Concern (Note 1)

The accompanying notes form an integral party of these financial statements

Approved on Behalf of the Board:

"Barry Brown"

Barry Brown, Director

"Scott Kent"

Scott Kent, Director

GGX GOLD CORP.

Statements of Changes in Shareholders' Equity

For the Years Ended June 30, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital \$	Share Subscriptions Received \$	Stock Options Reserve \$	Share Purchase Warrants Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance, June 30, 2016		9,632,628	3,739,928	17,500	100,500	74,997	(3,781,551)	151,374
Shares Issued for Cash	10(b)(i)	9,370,001	1,008,000	(17,500)	-	-	-	990,500
Share Issuance Costs	10(b)(i)	-	(42,533)	-	-	-	-	(42,533)
Shares issued for Gold Drop Property	10(b)(i)	1,000,000	200,000	-	-	-	-	200,000
Exercise of Share Purchase Warrants	10(b)(i)	1,960,000	203,400	-	-	-	-	203,400
Exercise of Stock Options	10(b)(i)	130,000	25,200	-	(12,200)	-	-	13,000
Fair Value of Agents' Warrants Issued	10(f)	-	(54,495)	-	-	54,495	-	-
Fair Value of Stock Options Expired		-	-	-	(301,189)	-	301,189	-
Share-Based Compensation	10(f)	-	-	-	465,448	-	-	465,448
Net Comprehensive Loss		-	-	-	-	-	(1,803,916)	(1,803,916)
Balance, June 30, 2017		22,092,629	5,079,500	-	252,559	129,492	(5,284,278)	177,273
Shares Issued for Cash	10(b)(ii)	16,113,333	1,997,100	-	-	-	-	1,997,100
Flow-through Share Premium		-	(60,333)	-	-	-	-	(60,333)
Share Issuance Costs	10(b)(ii)	-	(107,186)	-	-	-	-	(107,186)
Shares issued for Gold Drop Property	10(b)(ii)	3,250,000	400,000	-	-	-	-	400,000
Shares issued for Equipment	10(b)(ii)	750,000	150,000	-	-	-	-	150,000
Exercise of Share Purchase Warrants	10(b)(ii)	3,153,480	413,096	-	-	-	-	413,096
Exercise of Agents' Warrants	10(b)(ii)	27,500	5,500	-	-	-	-	5,500
Fair Value of Agents' Warrants Exercised		-	9,515	-	-	(9,515)	-	-
Fair Value of Agents' Warrants Issued	10(f)	-	(52,267)	-	-	52,267	-	-
Fair Value of Agents' Warrants Cancelled		-	-	-	-	(119,732)	119,732	-
Fair Value of Stock Options Cancelled		-	-	-	(27,531)	-	27,531	-
Share-Based Compensation	10(f)	-	-	-	149,012	-	-	149,012
Net Comprehensive Loss		-	-	-	-	-	(2,992,289)	(2,992,289)
Balance, June 30, 2018		45,386,942	7,834,925	-	374,040	52,512	(8,129,304)	132,173

The accompanying notes form an integral party of these financial statements

GGX GOLD CORP.

Statements of Comprehensive Loss

For the Years Ended June 30, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	2018 \$	2017 \$
EXPENSES			
Advertising and Marketing		258,278	74,032
Bad Debt	12(b)	-	20,000
Consulting		232,781	324,137
Depreciation		28,815	2,380
Exploration	9	2,660,473	615,177
Management and Administrative Fees	12(b)	107,100	112,100
Office		117,957	34,469
Professional Fees		33,167	56,261
Rent		47,292	37,255
Share-Based Compensation	12(b)	149,012	465,448
Transfer Agent and Regulatory Fees		33,018	30,582
Travel		47,745	32,075
		<u>(3,715,638)</u>	<u>(1,803,916)</u>
Realized Gain on Investments	7(a)	269,055	-
Realized Gain on Sale of Marketable Securities		313,495	-
Write-Up of Marketable Securities to Market Value		37,500	-
BC Mining Exploration Tax Credit		103,299	-
		<u>(2,992,289)</u>	<u>(1,803,916)</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR			
		<u>(0.10)</u>	<u>(0.12)</u>
Basic and Diluted Loss per share			
Weighted Average Number of Common Shares Outstanding		<u>31,497,543</u>	<u>15,352,790</u>

The accompanying notes form an integral party of these financial statements

GGX GOLD CORP.

