



June 30, 2019 and 2018

Financial Statements
(Expressed in Canadian Dollars)

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- Statements of Changes in Shareholders' Equity
- Statements of Comprehensive Loss
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Independent Auditors' Report

To the Shareholders of:
GGX GOLD CORP.

Opinion

We have audited the financial statements of GGX Gold Corp. ("the Company"), which comprise the statements of financial position as at June 30, 2019 and June 30, 2018 and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and June 30, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$1,800,801 during the year ended June 30, 2019, and as of that date, had accumulated losses since inception of \$9,927,372. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
October 24, 2019



GGX GOLD CORP.

Statements of Financial Position

As at June 30, 2019 and 2018

(Expressed in Canadian Dollars)

	Note	2019 \$	2018 \$
ASSETS			
CURRENT			
Cash	14	10,589	214,384
GST Recoverable		36,648	64,255
Deposits	5	-	19,153
Marketable Securities	6	49,556	78,817
		<u>96,793</u>	<u>376,609</u>
NON-CURRENT			
Restricted Marketable Securities	6	16,519	61,945
Property and Equipment	8	10,849	189,105
Exploration and Evaluation Asset	9	-	-
		<u>124,161</u>	<u>627,659</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		1,158,315	435,153
Flow-Through Share Premium Liability	11	-	60,333
		<u>1,158,315</u>	<u>495,486</u>
SHAREHOLDERS' EQUITY			
Share Capital	10	8,402,797	7,834,925
Share Subscriptions Received	10	20,000	-
Stock Options Reserve		412,620	374,040
Share Purchase Warrants Reserve		57,801	52,512
Deficit		(9,927,372)	(8,129,304)
		<u>(1,034,154)</u>	<u>132,173</u>
		<u>124,161</u>	<u>627,659</u>

Nature of Business and Ability to Continue as a Going Concern (Note 1)
Subsequent Events (Note 17)

The accompanying notes form an integral part 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, 2019 and 2018

(Expressed in Canadian Dollars)

	Note	Number of Post- Consolidated Common Shares	Share Capital \$	Share Subscriptions Received \$	Stock Options Reserve \$	Share Purchase Warrants Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance, June 30, 2017		7,364,210	5,079,500	-	252,559	129,492	(5,284,278)	177,273
Shares Issued for Cash	10(b)(i)	5,371,111	1,997,100	-	-	-	-	1,997,100
Flow-Through Share Premium		-	(60,333)	-	-	-	-	(60,333)
Share Issuance Costs	10(b)(i)	-	(107,186)	-	-	-	-	(107,186)
Shares issued for Exploration and Evaluation Asset	10(b)(i)	1,083,333	400,000	-	-	-	-	400,000
Shares issued for Equipment	10(b)(i)	250,000	150,000	-	-	-	-	150,000
Exercise of Share Purchase Warrants	10(b)(i)	1,051,160	413,096	-	-	-	-	413,096
Exercise of Agents' Warrants	10(b)(i)	9,167	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		15,128,981	7,834,925	-	374,040	52,512	(8,129,304)	132,173
Shares Issued for Cash	10(b)(ii)	1,950,000	560,000	-	-	-	-	560,000
Share Subscriptions Received		-	-	20,000	-	-	-	20,000
Share Issuance Costs	10(b)(ii)	-	(30,500)	-	-	-	-	(30,500)
Shares Issued for Debt	10(b)(ii)	162,787	46,394	-	-	-	-	46,394
Fair Value of Agents' Warrants Issued	10(f)	-	(8,022)	-	-	8,022	-	-
Fair Value of Agents' Warrants Cancelled		-	-	-	-	(2,733)	2,733	-
Share-Based Compensation	10(f)	-	-	-	38,580	-	-	38,580
Net Comprehensive Loss		-	-	-	-	-	(1,800,801)	(1,800,801)
Balance, June 30, 2019		17,241,768	8,402,797	20,000	412,620	57,801	(9,927,372)	(1,034,154)

Share Consolidation (Note 10(a))

The accompanying notes form an integral part of these financial statements

GGX GOLD CORP.

