



(formerly Revolver Resources Inc)

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Date of Report: November 28, 2019

This Management's Discussion and Analysis ("MD&A") of the financial condition of GGX Gold Corp (*formerly Revolver Resources Inc.*) ("GGX" or the "Company") and results of operations of the Company, should be read in conjunction with the unaudited interim financial statements including the notes thereto for the three months ended September 30, 2019 and the audited financial statements including the notes thereto for the year ended June 30, 2019. The financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company. These financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB"). The Company's accounting policies are described in Note 3 of the Annual Financial Statements for the year ended June 30, 2019.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events

All monetary amounts are in Canadian dollars unless otherwise specified. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Description of Business

GGX Gold Corp. (*formerly Revolver Resources Inc.*) (the "Company") was incorporated on May 10, 2007 under the British Columbia Business Corporations Act. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. The Company is currently focusing its financial resources on conducting an exploration program in British Columbia.

The Company is a reporting issuer in British Columbia and Alberta and its shares are listed on the TSX Venture Exchange under the symbol GGX.V.

The Company has incurred losses since its inception and had an accumulated deficit of \$10,975,121 as at September 30, 2019 which has been funded primarily by the issuance of shares. The level of the Company's future operations will be determined by the availability of capital resources, which will be derived from the issuance of special warrants and future financings. In addition, the Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties.

Overall Performance

The Company is currently focused on its recent acquisition of the Gold Drop Project and is actively pursuing other precious metal assets particularly in the province of British Columbia.

Corporate Update

On April 25, 2019, Mr. George Sookochoff was appointed President of the Company. Mr. Barry Brown remains as CEO and was appointed Chairman of the Board. Subsequent to the end of the quarter, Mr. Sookochoff resigned from his position as President.

Share-Consolidation

On June 14, 2019, the Company consolidated the issued share capital on the basis of three (3) old common shares for one (1) new common share (the “Consolidation ratio”). Outstanding stock options, agent’s options and warrants were adjusted by the Consolidation ratio. All common shares and per common share amounts in these financial statements have been retroactively restated to reflect the share consolidation.

Shares Issued

In July 2019, the Company issued 2,685,000 non-flow-through units at \$0.20 per unit for total proceeds of \$537,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.30 per share for a period of 18 months after closing. The term of the warrants may be accelerated.

In August 2019, the Company issued 2,925,000 flow-through units at \$0.25 for total proceeds of \$731,250. One flow-through unit consist of one flow-through common share and one-half share purchase warrant. One flow-through warrant will entitle the holder to purchase one additional non flow-through common share at a price of \$0.35 for 18 months after closing. The term of the warrants may be accelerated.

The Company paid finder’s fees totalling \$30,380 and issued 127,000 agents’ warrants exercisable at \$0.35 per share for a period of 18 months after closing

In August 2019, the Company issued 600,000 common shares with a fair value of \$159,000 pursuant to the option agreement for the Gold Drop Property.

Investment

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.

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 Ltd.

The Company's investment in Goliath Resources Ltd. 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 Ltd. ("Goliath").

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. 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 Resources Ltd. completed the reverse take-over and the Company received 1,376,550 common shares with a value of \$0.10 per unit and 1,376,550 warrants with a value of \$0.10 per unit. 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% and 15%.

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.

	September 30, 2019 \$	June 30, 2019 \$
Opening Balance	66,075	140,762
Marketable Securities Received at their Fair Value	-	-
Marketable Securities Purchased (Cost)	-	33,310
Marketable Securities Sold (Cost)	-	(116,458)
Write-Up (Down) Marketable Securities to Market Value	8,258	(16,519)
	<u>74,333</u>	<u>41,095</u>
Advances from the Trading Account	-	(24,980)
	<u>74,333</u>	<u>66,075</u>

Mineral Property

Gold Drop, British Columbia, Canada

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 Shares Issued)	100,000
On or Before July 26, 2019 (Paid)	100,000
	<u>400,000</u>

Share Issuances

Pursuant to the option agreement, the Company issued 1,000,000 (333,333 post-consolidated) 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 (250,000 post-consolidated) common shares with a fair value of \$150,000, and 2,500,000 (833,333 post-consolidated) 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. On August 21, 2019, the Company issued 600,000 common shares with a fair market value of \$159,000.