Statements of Cash Flows

For the Years Ended June 30, 2018 and 2017

(Expressed in Canadian Dollars)

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Net Comprehensive Loss for The Year	(2,992,289)	(1,803,916)
Items Not Affecting Cash:		
Depreciation	28,815	2,380
Share-Based Compensation	149,012	465,448
Shares Issued for Exploration and Evaluation Assets	400,000	200,000
Gain on Sale of Marketable Securities	(313,495)	-
Write-Up of Marketable Securities to Market	(37,500)	-
	(2,765,457)	(1,136,088)
Changes in Non-Cash Working Capital Items:		
GST Recoverable	(49,212)	(9,636)
Deposits	56,572	(75,725)
Accounts Payables and Accrued Liabilities	247,059	(104,642)
	(2,511,038)	(1,326,091)
FINANCING ACTIVITIES		
Shares Issued for Cash	1,997,100	1,224,400
Share Issuance Costs	(107,186)	(42,533)
Share Subscriptions Received	-	(17,500)
Proceeds from the Exercise of Warrants	418,596	-
	2,308,510	1,164,367
INVESTING ACTIVITIES		
Investment in Syndicate	-	(225,000)
Syndicate Cash Distribution Received	54,000	27,000
Purchase Property and Equipment	(50,000)	(20,300)
Purchases of Marketable Securities, Net of Trading Account Advances	(164,035)	-
Proceeds from the Sale of Marketable Securities	518,268	-
	358,233	(218,300)
(DECREASE) INCREASE IN CASH	155,705	(380,024)
Cash, Beginning of Year	58,679	438,703
CASH, END OF YEAR	214,384	58,679

Supplemental Cash Flow Information (Note 14)

The accompanying notes form an integral party of these financial statements

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 1 – NATURE OF BUSINESS AND ABILITY TO CONTINUE AS A GOING CONCERN

GGX Gold Corp. (the “Company”) was incorporated on May 10, 2007 under the British Columbia Business Corporations Act. The Company’s principal business activities include the acquisition, exploration and development of mineral properties. The address of the Company’s corporate office and its principal place of business is 888 Dunsmuir Street, Suite 888, Vancouver, BC, V6C 3K4. The Company is a reporting issuer and trades on the TSX Venture Exchange in Canada under the symbol “GGX”. On October 11, 2016, the Company changed its name from Revolver Resources Inc. to GGX Gold Corp.

The Company is currently focusing its financial resources on the Gold Drop property option (Note 9). The Company has not yet determined whether the property contains reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable mineral reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations, and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

As at June 30, 2018, the Company has an accumulated deficit of \$8,129,304. The Company expects to seek additional equity financing to accomplish its business plan over the next several years. While the Company believes it can raise the funds needed to sufficient meet its planned exploration expenditures and corporate administration costs in the next 12 months, there remains material uncertainty on the Company’s ability to continue as a going concern should it not be able to raise additional funds to carry out its business plan beyond next year. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in existence.

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss which are stated at their fair value.

These audited financial statements were approved and authorized for issue by the Board of Directors on October 27, 2018.

b) Property and Equipment

Property and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is provided on a declining basis using the following rates, except in the year of acquisition, when one half of the rates are used:

Vehicle	30%
Furniture and Equipment	20%
Exploration Equipment	25%

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Property and Equipment (Continued)

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis. Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and recognized in profit or loss.

c) Exploration and Evaluation Assets

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

d) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

e) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at June 30, 2018 and 2017, the Company has no material decommissioning and restoration provision.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Provisions (Continued)

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

f) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants.

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the date the shares are issued.

g) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

Upon the expiry or cancellation of stock options and other share-based payments, their fair value previously recorded in reserve is transferred to deficit.

h) Flow-Through Shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

To account for flow-through units, on issuance, the Company allocates flow-through share proceeds into i) share capital, equal to the market value of the shares, ii) a flow-through share premium liability, equal to the estimated premium investors pay for the flow-through feature, and iii) reserve for warrants, equal to the remaining proceeds received.

The amount recorded as a liability relating to the sale of tax benefits is reversed when the tax benefits are renounced. The difference between the amount originally recorded as a liability and the estimated income tax benefits on date of renouncement is recognized in profit or loss. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation.

i) Reserves

Stock options reserve and share purchase warrants reserve are used to recognize the fair value of stock options and warrants prior to their exercise, expiry, or cancellation. Fair value of stock options and agent's warrants is determined on the date of grant using the Black-Scholes Model (Note 2(g)). Fair value of a warrant attached to a private placement unit is determined using the residual method (Note 2(f)).

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

k) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

l) Refundable Mining Tax Credits

The Company qualifies for refundable mining tax credits on eligible mining exploration expenditures incurred in the Province of British Columbia, Canada. This tax credit is applied against exploration expenditures incurred and recorded as tax credit receivable when the terms and conditions of the government mineral exploration assistance program have been complied with, the credit can be reasonably estimated, and collection is reasonably assured.

m) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

i) Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss.

The Company's cash falls into this category of financial instruments.