Statements of Comprehensive Loss

For the Years Ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

	Note	2019 \$	2018 \$
EXPENSES			
Advertising and Marketing		294,616	258,278
Consulting		118,000	232,781
Depreciation		14,194	28,815
Exploration	9	1,167,043	2,660,473
Insurance		16,000	-
Management and Administrative Fees	12(i)	130,600	107,100
Office		72,871	117,957
Professional Fees		76,907	33,167
Rent		39,000	47,292
Share-Based Compensation	12(ii)	38,580	149,012
Transfer Agent and Regulatory Fees		46,183	33,018
Travel		15,496	47,745
		<hr/>	<hr/>
LOSS BEFORE OTHER ITEMS		(2,029,490)	(3,715,638)
BC Mining Exploration Tax Credit		-	103,299
Gain on Sale of Marketable Securities		35,697	313,495
Gain on Sale of Equipment	8	35,938	-
Gain on Sale of Investments	7(a)	-	269,055
Gain on Settlement of Debt		7,846	-
Gain on Write-Off of Accounts Payable		105,394	-
Reversal of Flow-Through Share Premium Liability		60,333	-
Write-(Down) Up of Marketable Securities to Market Value		(16,519)	37,500
		<hr/>	<hr/>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(1,800,801)	(2,992,289)
		<hr/>	<hr/>
Basic and Diluted Loss per share		(0.12)	(0.29)
		<hr/>	<hr/>
Weighted Average Number of Common Shares Outstanding		15,561,714	10,499,181
		<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements

GGX GOLD CORP.

Statements of Cash Flows

For the Years Ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Net Comprehensive Loss for The Year	(1,800,801)	(2,992,289)
Items Not Affecting Cash:		
Depreciation	14,194	28,815
Share-Based Compensation	38,580	149,012
Equipment Sold for Exploration and Evaluation Assets Services	147,670	400,000
Gain on Sale of Marketable Securities	(35,697)	(313,495)
Gain on Sale of Equipment	(35,938)	-
Gain on Settlement of Debt	(7,846)	-
Gain on Write-Off of Accounts Payable	(105,394)	-
Reversal of Flow-Through Premium Liability	(60,333)	-
Write-Down (Up) of Marketable Securities to Market	16,519	(37,500)
	<u>(1,829,046)</u>	<u>(2,765,457)</u>
Changes in Non-Cash Working Capital Items:		
GST Recoverable	27,607	(49,212)
Deposits	19,153	56,572
Accounts Payables and Accrued Liabilities	935,126	247,059
	<u>(847,160)</u>	<u>(2,511,038)</u>
FINANCING ACTIVITIES		
Shares Issued for Cash	560,000	1,997,100
Share Issuance Costs	(30,500)	(107,186)
Share Subscriptions Received	20,000	-
Proceeds from the Exercise of Warrants	-	418,596
	<u>549,500</u>	<u>2,308,510</u>
INVESTING ACTIVITIES		
Syndicate Cash Distribution Received	-	54,000
Purchase Property and Equipment	-	(50,000)
Purchases of Marketable Securities, Net of Trading Account Advances	(33,310)	(164,035)
Proceeds from the Sale of Marketable Securities	127,175	518,268
	<u>93,865</u>	<u>358,233</u>
(DECREASE) INCREASE IN CASH	(203,795)	155,705
Cash, Beginning of Year	<u>214,384</u>	<u>58,679</u>
CASH, END OF YEAR	<u>10,589</u>	<u>214,384</u>

Supplemental Cash Flow Information (Note 14)

The accompanying notes form an integral part of these financial statements

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2019 and 2018

(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, 2019, the Company has an accumulated deficit of \$9,927,372 and working capital deficiency of \$1,061,522. 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 sufficiently meet its planned exploration expenditures and corporate administration costs in the next twelve 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 24, 2019.

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, 2019 and 2018

(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, 2019 and 2018, the Company has no material decommissioning and restoration provision.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2019 and 2018

(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.

On June 14, 2019, the Company consolidated its share capital, options, warrants at a ratio of three old common shares to one new common share. The financial statements reflect the retroactive application of this share consolidation

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.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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

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)).

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

The Company adopted all of the requirements of IFRS 9 Financial Instruments on January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking “expected loss” impairment model.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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

m) Financial Instruments (Continued)

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash	FVTPL	FVTPL
Marketable Securities	FVTPL	FVTPL
Investments	FVTPL	FVTPL
Accounts payable	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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

m) Financial Instruments (Continued)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company did not restate prior periods and determined that the adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 1, 2018.

n) Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current period. These reclassifications have no effect on the net loss for the year ended June 30, 2018.

