



June 30, 2021 and 2020

Financial Statements
(Expressed in Canadian Dollars)

- Independent Auditor's Report
- Statements of Financial Position
- Statements of Changes in Shareholders' Equity (Deficiency)
- Statements of Comprehensive Loss
- Statements of Cash Flows
- Notes to the Financial Statements

Independent Auditor's 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, 2021 and June 30, 2020 and the statements of comprehensive loss, changes in shareholders' equity (deficiency) 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, 2021 and June 30, 2020, 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 \$538,868 during the year ended June 30, 2021, and as of that date, had accumulated losses since inception of \$11,570,003. 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 25, 2021



GGX GOLD CORP.

Statements of Financial Position

As at June 30, 2021 and 2020

(Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
ASSETS			
CURRENT			
Cash		8,426	1,792
GST Recoverable		16,492	9,714
Marketable Securities	4	36,320	80,248
Prepaid Expenses		-	22,131
		<u>61,238</u>	<u>113,885</u>
NON-CURRENT			
Investments	5	604,480	166,070
Property and Equipment	7	20,151	8,374
Reclamation Bond	6	21,500	21,500
		<u>707,369</u>	<u>309,829</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		773,464	843,978
Due to Related Parties	11(b)	89,082	89,082
		<u>862,546</u>	<u>933,060</u>
SHAREHOLDERS' DEFICIENCY			
Share Capital	9	10,690,019	9,764,346
Share Subscriptions Received	9	10,000	-
Stock Options Reserve		673,083	618,612
Share Purchase Warrants Reserve		41,724	83,815
Deficit		<u>(11,570,003)</u>	<u>(11,090,004)</u>
		<u>(155,177)</u>	<u>(623,231)</u>
		<u>707,369</u>	<u>309,829</u>

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

Subsequent Events (Note 16)

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 (Deficiency)

For the Years Ended June 30, 2021 and 2020

(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 (Deficiency) \$
Balance, June 30, 2019		17,241,767	8,402,797	20,000	412,620	57,801	(9,927,372)	(1,034,154)
Shares Issued for Cash	9(b)(i)	7,610,000	1,418,250	-	-	-	-	1,418,250
Flow-Through Share Premium	10	-	(146,250)	-	-	-	-	(146,250)
Share Subscriptions Received		-	-	(20,000)	-	-	-	(20,000)
Shares Issued for Exploration	9(b)(i)	600,000	159,000	-	-	-	-	159,000
Share Issuance Costs	9(b)(i)	-	(43,437)	-	-	-	-	(43,437)
Fair Value of Agents' Warrants Issued	9(f)	-	(26,014)	-	-	26,014	-	-
Share-Based Compensation	9(f)	-	-	-	205,992	-	-	205,992
Net Comprehensive Loss		-	-	-	-	-	(1,162,632)	(1,162,632)
Balance, June 30, 2020		25,451,767	9,764,346	-	618,612	83,815	(11,090,004)	(623,231)
Shares Issued for Cash	9(b)(ii)	7,103,081	938,400	-	-	-	-	938,400
Share Subscriptions Received		-	-	10,000	-	-	-	10,000
Share Issuance Costs	9(b)(ii)	-	(33,474)	-	-	-	-	(33,474)
Shares Issued on Exercise of Warrants		62,500	28,125	-	-	-	-	28,125
Fair Value of Options Expired		-	-	-	(9,400)	-	9,400	-
Fair Value of Agents' Warrants Issued	9(f)	-	(7,378)	-	-	7,378	-	-
Fair Value of Agents' Warrants Expired		-	-	-	-	(49,469)	49,469	-
Share-Based Compensation	9(f)	-	-	-	63,871	-	-	63,871
Net Comprehensive Loss		-	-	-	-	-	(538,868)	(538,868)
Balance, June 30, 2021		32,617,348	10,690,019	10,000	673,083	41,724	(11,570,003)	(155,177)

The accompanying notes form an integral part of these financial statements

GGX GOLD CORP.