Loans and receivables – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

The Company currently does not hold financial assets in this category.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity.

The Company currently does not hold financial assets in this category.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Financial Instruments (Continued)

i) Financial Assets (Continued)

- **Available-for-sale financial assets** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. Assets in this category are measured at fair value with gains and losses recognized in other comprehensive income, except for those investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured, which shall be measured at cost.

When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is removed from the equity reserve and recognized in profit or loss.

The Company's investments fall into this category of financial instruments.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities upon initial recognition.

- **Financial liabilities at fair value through profit or loss** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss.

The Company currently does not hold financial liabilities in this category.

- **Other financial liabilities** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process.

The Company's accounts payable and accrued liabilities fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

n) Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year. These reclassifications have no effect on the net loss for the year ended June 30, 2017.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described as follows.

a) Useful Lives of Property and Equipment

Management reviews the useful lives of property and equipment at each reporting date, based on the expected utility of these assets to the Company. Actual useful lives of these assets may differ from the estimate.

b) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

c) Share-Based Compensation

The fair value of stock based compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

d) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

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Notes to the Financial Statements

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NOTE 4 – ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company's financial statements. The Company intends to adopt the following standards when they become effective.

a) IFRS 9 – Financial Instruments

IFRS 9 will replace IAS 39 “Financial Instruments: Recognition and Measurement” and applies to the classification and measurement of financial assets. The mandatory effective date is January 1, 2018 with early adoption permitted. The Company currently does not intend to early adopt IFRS 9. The Company has not yet determined the impact of this standard on its financial statements.

b) IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 “Leases”, and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019. The Company has not yet determined the impact of this standard on its financial statements.

NOTE 5 – DEPOSITS

	2018	2017
	\$	\$
Equipment Rental Deposit	-	25,725
Equipment Purchase Deposit	-	50,000
Administrative Services	19,153	-
	<u>19,153</u>	<u>75,725</u>

On March 20, 2017 and as amended on June 23, 2017, the Company entered into an asset purchase agreement with an arm's length party to acquire a proprietary mobile ore sampler and related equipment for \$200,000, of which \$50,000 was paid in cash in December 2016 and \$150,000 was paid through the subsequent issuance of 750,000 common shares in August 2017 at an agreed deemed price of \$0.20 per share. The Company took possession of the equipment in July 2017.

NOTE 6 – MARKETABLE SECURITIES

Marketable securities consist of a portfolio of investments held for trading. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market. These marketable securities are comprised of common shares of publicly-traded companies, and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the consolidated statement of operations.

	\$	\$
Marketable Securities Received at their Fair Value	226,215	-
Marketable Securities Purchased (Cost)	189,015	-
Marketable Securities Sold (Cost)	(286,988)	-
Write-Up Marketable Securities to Market Value	37,500	-
	<u>165,742</u>	<u>-</u>
Advances from the Trading Account	(24,980)	-
	<u>140,762</u>	<u>-</u>

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Notes to the Financial Statements

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NOTE 6 – MARKETABLE SECURITIES (Continued)

As the shares held in Goliath Resources Limited are released from escrow every six months (Note 7b), a portion of shares that will not be received during fiscal 2019 have been recorded as restricted marketable securities on the balance sheet (\$61,945).

NOTE 7 – INVESTMENTS

The Company classifies its investments in shares of private companies as available-for-sale investments. They are carried at cost as they do not have a quoted price in an active market and their fair value cannot be reliably measured.

	2018	2017
	\$	\$
J2 Syndicate (a)	-	108,900
Goliath Resources Limited (b)	-	89,100
	<hr/>	<hr/>
	-	198,000

a) The J2 Syndicate

In July 2017, the Company acquired a 9% interest in the private J2 Syndicate (the “Syndicate”) for a cash payment of \$225,000. The Syndicate was formed to pool resources amongst its members, with the objective of identifying and exploring mineral properties in northwestern British Columbia, and marketing any resulting property interest with the intention to option or sell the property interests.

During the year ended June 30, 2017, the Company received \$27,000 and 891,100 units of Goliath Resources Inc with a fair value of \$89,100 for the option of four of Syndicate mineral properties. This Syndicate distribution represented the Company’s 9% share of the option payments and was recorded as a credit against the cost of the Syndicate investment.

In fiscal 2018, the Company received a disbursement of \$54,000 from the Syndicate, along with 1,476,000 shares of Juggernaut Exploration Ltd. (*formerly Ardonblue Ventures Inc.*), with a value of \$221,400. The Company recorded a gain of \$269,055 for the year ended June 30, 2018.

b) Goliath Resources Limited.