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 areas where management's judgement has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, Financial instruments: recognition and measurement;

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Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

- The recoverability of the carrying value of the mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

Significant areas requiring the use of management estimates and assumptions include:

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.

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 as of June 30, 2019. The Company is assessing the impact of these new standards, but does not expect them to have a significant effect on the financial statements. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded herein.

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Notes to the Financial Statements

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NOTE 4 – ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE (Continued)

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 determined there is no impact of this standard on its financial statements.

NOTE 5 – DEPOSITS

	2019	2018
	\$	\$
Administrative Services	-	19,153

A prepayment was made for administrative services during the year ended June 30, 2018 for \$19,153. Services including office staffing and expenses, accounting and rent were provided during the year ended June 30, 2019.

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 statement of operations.

Opening Balance	140,762	-
Marketable Securities Received at Fair Value	-	226,215
Marketable Securities Purchased at Cost	33,310	189,015
Marketable Securities Sold at Cost	(116,458)	(286,988)
Write-(Down) Up Marketable Securities to Market Value	(16,519)	37,500
	41,095	165,742
Advances to (from) the Trading Account	24,980	(24,980)
	66,075	140,762

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 2020 have been recorded as restricted marketable securities on the balance sheet, \$16,519, (2018 - \$61,945).

NOTE 7 – INVESTMENTS

The Company classifies its investments in shares of private companies as FVTPL. 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.

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Notes to the Financial Statements

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NOTE 7 – INVESTMENTS (Continued)

a) The J2 Syndicate (Continued)

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 on investments 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 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%, 15% and 15%.

NOTE 8 – PROPERTY AND EQUIPMENT

	Vehicle \$	Furniture and Equipment \$	Total \$
COST			
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
Disposals	-	(200,000)	(200,000)
Balance, June 30, 2019	7,000	13,300	20,300
ACCUMULATED DEPRECIATION			
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
Depreciation	1,307	(23,051)	(21,744)
Balance, June 30, 2019	3,951	5,500	9,451
NET BOOK VALUE			
Balance, June 30, 2018	4,356	184,749	189,105
Balance, June 30, 2019	3,049	7,800	10,849

During the fiscal year 2019, the Company disposed of a mining equipment acquired in 2018 to an arm's length party for the original purchase price \$200,000 for exploration services (\$147,670) and accounts payable owing (\$52,330). The Company recorded a gain on the sale in the amount of \$35,938.

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Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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, 2019 on its mineral property are summarized below.

Gold Drop Property, British Columbia, Canada

	\$
Balance, June 30, 2017	665,177
Acquisition Costs	500,000
Exploration Costs	<u>2,160,473</u>
Balance, June 30, 2018	3,325,650
Acquisition Costs	-
Exploration Costs	<u>1,167,043</u>
Balance, June 30, 2019	<u><u>4,492,693</u></u>

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 requirements 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 (Paid – subsequent to June 30, 2019)	<u>100,000</u>
	<u><u>400,000</u></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. Subsequent to June 30, 2019, the Company issued 600,000 common shares with a fair value of \$150,000.

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.

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Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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.

On June 14, 2019, the Company consolidated its share capital, options, warrants at a ratio of three old common shares to one new common share. The financial statements reflect the retroactive application of this share consolidation.

b) Issued and Outstanding Common Shares

As at June 30, 2019, the Company had 17,241,768 common shares issued and outstanding.

i) Shares issued in 2018

In July 2017, the Company issued 700,000 units (233,333 units post-consolidation) 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 (\$0.60 post-consolidation) 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 (250,000 shares post-consolidation) 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 (783,333 flow-through units post-consolidation) at \$0.20 per unit for total gross proceeds of \$470,000. One unit consists of one flow-through common share and one share purchase warrant exercisable at \$0.25 (\$0.75 post-consolidation) per share until August 17, 2022. Finders' fees of \$41,500 were paid and 207,500 agents' warrants (69,167 post-consolidation agents' warrants) were granted with a fair value of \$33,454 (Note 10(f)).

In August 2017, the Company issued 750,000 common shares (250,000 shares post-consolidation) with a fair value of \$150,000 pursuant to an asset purchase agreement for mining equipment (Note 8).