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.

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 December 31, 2018 on its mineral property are summarized below.

	\$
Balance, June 30, 2018	3,325,650
Exploration Costs	<u>447,280</u>
Balance, September 30, 2018	3,772,930
Balance, June 30, 2019	4,492,693
Acquisition Costs	259,000
Exploration Costs	<u>363,170</u>
Balance, September 30, 2019	<u>5,114,863</u>



Since acquiring the Gold Drop Property in 2016, the Company has conducted prospecting, rock / soil geochemical sampling, trenching and diamond drilling. The work has been focused in the Gold Drop Southwest Zone in the area of the COD and Everest gold and silver bearing quartz veins. All diamond drilling was conducted in the area of these veins. This consisted of 31 holes (1,517 meters) in 2017 and 79 holes (5,222 meters) in 2018. The trenches exposed gold bearing quartz veins. Chip samples collected in 2017 across the approximate 0.4 meter wide Everest Vein exposure returned up to 52.8 grams per tonne (g/t) gold (Au) and 377 g/t silver (Ag) while a grab sample of a quartz vein boulder broken off the outcrop by the excavator returned 81.8 g/t gold and 630 g/t silver. Numerous drill holes in the area of the trenches intersected significant mineralization. Some of the higher grade gold drilling intersections include (core length):

COD17-14:	4.59 g/t Au over 16.03 meters.
COD18-3:	14.62 g/t Au over 2.1 meters
COD18-26:	10.3 g/t Au over 1.4 meter recovered core (within 2.35 meter interval)
COD18-28:	11.3 g/t Au over 0.51 meters
COD18-33:	8.65 g/t Au over 2.98 meters
COD18-34:	6.16 g/t Au over 3.41 meters
COD18-37:	8.23 g/t Au over 3.95 meters
COD18-45:	50.1 g/t Au over 2.05 meters
COD18-46:	54.9 g/t Au over 1.47 meters
COD18-49:	9.52 g/t Au over 1.47 meters
COD18-54:	7.60 g/t Au over 1.66 meters
EVE18-5:	10.55 g/t Au over 0.45 meters
EVE18-12:	12.45 g/t Au over 0.85 meters

Prospecting during 2018 in the east region of the property yielded significant results including 297 g/t gold and 1290 g/t silver in a sample of quartz from a dump pile from what is believed to be the southern Silent Friend showing. Samples from a mineshaft dump pile north of this exposure returned 6.98 g/t gold and 38.6 g/t silver. A sample collected from a mineshaft speculated to be the Ken mineshaft returned 4.47 g/t gold and 23.0 g/t tonne silver.

Results of Operations

Net Gain/Loss and Operating Expenses

During the period ended September 30, 2019 the Company reported a net loss of \$1,047,749 compared to \$510,534 for the same period in the prior year. Notable changes in expenditures for the period are an increase in exploration by \$174,890, consulting and management fees increased by \$86,576, and the issuance of one million stock options creating share compensation expense in the amount of \$205,992. The Company had reduced spending in the areas of advertising and depreciation. The Company continues to be active in searching for mineral properties and raising money from private placements and advancing the Gold Drop Property.