The Company’s investment in Goliath Resources Limited (“Goliath”) consisted of 891,000 common shares with a value of \$45,090 and 891,000 warrants with a value of \$44,010. Goliath was a private junior exploration company in British Columbia and was acquired by Bitumen Capital Inc. (“Bitumen”), with the resulting entity being Goliath Resources Limited.

These shares and warrants were received as a result of 891,000 units of Goliath being distributed from the Syndicate during the year ended June 30, 2017 (Note 7(a)). The value of the units was determined to be \$0.10 per unit based on the most recent private placement subscription price of Goliath’s units on the date the units were issued. The unit value was first allocated to the attached warrants using the Black-Scholes option pricing model, and the balance was allocated to the shares.

On October 17, 2017, Goliath completed the reverse take-over and the Company received 1,376,550 common shares with a value of \$0.10 per units and 1,376,550 of warrants with a value of \$0.10 per units. The 1,376,550 common shares and warrants are in replacement of 891,000 common shares and warrants subject to value escrow, released over 36 months, every six months in release of 10%, 15%, 15%, 15%, 15%, 15% and 15%.

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Notes to the Financial Statements

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(Expressed in Canadian Dollars)

NOTE 8 – PROPERTY AND EQUIPMENT

	Vehicle \$	Furniture and Equipment \$	Total \$
COST			
Balance, June 30, 2016	-	-	-
Additions	7,000	13,300	20,300
Balance, June 30, 2017	7,000	13,300	20,300
Additions	-	200,000	200,000
Balance, June 30, 2018	7,000	213,300	220,300
ACCUMULATED DEPRECIATION			
Balance, June 30, 2016	-	-	-
Depreciation	1,050	1,330	2,380
Balance, June 30, 2017	1,050	1,330	2,380
Depreciation	1,594	27,221	28,815
Balance, June 30, 2018	2,644	28,551	31,195
NET BOOK VALUE			
Balance, June 30, 2016	-	-	-
Balance, June 30, 2017	5,950	11,970	17,920
Balance, June 30, 2018	4,356	184,749	189,105

NOTE 9 – EXPLORATION AND EVALUATION ASSET

The Company records its expenditures related to the acquisition, exploration, and development of mineral properties in profit or loss in the period in which they are incurred. Cumulative acquisition and exploration costs incurred by the Company to June 30, 2018 on its mineral property are summarized below.

Gold Drop Property, British Columbia, Canada

	\$
Balance, June 30, 2016	50,000
Acquisition Costs	250,000
Exploration Costs	365,177
Balance, June 30, 2017	665,177
Acquisition Costs	500,000
Exploration Costs	2,160,473
Balance, June 30, 2018	3,325,650

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NOTE 9 – EXPLORATION AND EVALUATION ASSET (Continued)

On June 21, 2016, the Company entered into an option agreement with Ximen Mining Corp. (“Ximen”), a company with a common director and a common officer, to acquire a 100% interest in the Gold Drop Property located about nine kilometers northeast from Greenwood, British Columbia, in the Greenwood Gold Mining district. Pursuant to the option payments, the Company is required to make cash payments, issue shares, and meet exploration expenditure requirement as follows:

Cash Payments

	\$
On Execution of the Agreement (Paid)	50,000
Upon TSX-V approval on July 26, 2016 (Paid)	50,000
On or Before July 26, 2017 (Paid)	100,000
On or Before July 26, 2018 (Equivalent value in stock issued)	100,000
On or Before July 26, 2019	100,000
	<hr/>
	400,000
	<hr/>

Share Issuances

Pursuant to the option agreement, the Company issued 1,000,000 common shares with a fair value of \$200,000 on July 27, 2016 following TSX Venture approval. In July 2017 and March 2018, the Company issued, respectively, 750,000 common shares with a fair value of \$150,000, and 2,500,000 common shares with a fair value of \$250,000. The Company is required to issue additional common shares with a value of \$150,000 on or before July 26, 2019.

Exploration Expenditures

Work commitments of \$1,000,000 are required to be performed on or before July 26, 2019, but not less than \$150,000 per year on or before July 26, 2017, July 26, 2018 and July 26, 2019.

Ximen will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which the Company may buy down 1% of the NSR Royalty by paying \$1,000,000. Upon completion of the option requirements by the Company, Ximen will have a right for nine months thereafter to elect to form a joint venture by paying the Company an amount of money equal to 30% of the total amount expended on the property by the Company. If Ximen exercises this joint-venture right, the Company and Ximen will enter into a joint venture for the exploration and development of the property.

NOTE 10 – SHARE CAPITAL

a) Authorized Share Capital and Share Consolidation

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding Common Shares

As at June 30, 2018, the Company had 45,386,942 common shares issued and outstanding as presented in the statements of changes in shareholders’ equity.

i) Shares Issued in 2017

On July 27, 2016, the Company issued 1,000,000 common shares with a fair value of \$200,000 pursuant to an option agreement for the Gold Drop Property, British Columbia (Note 9).