In December 2017, the Company issued 4,050,000 units (1,350,000 units post-consolidation) at \$0.10 per unit for total gross proceeds of \$405,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.15 (\$0.45 post-consolidation) per share until December 12, 2020. The Company paid a cash commission of \$16,000 and issued 164,000 agents' warrants (54,667 post-consolidation agents' warrants) with a fair value of \$15,433 (Note 10(f)).

In March 2018, the Company issued 2,500,000 common shares (833,333 shares post-consolidation) 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 (900,000 units post-consolidation) at \$0.10 per unit for total gross proceeds of \$270,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.15 (\$0.45 post-consolidation) per share until April 6, 2021.

In May 2018, the Company issued through two separated tranches 3,296,667 units (1,098,889 units post-consolidation) at \$0.12 per unit for total gross proceeds of \$395,600. One unit consists of one common share and one share purchase warrant exercisable at \$0.15 (\$0.45 post-consolidation) per share until May 27, 2021 and June 4, 2021.

In June 2018, the Company issued through two separate tranches 3,016,666 flow-through units (1,005,555 units post-consolidation) at \$0.12 per unit for total proceeds of \$362,000. One flow-through unit consists of one flow-through common share and one non-transferable common share purchase warrant exercisable at \$0.15 (\$0.45 post-consolidation) per share until 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).

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Notes to the Financial Statements

June 30, 2019 and 2018

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NOTE 10 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Common Shares (Continued)

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.

ii) Shares issued in 2019

In January 2019, the Company issued a total of 488,361 common shares (162,787 shares post-consolidation) with a fair value of \$46,394 to settle accounts payable totaling \$54,240. Gain on the settlement of debt in the amount of \$7,846 was recorded in the statement of operations.

In April 2019, the Company issued 5,100,000 flow-through units (1,700,000 units post-consolidation) at \$0.10 per unit for total proceeds of \$510,000. One unit consists of one flow-through common share and one share purchase warrant exercisable at \$0.12 (\$0.36 post-consolidation) per share until October 2020. The Company paid finder's fees of \$24,800 and issued 248,000 agents' warrants (82,667 agents' warrants post consolidation) with a fair value of \$8,022 (Note 10(f)).

In June 2019, the Company issued 250,000 units at \$0.20 per unit for total proceeds of \$50,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.30 per share until December 26, 2020.

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.

The continuity schedules of the stock options for the years ended June 30, 2019 and 2018 are as follows. The number of stock option and their exercise price have been retroactively adjusted to reflect the three to one share consolidation of June 2019.

As at June 30, 2019, 915,000 options, with an average exercise price of \$0.48 per share and an average remaining life of 3.11 years, were vested.

Expiry Date	Exercise Price	June 30, 2018	Granted	Exercised	Expired/Cancelled	June 30, 2019
March 7, 2021	\$0.300	31,667	-	-	-	31,667
October 27, 2021	\$0.795	183,333	-	-	-	183,333
April 10, 2022	\$0.300	283,333	-	-	-	283,333
August 1, 2022	\$0.600	250,000	-	-	-	250,000
April 25, 2024	\$0.300	-	166,667	-	-	166,667
		748,333	166,667	-	-	915,000

As at June 30, 2018, 748,333 options, with an average exercise price of \$0.52 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	\$0.300	31,667	-	-	-	31,667
October 27, 2021	\$0.795	200,000	-	-	(16,667)	183,333
April 10, 2022	\$0.300	300,000	-	-	(16,667)	283,333
August 1, 2022	\$0.600	-	266,667	-	(16,667)	250,000
		531,667	266,667	-	(50,001)	748,333

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Notes to the Financial Statements

June 30, 2019 and 2018

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NOTE 10 – SHARE CAPITAL (Continued)

d) Share Purchase Warrants

The continuity schedules of warrants for the years ended June 30, 2019 and 2018 are as follows. The number of share purchase warrants and their exercise price have been retroactively adjusted to reflect the three to one share consolidation of June 2019.

The average weighted exercise price of the warrants is \$0.46.