Statements of Comprehensive Loss

For the Years Ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
EXPENSES			
Advertising and Marketing		116,168	43,187
Consulting		55,400	72,076
Depreciation		4,300	2,475
Exploration	8	1,437,811	931,843
Insurance		17,393	1,781
Management and Administrative Fees	11(a)(i)	150,000	124,400
Office		14,500	17,846
Professional Fees		44,000	30,978
Rent		42,000	42,000
Share-Based Compensation	11(a)(ii)	63,871	205,992
Transfer Agent and Regulatory Fees		38,275	50,883
Travel		3,500	1,810
		<hr/>	<hr/>
LOSS BEFORE OTHER ITEMS		(1,987,218)	(1,525,271)
BC Mining Exploration Tax Credit		643,315	-
Gain (Loss) on Sale of Marketable Securities	4, 5	170,462	(20,216)
Gain on Write-Off of Accounts Payable		-	730
Investment Income	5	243,569	61,686
Loss on Derecognition of Investments	5	(115,164)	-
Reversal of Flow-Through Share Premium Liability	10	-	146,250
Unrealized Gain on Investments	5	408,105	-
Write-Up of Marketable Securities to Market Value	4	98,063	174,189
		<hr/>	<hr/>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(538,868)	(1,162,632)
		<hr/>	<hr/>
Basic and Diluted Loss per share		(0.02)	(0.05)
		<hr/>	<hr/>
Weighted Average Number of Common Shares Outstanding		29,708,629	22,927,860
		<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, 2021 and 2020

(Expressed in Canadian Dollars)

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Net Loss for the Year	(538,868)	(1,162,632)
Items Not Affecting Cash:		
Depreciation	4,300	2,475
(Gain) Loss on Sale of Marketable Securities	(170,462)	20,216
Gain on Write-Off of Accounts Payable	-	(730)
Loss on Derecognition of Investments	115,164	-
Reversal of Flow-Through Premium Liability	-	(146,250)
Share-Based Compensation	63,871	205,992
Shares Received from Investments	(243,569)	(61,686)
Shares Issued for Exploration and Evaluation Assets	-	159,000
Unrealized Gain on Investments	(408,105)	-
Write-Up of Marketable Securities to Market Value	(98,063)	(174,189)
	(1,275,732)	(1,157,804)
Changes in Non-Cash Working Capital Items:		
GST Recoverable	(6,778)	26,934
Prepaid Expenses and Deposits	22,131	(22,131)
Accounts Payable and Accrued Liabilities	(70,515)	(224,525)
	(1,330,894)	(1,377,526)
FINANCING ACTIVITIES		
Shares Issued for Cash	938,400	1,418,250
Share Issuance Costs	(33,474)	(43,437)
Shares Issued on Exercise of Warrants	28,125	-
Share Subscriptions Received	10,000	(20,000)
	943,051	1,354,813
INVESTING ACTIVITIES		
Proceeds from Sale of Marketable Securities	488,944	35,416
Purchases of Marketable Securities	(78,390)	-
Purchase of Equipment	(16,077)	-
Reclamation Bond	-	(21,500)
	394,477	13,916
INCREASE (DECREASE) IN CASH	6,634	(8,797)
Cash, Beginning of Year	1,792	10,589
CASH, END OF YEAR	8,426	1,792

Supplemental Cash Flow Information (Note 13)

The accompanying notes form an integral part of these financial statements

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2021 and 2020

(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 (“TSX-V”) 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 8). 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, 2021, the Company has an accumulated deficit of \$11,570,003 and working capital deficiency of \$801,308, and incurred a net loss of \$538,868 for the year. 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 25, 2021.

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%

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.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

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

e) 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, 2021 and 2020, the Company has no material decommissioning and restoration provision.