On August 22, 2016, the Company issued 750,000 units at \$0.15 per unit for total gross proceeds of \$112,500. Each unit consists of one common share and one share purchase warrant exercisable at \$0.20 per share until August 19, 2021. Finders’ fees of \$1,500 were paid and 10,000 agent’s warrants with a fair value of \$1,773 were granted (Note 10(f)).

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Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Common Shares (Continued)

i) Shares Issued in 2017 (Continued)

On October 4, 2016, the Company issued 2,591,355 units at \$0.15 per unit for total gross proceeds of \$388,703. Each unit consists of one common share and one share purchase warrant exercisable at \$0.20 per share until September 29, 2021. Finders' fees of \$11,650 were paid and 77,715 agents' warrants with a fair value of \$26,912 were granted (Note 10(f)).

On October 7, 2016, the Company issued 728,646 units at \$0.15 per unit for total gross proceeds of \$109,297. Each unit consists of one common share and one share purchase warrant exercisable at \$0.20 per share until October 7, 2021. Finders' fees of \$7,049 were paid and 30,000 agents' warrants with a fair value of \$9,493 were granted (Note 10(f)).

On April 20, 2017, the Company issued 3,634,000 units at \$0.075 per unit for total gross proceeds of \$272,550. Each unit consists of one common share and one share purchase warrant exercisable at \$0.10 per share until April 20, 2022.

On April 27, 2017, the Company issued 1,666,000 units at \$0.075 per unit for total gross proceeds of \$124,950. Each unit consists of one common share and one share purchase warrant exercisable at \$0.10 per share until April 27, 2022.

In connection with the private placements completed in April 2017, finders' fees of \$12,000 were paid and 160,000 agents' warrants with a fair value of \$16,317 were granted (Note 10(f)).

During the year ended June 30, 2017, the Company issued a total of 1,960,000 common shares upon the exercise of warrants for cash proceeds of \$203,400.

During the year ended June 30, 2017, the Company issued a total of 130,000 common shares upon the exercise of options for cash proceeds of \$13,000.

ii) Shares issued in 2018

In July 2017, the Company issued 700,000 units at \$0.135 per unit for total gross proceeds of \$94,500. Each unit consists of one common share and one share purchase warrant exercisable at \$0.20 per share until July 5, 2022. Finders' fees of \$405 were paid and 3,000 agents' warrants were granted with a fair value of \$648 (Note 10(f)).

In July 2017, the Company issued 750,000 common shares with a fair value of \$150,000 pursuant to the option agreement for the Gold Drop Property (Note 9).

In August 2017, the Company issued 2,350,000 flow-through units at \$0.20 per unit for total gross proceeds of \$470,000. Each unit consists of one flow-through common share and one share purchase warrant exercisable at \$0.25 per share until August 17, 2022. Finders' fees of \$41,500 were paid and 207,500 agents' warrants were granted with a fair value of \$33,454 (Note 10(f)).

In August 2017, the Company issued 750,000 common shares with a fair value of \$150,000 pursuant to an asset purchase agreement for mining equipment (Note 5).

In December 2017, the Company issued 4,050,000 units at \$0.10 per unit for total gross proceeds of \$405,000. Each unit consists of one common share and one share purchase warrant exercisable at \$0.15 per share until December 12, 2020. The Company paid a cash commission of \$16,000 and issued 164,000 agents' warrants with a fair value of \$15,433 (Note 10(f)).

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Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Common Shares (Continued)

ii) Shares issued in 2018 (Continued)

In March 2018, The Company issued 2,500,000 common shares with a fair value of \$250,000 pursuant to the asset purchase agreement for the Gold Drop Property (Note 9). The share issuance represented the cash equivalent payment of \$100,000 and the share issuance requirement of common shares with a fair value of \$150,000 to be made on or before July 26, 2018.

In April 2018, the Company issued 2,700,000 units at \$0.10 per unit for total gross proceeds of \$270,000. Each unit consists of one common share and one share purchase warrant exercisable at \$0.15 for a period of three years expiring April 6, 2021.

In May 2018, the Company issued through two separated tranches 3,296,667 units at \$0.12 per unit for total gross proceeds of \$395,600. Each unit consists of one common share and one share purchase warrant exercisable at \$0.15 for a period of three years expiring May 27, 2021 and June 4, 2021.

In June 2018, the Company issued through two separate tranches 3,016,666 Flow-Through units at \$0.12 per unit for total proceeds of \$362,000. Each Flow-Through Unit consists of one Flow-Through common share and one non-transferable common share purchase warrant exercisable at \$0.15 for a period of one year expiring on June 27, 2019 and June 28, 2019. The Company paid a cash commission of \$12,960 and issued 241,333 agents' warrants with a fair value of \$2,733. In connection with the Flow-Through private placement, the Company recorded a premium share liability of \$60,333 (Note 11).