Expiry Date	Exercise Price	June 30, 2018	Issued	Exercised	Expired/ Cancelled	June 30, 2019
June 27, 2019	\$0.45	450,000	-	-	(450,000)	-
June 28, 2019	\$0.45	555,555	-	-	(555,555)	-
October 10, 2020	\$0.36	-	1,033,333	-	-	1,033,333
October 18, 2020	\$0.36	-	666,667	-	-	666,667
December 12, 2020	\$0.45	1,350,000	-	-	-	1,350,000
December 26, 2020	\$0.30	-	250,000	-	-	250,000
February 19, 2021	\$0.24	40,000	-	-	-	40,000
April 5, 2021	\$0.45	216,666	-	-	-	216,666
April 6, 2021	\$0.45	900,000	-	-	-	900,000
April 15, 2021	\$0.45	73,333	-	-	-	73,333
May 24, 2021	\$0.45	936,389	-	-	-	936,389
June 4, 2021	\$0.45	162,500	-	-	-	162,500
July 5, 2022	\$0.60	233,333	-	-	-	233,333
August 17, 2022	\$0.75	783,333	-	-	-	783,333
		5,701,109	1,950,000	-	(1,005,555)	6,645,554

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	\$0.45	-	450,000	-	-	450,000
June 28, 2019	\$0.45	-	555,555	-	-	555,555
December 12, 2020	\$0.45	-	1,350,000	-	-	1,350,000
February 19, 2021	\$0.24	40,000	-	-	-	40,000
April 5, 2021	\$0.45	233,333	-	(16,667)	-	216,666
April 6, 2021	\$0.45	-	900,000	-	-	900,000
April 15, 2021	\$0.45	73,333	-	-	-	73,333
May 24, 2021	\$0.45	-	936,389	-	-	936,389
June 4, 2021	\$0.45	-	162,500	-	-	162,500
June 21, 2021	\$0.60	742,228	-	(99,167)	(643,061)	-
June 29, 2021	\$0.60	983,167	-	(100,000)	(883,167)	-
August 19, 2021	\$0.60	250,000	-	(100,000)	(150,000)	-
September 29, 2021	\$0.60	863,785	-	(16,667)	(847,118)	-
October 7, 2021	\$0.60	242,882	-	(1,660)	(241,222)	-
April 20, 2022	\$0.30	1,211,333	-	(285,000)	(926,333)	-
April 27, 2022	\$0.30	555,333	-	(432,000)	(123,333)	-
July 5, 2022	\$0.60	-	233,333	-	-	233,333
August 17, 2022	\$0.75	-	783,333	-	-	783,333
		5,195,394	5,371,110	(1,051,161)	(3,814,234)	5,701,109

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Notes to the Financial Statements

June 30, 2019 and 2018

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NOTE 10 – SHARE CAPITAL (Continued)

e) Agents' Warrants

The continuity schedules of agents' warrants for the years ended June 30, 2019 and 2018 are as follows. The number of share purchase warrants and their exercise price have been retroactively adjusted to reflect the three to one share consolidation of June 2019.

Expiry Date	Exercise Price	June 30, 2018	Issued	Exercised	Expired/ Cancelled	June 30, 2019
June 27, 2019	\$0.45	36,000	-	-	(36,000)	-
June 28, 2019	\$0.45	44,444	-	-	(44,444)	-
October 10, 2020	\$0.36	-	82,667	-	-	82,667
December 12, 2020	\$0.45	54,667	-	-	-	54,667
July 5, 2022	\$0.60	1,000	-	-	-	1,000
August 17, 2022	\$0.75	69,167	-	-	-	69,167
		205,278	82,667	-	(80,444)	207,501

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	\$0.45	-	36,000	-	-	36,000
June 28, 2019	\$0.45	-	44,444	-	-	44,444
December 12, 2020	\$0.45	-	54,667	-	-	54,667
June 19, 2021	\$0.60	46,612	-	-	(46,612)	-
June 29, 2021	\$0.60	80,000	-	-	(80,000)	-
August 21, 2021	\$0.60	3,333	-	-	(3,333)	-
September 29, 2021	\$0.60	25,905	-	(9,167)	(16,738)	-
October 7, 2021	\$0.60	10,000	-	-	(10,000)	-
April 20, 2022	\$0.30	48,333	-	-	(48,333)	-
April 27, 2022	\$0.30	5,000	-	-	(5,000)	-
July 5, 2022	\$0.60	-	1,000	-	-	1,000
August 17, 2022	\$0.75	-	69,167	-	-	69,167
		219,183	205,278	(9,167)	(210,016)	205,278

f) Share-Based Payments

During the year ended June 30, 2019, the Company recognized stock-based compensation expense of \$38,580 (2018 – \$149,012) for 166,667 stock options (2018 – 266,667) that were granted and vested in the year.