(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.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

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

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 renunciation is recognized in profit or loss. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation.

i) Reserves

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

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.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

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

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) 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 periods beginning on or after January 1, 2019. The Company has determined there is no impact of this standard on its financial statements.

n) Financial Instruments

The following is the Company’s 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 (“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.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

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

n) Financial Instruments (Continued)

(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.

(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.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Significant areas where management's judgment has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IFRS 9, Financial instruments: recognition and measurement;
- 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) Fair Value of Investments in Warrants

Management uses Black-Scholes option pricing model in measuring the fair value of investment in warrants, where active market quotes are not available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

d) 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.

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Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

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

e) 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 – 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.

	2021	2020
	\$	\$
Opening Balance	80,248	66,075
Marketable Securities Received at Fair Value	98,100	61,686
Marketable Securities Purchased at Cost	78,390	-
Marketable Securities Sold at Cost	(318,481)	(55,632)
Write-Up Marketable Securities to Market Value	98,063	8,119
	<u>36,320</u>	<u>80,248</u>

NOTE 5 – 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 891,000 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 on investments of \$269,055 for the year ended June 30, 2018.

During the year ended June 30, 2020, the Company received 73,800 Juggernaut shares with a fair market value of \$12,546 for the option of two properties. This Syndicate distribution represented the Company's 9% share of the option payments and was recorded as a credit to investment income. The Company recorded a loss on sale of marketable securities of \$20,216 for the year ended June 30, 2020.

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NOTE 5 – INVESTMENTS (Continued)

During the year ended June 30, 2021, the Company received 306,000 Juggernaut shares with a fair market value of \$48,960 and 306,000 warrants valued at \$30,305 for the option of two properties. This Syndicate distribution represented the Company's 9% share of the option payments and was recorded as a credit to investment income. For the year ended June 30, 2021, the Company recorded a gain on sale of marketable securities of \$170,462. Based on 306,000 warrants held by the Company as at June 30, 2021, the warrants were revalued to fair market value at \$64,060 (2020 – NIL) using the Black-Scholes option pricing model.

b) Goliath Resources Limited

The Company's investment in Goliath Resources Inc ("Goliath Inc") consisted of 891,000 common shares with a value of \$45,090 and 891,000 warrants with a value of \$44,010. Goliath Inc 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 ("Goliath"), a public company listed on the TSX-V.

These shares and warrants were received as a result of 891,000 units of Goliath Inc being distributed from the Syndicate during the year ended June 30, 2017 (Note 5(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 Inc'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% and 15% thereafter.

For the year ended June 30, 2020, based on 793,450 warrants held by the Company, the warrants were fair valued at \$166,070 (2019 – NIL) using the Black-Scholes option pricing model.

On May 5, 2020, the Company received 351,000 Goliath shares with a fair value of \$49,140 as part of an amended agreement. As part of the same issuance, the Company received 351,000 warrants in the year ended June 30, 2021, valued at \$66,828 using the Black-Scholes option pricing model. This Syndicate distribution represented the Company's 9% share of the option payments and was recorded as a credit to investment income. The shares are recorded in Marketable Securities. The warrants are recorded in Investments.

In January 2021, the Company received 117,000 Goliath shares with a fair value of \$49,140 as part of an amended agreement. As part of the same issuance, the Company received 117,000 warrants in the year ended June 30, 2021, valued at \$46,336 using the Black-Scholes option pricing model. This Syndicate distribution represented the Company's 9% share of the option payments and was recorded as a credit to investment income. The shares are recorded in Marketable Securities. The warrants are recorded in Investments.

During the year ended June 30, 2021, the warrants received in the year were exercised, and the Company recorded a loss on derecognition of investments in warrants in the amount of \$115,164. Based on 793,450 warrants held by the Company as at June 30, 2021, the warrants were revalued to fair market value at \$540,420 (2020 - \$166,070) using the Black-Scholes option pricing model.