During the year ended June 30, 2018, the Company issued a total of 3,180,980 common shares upon the exercise of warrants for cash proceeds of \$418,596.

c) Stock Options

Under the Company's stock option plan, the maximum number of shares that may be reserved for issuance is limited to 10% of the issued and outstanding common shares of the Company at the time of grant. Under the plan, the exercise price of an option may not be less than the closing market price of the Company's shares prevailing on the day that the option is granted. The options may have a maximum term of ten years and be vested at the discretion of the board of directors.

As at June 30, 2018, 2,245,000 options, with an average exercise price of \$0.17 per share and an average remaining life of 3.73 years, were vested.

Expiry Date	Exercise Price	June 30, 2017	Granted	Exercised	Expired/ Cancelled	June 30, 2018
March 7, 2021	\$0.10	95,000	-	-	-	95,000
October 27, 2021	\$0.265	600,000	-	-	(50,000)	550,000
April 10, 2022	\$0.10	900,000	-	-	(50,000)	850,000
August 1, 2022	\$0.20	-	800,000	-	(50,000)	750,000
		1,595,000	800,000	-	(150,000)	2,245,000

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Notes to the Financial Statements

June 30, 2018 and 2017

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

c) Stock Options (Continued)

As at June 30, 2017, 1,595,000 options, with an average exercise price of \$0.16 per share and an average remaining life of 4.55 years, were vested.

Expiry Date	Exercise Price	June 30, 2016	Granted	Exercised	Expired/ Cancelled	June 30, 2017
March 19, 2017	\$4.50	8,333	-	-	(8,333)	-
January 14, 2019	\$1.50	33,333	-	-	(33,333)	-
March 7, 2021	\$0.10	250,000	-	(130,000)	(25,000)	95,000
September 9, 2021	\$0.18	-	270,000	-	(270,000)	-
October 27, 2021	\$0.265	-	1,200,000	-	(600,000)	600,000
April 10, 2022	\$0.10	-	900,000	-	-	900,000
		291,666	2,370,000	(130,000)	(936,666)	1,595,000

d) Share Purchase Warrants

The continuity of warrants for the year ended June 30, 2018 is as follows:

Expiry Date	Exercise Price	June 30, 2017	Issued	Exercised	Expired/ Cancelled	June 30, 2018
June 27, 2019	\$0.15	-	1,350,000	-	-	1,350,000
June 28, 2019	\$0.15	-	1,666,666	-	-	1,666,666
December 12, 2020	\$0.15	-	4,050,000	-	-	4,050,000
February 19, 2021	\$0.08	120,000	-	-	-	120,000
April 5, 2021	\$0.15	700,000	-	(50,000)	-	650,000
April 6, 2021	\$0.15	-	2,700,000	-	-	2,700,000
April 15, 2021	\$0.15	220,000	-	-	-	220,000
May 24, 2021	\$0.15	-	2,809,167	-	-	2,809,167
June 4, 2021	\$0.15	-	487,500	-	-	487,500
June 21, 2021	\$0.20	2,226,684	-	(297,500)	(1,929,184)	-
June 29, 2021	\$0.20	2,949,501	-	(300,000)	(2,649,501)	-
August 19, 2021	\$0.20	750,000	-	(300,000)	(450,000)	-
September 29, 2021	\$0.20	2,591,355	-	(50,000)	(2,541,355)	-
October 7, 2021	\$0.20	728,646	-	(4,980)	(723,666)	-
April 20, 2022	\$0.10	3,634,000	-	(855,000)	(2,779,000)	-
April 27, 2022	\$0.10	1,666,000	-	(1,296,000)	(370,000)	-
July 5, 2022	\$0.20	-	700,000	-	-	700,000
August 17, 2022	\$0.25	-	2,350,000	-	-	2,350,000
		15,586,186	16,113,333	(3,153,480)	(11,442,706)	17,103,333

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Notes to the Financial Statements

June 30, 2018 and 2017

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NOTE 10 – SHARE CAPITAL (Continued)

d) Share Purchase Warrants (Continued)

The continuity of warrants for the year ended June 30, 2017 is as follows:

Expiry Date	Exercise Price	June 30, 2016	Issued	Exercised	Expired/ Cancelled	June 30, 2017
February 19, 2021	\$0.08	1,450,000	-	1,330,000	-	120,000
April 5, 2021	\$0.15	1,280,000	-	580,000	-	700,000
April 15, 2021	\$0.15	220,000	-	-	-	220,000
June 21, 2021	\$0.20	2,276,684	-	50,000	-	2,226,684
June 29, 2021	\$0.20	2,949,501	-	-	-	2,949,501
August 19, 2021	\$0.20	-	750,000	-	-	750,000
September 29, 2021	\$0.20	-	2,591,355	-	-	2,591,355
October 7, 2021	\$0.20	-	728,646	-	-	728,646
April 20, 2022	\$0.10	-	3,634,000	-	-	3,634,000
April 27, 2022	\$0.10	-	1,666,000	-	-	1,666,000
		8,176,185	9,370,001	1,960,000	-	15,586,186

e) Agents' Warrants

The continuity of agents' warrants for the year ended June 30, 2018 is as follows:

Expiry Date	Exercise Price	June 30, 2017	Issued	Exercised	Expired/ Cancelled	June 30, 2018
June 27, 2019	\$0.15	-	108,000	-	-	108,000
June 28, 2019	\$0.15	-	133,333	-	-	133,333
December 12, 2020	\$0.15	-	164,000	-	-	164,000
June 19, 2021	\$0.20	139,835	-	-	(139,835)	-
June 29, 2021	\$0.20	240,000	-	-	(240,000)	-
August 21, 2021	\$0.20	10,000	-	-	(10,000)	-
September 29, 2021	\$0.20	77,715	-	(27,500)	(50,215)	-
October 7, 2021	\$0.20	30,000	-	-	(30,000)	-
April 20, 2022	\$0.10	145,000	-	-	(145,000)	-
April 27, 2022	\$0.10	15,000	-	-	(15,000)	-
July 5, 2022	\$0.20	-	3,000	-	-	3,000
August 17, 2022	\$0.25	-	207,500	-	-	207,500
		657,550	615,833	(27,500)	(630,050)	615,833

The continuity of agents' warrants for the year ended June 30, 2017 is as follows:

Expiry Date	Exercise Price	June 30, 2016	Issued	Exercised	Expired/ Cancelled	June 30, 2017
June 19, 2021	\$0.20	139,835	-	-	-	139,835
June 29, 2021	\$0.20	240,000	-	-	-	240,000
August 21, 2021	\$0.20	-	10,000	-	-	10,000
September 29, 2021	\$0.20	-	77,715	-	-	77,715
October 7, 2021	\$0.20	-	30,000	-	-	30,000
April 20, 2022	\$0.10	-	145,000	-	-	145,000
April 27, 2022	\$0.10	-	15,000	-	-	15,000
		379,835	277,715	-	-	657,550

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Notes to the Financial Statements

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NOTE 10 – SHARE CAPITAL (Continued)

f) Share-Based Payments

During the year ended June 30, 2018, the Company recognized stock based compensation expense of \$149,012 (2017 – \$465,448) for 800,000 stock options (2017 – 2,370,000) that were granted and vested in the year. These options have a weighted average fair value of \$0.19 per option (2017 – \$0.20) as determined on the date of grant.

During the year ended June 30, 2018, the Company recognized stock based compensation expense of \$52,267 (2017 – \$54,495) in share issuance costs for 615,833 agents' warrants (2017 – 277,715) granted in the year. These options have a weighted average fair value of \$0.08 per option (2017 – \$0.20) as determined on the date of grant.

The fair values of stock options and agents' warrants granted have been estimated using the Black Scholes option pricing model with the following assumptions made during the year ended June 30, 2018 and 2017:

	2018	2017
Risk-Free Annual Interest Rate	1.45% to 1.73%	0.68% to 1.15%
Expected Stock Price Volatility	73% to 209%	212% to 219%
Expected Life of Options and Warrants	1 Year - 5 Years	5 Years
Expected Annual Dividend Yield	0%	0%

Option pricing models require the input of highly subjective assumptions. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models may not necessarily provide a single reliable measure of the fair value of the Company's stock options and agents' warrants.

NOTE 11 – FLOW-THROUGH SHARE PREMIUM LIABILITY

The Company entered into flow-through share subscription agreements in October 2017 whereby it committed to incur a total of \$362,000 of qualifying Canadian exploration expenditures. The value of the flow-through units in excess of the quoted market value of shares on the date of issuance and the fair value of share purchase warrants issued was set up as a liability at the time these shares were issued (\$60,333). Funds raised through the issuance of flow-through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation.

NOTE 12 – RELATED PARTY TRANSACTIONS

Key management includes directors and senior management. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties. These transactions are in the normal course of operations and are measured at their exchange amount. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

a) Related Party Balances

Included in accounts payable and accrued liabilities are the following amounts owed to related parties. They are non-interest bearing, unsecured, and have no specified terms of repayment.