During the year ended June 30, 2019, the Company recognized stock-based compensation expense of \$8,022 (2018 – \$52,267) in share issuance costs for 82,667 agents' warrants (2018 – 205,278) issued in the year.

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, 2019 and 2018:

	2019	2018
Risk-Free Annual Interest Rate	1.56% to 1.63%	1.45% to 1.73%
Expected Stock Price Volatility	86% to 117%	73% to 209%
Expected Life of Options and Warrants	1 Year - 5 Years	1 Year - 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.

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NOTE 11 – FLOW-THROUGH SHARE PREMIUM LIABILITY

The Company enters into flow-through share subscription agreements from time to time whereby it commits to incur 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 are set up as a liability at the time these shares are issued. 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.

The flow-through share premium liability of \$60,333 relating to the June 2018 flow-through private placement totalling \$362,000 was reversed in 2019 as the Company incurred and renounced the required mineral exploration expenditures in 2019.

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.

Compensation of Key Management Personnel

	2019	2018
	\$	\$
Management and Administrative Fees (i)	43,000	16,000
Share-Based Compensation (ii)	21,219	46,566
	<u>64,219</u>	<u>62,566</u>

- i) During the year ended June 30, 2019, the Company incurred management and administrative fees of \$43,000 (2018 – \$16,000) to a director and officers of the Company.
- ii) During the year ended June 30, 2019, the Company incurred share-based compensation of \$21,219 (2018 – \$46,566) to directors and officers. A total of 275,000 (91,667 post consolidation) stock options (2018 – 250,000, 83,333 post consolidation) were granted to these related parties.
- iii) During the year ended June 30, 2019, a director and an officer participated in a private placement offering totalling \$80,000.

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% (2018 – 27.0%) as follows:

Expected Income Tax Recovery at Statutory Tax Rates	(486,216)	(792,957)
Permanent Differences	(757)	199,608
Effect of change in tax rate	-	(20,638)
Change in Valuation Allowance	495,208	1,049,041
Change in opening tax balances	-	(406,650)
Share Issuance Costs	(8,235)	(28,404)
	<u>-</u>	<u>-</u>
Income Tax Recovery	-	-

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

NOTE 13 – INCOME TAXES (Continued)

b) Deferred Tax Assets and Liabilities

As at June 30, 2019 and 2018, 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:

	2019	2018
	\$	\$
Non-Capital Losses	1,234,644	1,105,163
Exploration and Evaluation Assets	1,395,710	1,080,608
Property and Equipment	2,684	59,614
Share Issuance Costs	31,892	39,033
	<hr/>	<hr/>
Net Deferred Tax Assets	2,664,930	2,284,418

As at June 30, 2019, the Company has non-capital losses of approximately \$4,573,000 and share issuance costs of approximately \$118,000 that may be applied against future income for Canadian income tax purposes. Share issuance costs expire through to 2023. 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	597,000
2039	663,000
	<hr/>
	4,573,000

NOTE 14 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Composition of Cash

Cash	5,933	209,728
Cash Held in Trust	4,656	4,656
	<hr/>	<hr/>
	10,589	214,384

b) Significant Non-Cash Financing Activities

Shares Issued for Mineral Properties	-	550,000
Fair Value of Agents' Warrants Issued for Private Placements	8,022	52,267
	<hr/>	<hr/>
	8,022	602,267

c) Other Items

Income Taxes Paid	-	-
Interest Paid	-	-
	<hr/>	<hr/>

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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.

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, 2019, the Company had a cash balance of \$10,589 to settle current liabilities of \$1,158,315. 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.

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Notes to the Financial Statements

June 30, 2019 and 2018

(Expressed in Canadian Dollars)

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, 2019, was \$8,402,797 (2018 – \$7,834,925). The Company manages the capital structure and adjusts 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, 2019.

NOTE 17 – SUBSEQUENT EVENTS

- a) Subsequent to year end, 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.

Subsequent to year end, the Company issued 500,000 flow-through units at \$0.30 per unit for total proceeds of \$150,000, and 2,425,000 flow-through units at \$0.25 for total proceeds of \$606,250. 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

- b) In August 2019, the Company issued 600,000 common shares with a fair value of \$150,000 pursuant to the option agreement for the Gold Drop Property (Note 9).