NOTE 6 – RECLAMATION BOND

The Company posted a non-interest-bearing reclamation bond in August 2019 against any potential land restoration costs that may be incurred in the future on its mineral properties. The funds are held in trust and may be released after any required reclamation is satisfactorily completed. As at June 30, 2021, the amount on deposit is \$21,500 (2020 - \$21,500) with respect to the Gold Drop Property.

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Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

NOTE 7 – PROPERTY AND EQUIPMENT

	Vehicle \$	Furniture and Equipment \$	Total \$
COSTS			
Balance, June 30, 2019 and 2020	7,000	13,300	20,300
Additions	16,077	-	16,077
Balance, June 30, 2021	<u>23,077</u>	<u>13,300</u>	<u>36,377</u>
ACCUMULATED DEPRECIATION			
Balance, June 30, 2019	3,951	5,500	9,451
Depreciation	915	1,560	2,475
Balance, June 30, 2020	4,866	7,060	11,926
Depreciation	3,052	1,248	4,300
Balance, June 30, 2021	<u>7,918</u>	<u>8,308</u>	<u>16,226</u>
NET BOOK VALUE			
Balance, June 30, 2020	<u>2,134</u>	<u>6,240</u>	<u>8,374</u>
Balance, June 30, 2021	<u>15,159</u>	<u>4,992</u>	<u>20,151</u>

NOTE 8 – 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, 2021 on its mineral property are summarized below.

Gold Drop Property, British Columbia, Canada

	\$
Balance, June 30, 2019	4,492,693
Acquisition Costs	259,000
Exploration Costs	<u>672,843</u>
Balance, June 30, 2020	5,424,536
Acquisition Costs	-
Exploration Costs	<u>1,437,811</u>
Balance, June 30, 2021	<u>6,862,347</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:

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Notes to the Financial Statements

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NOTE 8 – EXPLORATION AND EVALUATION ASSET (Continued)

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)	100,000
	<u>400,000</u>

Share Issuances

Pursuant to the option agreement, the Company issued 333,333 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, 250,000 common shares with a fair value of \$150,000, and 833,333 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 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. The option agreement was completed in the year ended June 30, 2020. The Company has earned a 100% interest in the Gold Drop Property.

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.

NOTE 9 – 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, 2021, the Company had 32,617,348 common shares issued and outstanding.

i) Shares issued in 2020

- 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 consists 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 (Note 8).
- In June 2020, the Company issued 2,000,000 units at \$0.075 per unit for total proceeds of \$150,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.12 per share until June 10, 2022. The terms of the warrants may be accelerated.

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Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

NOTE 9 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Common Shares (Continued)

ii) Shares issued in 2021

- On March 15, 2021, the Company issued 2,050,581 units at \$0.1463 per unit for total proceeds of \$300,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.2438 per share until March 15, 2024.
- On December 15, 2020, the Company issued 3,052,500 flow-through units at \$0.16 per unit for total proceeds of \$488,400. Each unit consists of one common share that qualifies as a flow-through share and one share purchase warrant exercisable at \$0.20 for 18 months from the date of issuance. The Company paid finder's fees totalling \$27,160 and issued 67,500 agents' warrants fair market valued at \$7,378, exercisable at \$0.20 per share for a period of 18 months after closing.
- On July 9, 2020, the Company issued 2,000,000 units at \$0.075 per unit for total proceeds of \$150,000. One unit consists of one common share and one share purchase warrant exercisable at \$0.12 per share until July 09, 2022.
- For the year ended June 30, 2021, the Company issued 62,500 shares for gross proceeds of \$28,125 on the exercise of share purchase warrants.

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, 2021, and 2020 are as follows.

As at June 30, 2021, 2,283,333 options, with an average exercise price of \$0.32 per share and an average remaining life of 2.54 years, were vested.