Administrative and General Expenses

	Three Months Ended	
	2019	September 30, 2018
	\$	\$
Operating Expenses:		
Advertising and Marketing	42,012	75,761
Consulting	72,076	25,500
Depreciation	619	11,752
Exploration and Acquisition Costs	622,170	447,280
Insurance	-	8,000
Interest	933	-
Management and Administrative Fees	63,900	23,900
Office and Miscellaneous	13,657	20,283
Professional Fees	9,000	9,194
Rent	10,500	9,000
Share-Based Compensation	205,992	-
Transfer Agent and Regulatory Fees	13,973	7,950
Travel	1,175	5,689
	(1,056,007)	(644,309)
Gain on Disposal of Equipment	-	35,938
Realized Gain on Sale of Marketable Securities	-	37,504
Reversal of Flow-Through Share Premium Liability	-	60,333
Write-Up of Marketable Securities to Market	8,258	-
	(1,047,749)	(510,534)
Net Loss of the Period	(1,047,749)	(510,534)

For the Three-Months Ended September 30, 2019:

- Advertising and Marketing of \$42,012 (2018 - \$75,761) comprise of advertising fees.
- Consulting fees of \$72,076 (2018 – \$25,500) was paid to various consultants for strategic planning, as well as corporate financing and project evaluation.
- Management and administrative fees of \$63,900 (2018 – \$23,900) paid to companies for general administrative services, overseeing regulatory filings requirement, accounting fees and secretarial services.
- Office and miscellaneous of \$13,657 (2018 – \$20,283) included telephone, printing, shareholder costs, miscellaneous office expenses, interest and bank charges and foreign exchange.
- The Company incurred \$622,170 (2018 – \$447,280) of exploration expenditures and acquisition costs on the company’s Gold Drop Property. *Exploration and Evaluation Expenditures see above.*
- Professional fees of \$9,000 (2018 – \$9,194) comprise of legal and audit accruals.
- Transfer agent and regulatory fees of \$13,973 (2018 – \$7,950) consisted of fees paid to regulatory bodies in Canada and the Company’s transfer agent.



- Travel and accommodations expenses of \$1,175 (2018 – \$5,989). Management traveled to visit the Company’s property and attending various geological conferences and meetings.
- The Company recorded share-based compensation of \$205,992(2018 - \$Nil) for the issuance of 1,000,000 stock options.

Summary of Quarterly Reports

Results for the most recent quarters ending with the last quarter for the period ended September 30, 2019:

	September 30, 2019 \$	Three Months Ended		December 31, 2018 \$
		June 30, 2019 \$	March 31, 2019 \$	
Revenue	Nil	Nil	Nil	Nil
Net Income (Loss)	(1,047,749)	(725,460)	(292,409)	(272,398)
Basic and diluted loss per share	(0.05)	(0.04)	(0.01)	(0.01)

	September 30, 2018 \$	Three Months Ended		December 31, 2017 \$
		June 30, 2018 \$	March 31, 2018 \$	
Revenue	Nil	Nil	Nil	Nil
Net Income (Loss)	(510,534)	(1,074,016)	(665,675)	(762,364)
Basic and diluted loss per share	(0.05)	(0.03)	(0.02)	(0.03)

Mineral exploration is typically a seasonal business, and accordingly, the Company’s operating expenses, and cash requirements will fluctuate depending upon the season and the level of activity. The Company’s primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company’s activity level normally declines accordingly. As capital markets strengthen and the Company can secure equity financing with favorable terms, the Company’s activity levels and the size and scope of planned exploration projects will typically increase.

Liquidity and Capital Resources

At September 30, 2019, the Company had cash of \$31,942 and working capital deficit of \$539,411.

	September 30, 2019 \$	June 30, 2019 \$
Total Assets	176,179	124,161
Total Liabilities	686,777	1,158,315
Shareholders’ Equity (Deficiency)	(510,598)	1,034,154
Working Capital Deficiency	(539,411)	(1,061,522)

The Company does not generate enough cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

	September 30, 2019 \$	September 30, 2018 \$
Cash used in operating activities	(1,343,960)	(484,479)
Cash used in investing activities	-	275,024
Cash provided by financing activities	1,365,313	-
Change in cash	<u>21,353</u>	<u>(209,455)</u>

Transactions with Related Parties

At the Report Date, key management consists of Barry Brown (CEO and Chairman of the Board), George Sookochoff (former President), Nicolette Keith (CFO), Quinn Field-Dyde, Scott Kent and Stu Hughes (independent, Directors of the Company).