	2018	2017
	\$	\$
Management Fees to a Company Controlled by a Director and Officer	-	2,015
	-	2,015

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Notes to the Financial Statements

June 30, 2018 and 2017

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NOTE 12 – RELATED PARTY TRANSACTIONS (Continued)

b) Compensation of Key Management Personnel

	2018	2017
	\$	\$
Bad Debt (i)	-	20,000
Management and Administrative Fees (ii)	16,000	69,000
Share-Based Compensation (iii)	46,566	198,439
Share Issuance Costs (iv)	-	36,973
	<u>62,566</u>	<u>324,412</u>

- i) During the year ended June 30, 2017, the Company wrote off an amount of \$20,000 owed by a former director and officer for an advance made for a business trip that was subsequently cancelled.
- ii) During the year ended June 30, 2018, the Company incurred management and administrative fees of \$16,000 (2017 – \$34,000) to a director and officer, and \$35,000 in 2017 to a former director and officer.
- iii) During the year ended June 30, 2018, the Company incurred share-based compensation of \$46,566 (2017 – \$198,439) to directors and officers. A total of 250,000 stock options (2017 – 945,000) were granted to these related parties.
- iv) In connection with the private placements completed during the year ended June 30, 2017, the Company paid \$13,000 in finders' fees and issued 71,667 agent's warrants with a fair value of \$23,973 to a company controlled by a former director and officer.

NOTE 13 – INCOME TAXES

a) Provision for Income Taxes

The income tax recovery of the Company is reconciled to the net loss for the year as reported in the statements of comprehensive loss by applying the combined federal and provincial income tax rate of 27.0% (2017 – 26.0%) as follows:

Expected Income Tax Recovery at Statutory Tax Rates	(792,957)	(469,018)
Permanent Differences	199,608	122,563
Effect of change in tax rate	(20,638)	-
Change in Valuation Allowance	1,049,041	-
Change in opening tax balances	(406,650)	357,503
Share Issuance Costs	(28,404)	(11,059)
Other	-	11
	<u>-</u>	<u>-</u>
Income Tax Recovery	-	-

b) Deferred Tax Assets and Liabilities

As at June 30, 2018 and 2017, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company's deferred tax assets not recognized consist of the following amounts:

Non-Capital Losses	1,105,163	861,439
Exploration and Evaluation Assets	1,080,608	348,990
Property and Equipment	59,614	619
Share Issuance Costs	39,033	19,651
	<u>2,284,418</u>	<u>1,230,699</u>
Net Deferred Tax Assets	2,284,418	1,230,699

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2018 and 2017

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NOTE 13 – INCOME TAXES (Continued)

b) Deferred Tax Assets and Liabilities

As at June 30, 2018, the Company has non-capital losses of approximately \$4,093,000 and share issuance costs of approximately \$145,000 that may be applied against future income for Canadian income tax purposes. Share issuance costs expire through to 2022. The non-capital losses expire as follows:

	\$
2030	117,000
2031	286,000
2032	344,000
2033	594,000
2034	680,000
2035	291,000
2036	260,000
2037	741,000
2038	780,000
	<u>4,093,000</u>

NOTE 14 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Composition of Cash

	2018	2017
	\$	\$
Cash	209,728	57,023
Cash Held in Trust	4,656	1,656
	<u>214,384</u>	<u>58,679</u>

b) Significant Non-Cash Financing Activities

Shares Issued for Mineral Properties	550,000	200,000
Fair Value of Agents' Warrants Issued for Private Placements	52,267	54,495
	<u>602,267</u>	<u>254,495</u>

c) Other Items

Income Taxes Paid	-	-
Interest Paid	-	-

NOTE 15 – FINANCIAL INSTRUMENTS AND RISKS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – 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.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

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Notes to the Financial Statements

June 30, 2018 and 2017

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NOTE 15 – FINANCIAL INSTRUMENTS AND RISKS (Continued)

The Company's financial instruments are exposed to the following financial risks:

a) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash.

As at June 30, 2018, the Company had a cash balance of \$214,384 to settle current liabilities of \$495,486. Management expects to fund those liabilities through the issuance of common shares and loans from related parties over the coming year. There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and exploration activities.

b) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. Management believes that its credit risk is not significant.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's amounts due to related parties are non-interest bearing, and as such, the Company is not exposed to significant interest rate risk.

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have no significant impact.

e) Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

NOTE 16 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to support the acquisition, exploration, and development of its exploration and evaluation assets.

The Company manages its share capital as capital, which as at June 30, 2018, was \$7,834,925 (2017 – \$5,079,500). 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 the capital structure, the Company may issue common shares or dispose of assets.

The Company does not have any externally imposed capital requirements to which it is subject. There were no changes in the Company's approach to capital management during the year ended June 30, 2018.