Expiry Date	Exercise Price	June 30, 2020	Granted	Exercised	Expired/Cancelled	June 30, 2021
March 7, 2021	\$0.30	31,667	-	-	(31,667)	-
October 27, 2021	\$0.795	183,333	-	-	-	183,333
April 10, 2022	\$0.30	283,333	-	-	-	283,333
August 1, 2022	\$0.60	250,000	-	-	-	250,000
April 25, 2024	\$0.30	166,667	-	-	-	166,667
August 30, 2024	\$0.22	1,000,000	-	-	-	1,000,000
July 10, 2024	\$0.22	-	400,000	-	-	400,000
		1,915,000	400,000	-	(31,667)	2,283,333

As at June 30, 2020, 1,915,000 options, with an average exercise price of \$0.34 per share and an average remaining life of 3.18 years, were vested.

Expiry Date	Exercise Price	June 30, 2019	Granted	Exercised	Expired/Cancelled	June 30, 2020
March 7, 2021	\$0.30	31,667	-	-	-	31,667
October 27, 2021	\$0.795	183,333	-	-	-	183,333
April 10, 2022	\$0.30	283,333	-	-	-	283,333
August 1, 2022	\$0.60	250,000	-	-	-	250,000
April 25, 2024	\$0.30	166,667	-	-	-	166,667
August 30, 2024	\$0.22	-	1,000,000	-	-	1,000,000
		915,000	1,000,000	-	-	1,915,000

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Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

NOTE 9 – SHARE CAPITAL (Continued)

d) Share Purchase Warrants

The continuity schedules of warrants for the years ended June 30, 2021 and 2020 are as follows. The average weighted exercise price of the warrants as at June 30, 2021 is \$0.23.

Expiry Date	Exercise Price	June 30, 2020	Issued	Exercised	Expired/ Cancelled	June 30, 2021
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)	-
January 11, 2021	\$0.30	815,000	-	-	(815,000)	-
January 29, 2021	\$0.35	250,000	-	-	(250,000)	-
February 8, 2021	\$0.35	1,087,500	-	-	(1,087,500)	-
February 8, 2021	\$0.30	1,565,000	-	-	(1,565,000)	-
February 9, 2021	\$0.35	40,000	-	-	(40,000)	-
February 19, 2021	\$0.24	40,000	-	-	(40,000)	-
February 28, 2021	\$0.30	305,000	-	-	(305,000)	-
February 28, 2021	\$0.35	85,000	-	-	(85,000)	-
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	-	-	(939,389)	-
June 4, 2021	\$0.45	162,500	-	(62,500)	(100,000)	-
June 10, 2022	\$0.12	2,000,000	-	-	-	2,000,000
June 15, 2022	\$0.20	-	3,052,500	-	-	3,052,500
July 5, 2022	\$0.60	233,333	-	-	-	233,333
July 9, 2022	\$0.12	-	2,000,000	-	-	2,000,000
August 17, 2022	\$0.75	783,333	-	-	-	783,333
March 15, 2024	\$0.2438	-	2,050,581	-	-	2,050,581
		12,793,054	7,103,081	(62,500)	(9,713,888)	10,119,747

The continuity of warrants for the year ended June 30, 2020 is as follows:

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/ Cancelled	June 30, 2020
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
January 11, 2021	\$0.30	-	815,000	-	-	815,000
January 29, 2021	\$0.35	-	250,000	-	-	250,000
February 8, 2021	\$0.35	-	1,087,500	-	-	1,087,500
February 8, 2021	\$0.30	-	1,565,000	-	-	1,565,000
February 9, 2021	\$0.35	-	40,000	-	-	40,000
February 19, 2021	\$0.24	40,000	-	-	-	40,000
February 28, 2021	\$0.30	-	305,000	-	-	305,000
February 28, 2021	\$0.35	-	85,000	-	-	85,000
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
June 10, 2022	\$0.12	-	2,000,000	-	-	2,000,000
July 5, 2022	\$0.60	233,333	-	-	-	233,333
August 17, 2022	\$0.75	783,333	-	-	-	783,333
		6,645,554	6,147,500	-	-	12,793,054

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Notes to the Financial Statements

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NOTE 9 – SHARE CAPITAL (Continued)

e) Agents' Warrants

The continuity schedules of agents' warrants for the years ended June 30, 2021 and 2020 are as follows.