Related Party Balances

There were no amounts payable to related parties for services for the period ended September 30, 2019 and 2018.

Compensation of Key Management Personnel

	September 30, 2019	September 30, 2018
Management and Administrative Fees (i)	42,000	2,000
Share-Based Compensation (ii)	<u>113,300</u>	-
	<u>155,300</u>	<u>2,000</u>

- i) During the period ended September 30, 2019 the Company incurred management and administrative fees of \$42,000 (2018 – \$2,000) to a director and officer (Barry Brown - \$6,000 and George Sookochoff - \$36,000).
- ii) During the period ended September 30, 2019, the Company incurred share-based compensation of \$113,300 (2018 - \$Nil) to directors and officers relating to the issue of stock options.

Off Balance Sheet Agreements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Changes in Accounting Policies and Accounting Pronouncements

In preparing these interim financial statements as at September 30, 2019, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended June 30, 2019.

Critical Accounting Policies and Estimates

The details of GGX's accounting policies are presented in Note 3 of the financial statements ended June 30, 2019. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

Financial Instruments and Risk Management

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.

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

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 enough capital in order to meet short-term business requirements, after considering cash flows from operations and the Company's holdings of cash.

As at September 30, 2019, the Company had a cash balance of \$31,942 to settle current liabilities of \$686,777. 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.

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.

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.

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.

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.

Capital Risk 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 September 30, 2019, was \$9,762,096 (June 30, 2019 – \$8,402,797). The Company manages the capital structure and adjusts it considering 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 period ended September 30, 2019.

Risk and Uncertainties

There are no significant changes relating to the risk factors since the filing of the annual MD&A of June 30, 2019.

Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Additional Information in relation to the Company

Additional information relating to the Company is available:

- (a) On SEDAR at www.sedar.com
- (b) On the Company's website at www.gxgold.com
- (c) In the Company's annual audited financial statements for the year ended June 30, 2019.



(formerly Revolver Resources Inc.)

Management Discussion & Analysis
For the Period Ended September 30, 2019

Outstanding Shares Data

	Number	Exercise Price	Expiry Date
		\$	
Common Shares (November 13, 2019)	23,451,768	n/a	n/a
Stock Options	31,667	0.300	March 7, 2021
Stock Options	183,333	0.795	October 27, 2021
Stock Options	283,333	0.300	April 10, 2022
Stock Options	250,000	0.600	August 1, 2022
Stock Options	166,667	0.300	April 25, 2024
Stock Options	1,000,000	0.220	August 30, 2024
Warrants	1,033,000	0.360	October 10, 2020
Warrants	666,667	0.360	October 18, 2020
Warrants	1,350,000	0.450	December 12, 2020
Warrants	250,000	0.300	December 26, 2020
Warrants	815,000	0.300	January 11, 2021
Warrants	250,000	0.350	January 29, 2021
Warrants	1,087,500	0.350	February 8, 2021
Warrants	1,565,000	0.300	February 8, 2021
Warrants	40,000	0.350	February 9, 2021
Warrants	40,000	0.240	February 19, 2021
Warrants	305,000	0.300	February 28, 2021
Warrants	85,000	0.350	February 28, 2021
Warrants	216,666	0.450	April 05, 2021
Warrants	900,000	0.450	April 06, 2021
Warrants	73,333	0.450	April 15, 2021
Warrants	936,389	0.450	May 24, 2021
Warrants	162,500	0.450	June 04, 2021
Warrants	233,333	0.600	July 05, 2022
Warrants	783,333	0.750	August 17, 2022
Agents' Warrants	82,667	0.360	October 10, 2020
Agents' Warrants	54,667	0.450	December 12, 2020
Agents' Warrants	40,000	0.350	January 29, 2021
Agents' Warrants	66,000	0.350	February 8, 2021
Agents' Warrants	21,000	0.350	February 28, 2021
Agents' Warrants	1,000	0.600	July 5, 2022
Agents' Warrants	69,167	0.750	August 27, 2022