Expiry Date	Exercise Price	June 30, 2020	Issued	Exercised	Expired/Cancelled	June 30, 2021
October 10, 2020	\$0.36	82,667	-	-	(82,667)	-
December 12, 2020	\$0.45	54,667	-	-	(54,667)	-
January 29, 2021	\$0.35	40,000	-	-	(40,000)	-
February 8, 2021	\$0.35	66,000	-	-	(66,000)	-
February 28, 2021	\$0.35	21,000	-	-	(21,000)	-
June 15, 2022	\$0.20	-	67,500	-	-	67,500
July 5, 2022	\$0.60	1,000	-	-	-	1,000
August 17, 2022	\$0.75	69,167	-	-	-	69,167
		334,501	67,500	-	(264,334)	137,667

The continuity of agents' warrants for the year ended June 30, 2020 is as follows:

Expiry Date	Exercise Price	June 30, 2019	Issued	Exercised	Expired/Cancelled	June 30, 2020
October 10, 2020	\$0.36	82,667	-	-	-	82,667
December 12, 2020	\$0.45	54,667	-	-	-	54,667
January 29, 2021	\$0.35	-	40,000	-	-	40,000
February 8, 2021	\$0.35	-	66,000	-	-	66,000
February 28, 2021	\$0.35	-	21,000	-	-	21,000
July 5, 2022	\$0.60	1,000	-	-	-	1,000
August 17, 2022	\$0.75	69,167	-	-	-	69,167
		207,501	127,000	-	-	334,501

f) Share-Based Payments

During the year ended June 30, 2021, the Company recognized stock-based compensation expense of \$63,871 (2020 - \$205,992) for 400,000 stock options (2020 - 1,000,000) that were granted and vested in the year.

During the year ended June 30, 2021, the Company recognized stock-based compensation expense of \$7,378 (2020 - \$26,014) in share issuance costs for 67,500 agents' warrants (2020 - 127,000) 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 years ended June 30, 2021 and 2020:

	2021	2020
Risk-Free Annual Interest Rate	0.219% to 0.34%	1.40% to 1.20%
Expected Stock Price Volatility	137% - 167%	181%
Expected Life of Options and Warrants	1.5 Years - 5 Years	1.5 Years - 5 Years
Expected Annual Dividend Yield	0%	0%

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

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NOTE 10 – 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.

For the year ended June 30, 2020, the Company entered into a flow-through share subscription agreement whereby it committed to incur a total of \$731,250 of qualifying Canadian exploration expenditures. The value of the flow-through units in excess of the quoted market value of shares on the date of issuance is recognized as a flow-through share premium liability of \$146,250. This flow-through share premium liability was reversed in 2020 as the Company renounced the required mineral exploration expenditures in the year.

For the year ended June 30, 2021, the Company entered into a flow-through share subscription agreement whereby it committed to incur a total of \$488,400 of qualifying Canadian exploration expenditures. The value of the flow-through units was not in excess of the quoted market value of shares on the date of issuance therefore the Company did not incur a flow-through share premium liability on the offering.

NOTE 11 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes directors and senior management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions are in the normal course of operations and are measured at their exchange amount. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

a) Compensation of Key Management Personnel

	2021	2020
	\$	\$
Management and Administrative Fees (i)	24,000	60,000
Share-Based Compensation (ii)	7,984	113,296
	<u>31,984</u>	<u>173,296</u>

- i) During the year ended June 30, 2021, the Company incurred management and administrative fees of \$24,000 (2020 – \$60,000) to a director and officer.
- ii) During the year ended June 30, 2021, the Company incurred share-based compensation of \$7,984 (2020 – \$113,296) to directors and officers. A total of 50,000 stock options (2020 – 550,000) were granted to these related parties.

b) Related Party Balances

Amounts owed to related parties are non-interest bearing, unsecured, and have no specified terms of repayment.

Due to a company with a common director and officer for exploration expenditures and other expenses

	<u>89,082</u>	<u>89,082</u>
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Notes to the Financial Statements

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NOTE 12 – 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% (2020 – 27.0%) as follows:

	2021	2020
	\$	\$
Expected Income Tax Recovery at Statutory Tax Rates	(145,000)	(314,000)
Permanent Differences	(166,000)	209,000
Change in Valuation Allowance	256,000	(245,000)
Change in Opening Tax Balances	64,000	362,000
Share Issuance Costs	(9,000)	(12,000)
	<hr/>	<hr/>
Income Tax Recovery	-	-

b) Deferred Tax Assets and Liabilities

As at June 30, 2021 and 2020, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company's deferred tax assets not recognized consist of the following amounts:

Non-Capital Losses	1,374,000	1,297,000
Exploration and Evaluation Assets	1,274,000	1,088,000
Property and Equipment	5,000	3,000
Share Issuance Costs	23,000	28,000
Capital Losses Carryforward	-	3,000
	<hr/>	<hr/>
Net Deferred Tax Assets Not Recognized	2,676,000	2,419,000

As at June 30, 2021, the Company has non-capital losses of approximately \$5,090,000 and share issuance costs of approximately \$86,000 that may be applied against future income for Canadian income tax purposes. Share issuance costs expire through to 2025. 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 - 2041	2,518,000
	<hr/>
	5,090,000

c) Flow-Through Expenditures

In August 2019, the Company issued flow-through shares raising gross proceeds of \$731,250. The Company fully renounced the required mineral exploration expenditures in the amount of \$731,250 by the end of the fiscal year. There was a flow-through share premium liability associated with this private placement in the amount of \$146,250 that was fully reversed to profit and loss based on the renunciation.

As a result of the issuance of flow-through shares in August 2019, the Company had an original commitment to incur \$731,250 on qualifying Canadian exploration expenditures on or before December 31, 2020. As at June 30, 2020, approximately \$58,407 of the commitment was remaining, of which full amount was spent in the following months within the 2020 calendar year. None of the commitment was remaining as at December 31, 2020.

GGX GOLD CORP.

Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

NOTE 13 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Composition of Cash

	2021	2020
	\$	\$
Cash	8,426	1,792

b) Significant Non-Cash Financing Activities

Shares Issued for Mineral Properties	-	159,000
Fair Value of Agents' Warrants Issued for Private Placements	7,378	26,014
	<u>7,378</u>	<u>185,014</u>

c) Other Items

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

NOTE 14 – 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, 2021, the Company had a cash balance of \$8,426 to settle current liabilities of \$862,546. 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.

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Notes to the Financial Statements

June 30, 2021 and 2020

(Expressed in Canadian Dollars)

NOTE 14 – FINANCIAL INSTRUMENTS AND RISKS (Continued)

e) Interest Rate Risk

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

d) Foreign Currency Risk

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

e) Commodity Price Risk

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

NOTE 15 – 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, 2021, was \$10,690,019 (2020 – \$9,764,346). 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, 2021.

NOTE 16 – SUBSEQUENT EVENTS

In September 2021, the Company announced it has granted 975,000 stock options at an exercise price of \$0.16 to its consultants. The options are exercisable for five years and are subject to a four-month vest period from the date of grant with the exception of 400,000 options of which 100,000 vest every quarter over a twelve-month period.

NOTE 17 – CORONAVIRUS (COVID-19) PANDEMIC

The outbreak of the COVID-19 virus and the worldwide pandemic has impacted the Company's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected and are difficult to quantify. Regional disease outbreaks and pandemics represent a serious threat to hiring and maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and pandemics and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs and insurance premiums as a result of these health risks.

In addition, the pandemic has created a dramatic slowdown in the global economy. The duration of the outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity thereby severely limiting access to essential capital.