GGL RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

MAY 31, 2018

(UNAUDITED - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

GGL RESOURCES CORP.
Condensed Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	May 31, 2018	November 30, 2017
ASSETS		
Current		
Cash and cash equivalents (Note 5)	$ 574,736	$ 1,140,174
Amounts receivable (Note 6)	38,852	95,294
Prepaid expenses	8,431	9,549
Marketable securities (Note 7)	155,001	155,001
Total Current Assets	777,020	1,400,018
Exploration and Evaluation Assets (Note 8)	2,148,003	1,741,861
Reclamation bonds (Note 8)	76,400	76,400
Property and Equipment (Note 9)	31,297	34,774
Total Assets	$ 3,032,720	$ 3,253,053
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 12)	$ 127,198	$ 144,774
Consulting fees payable	-	50,000
Total Liabilities	127,198	194,774
SHAREHOLDERS' EQUITY		
Share Capital (Note 10)	37,474,159	37,474,159
Contributed Surplus	159,560	61,474
Accumulated Other Comprehensive Income (Note 3(c))	-	(69,999)
Deficit	(34,728,197)	(34,407,355)
Total Shareholders' Equity	2,905,522	3,058,279
	$ 3,032,720	$ 3,253,053

Nature of Operations (Note 1)

On behalf of the Board:

"Nick DeMare"
Nick DeMare, Director

"William A. Barclay"
William A. Barclay, Director

Date of Board of Directors approval for issue: July 30, 2018

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

GGL RESOURCES CORP.

Condensed Interim Statements of Loss and Comprehensive Loss
For the three and six months ended May 31, 2018
(Unaudited – Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	31-May-18	31-May-17	31-May-18	31-May-17
Expenses				
Consulting fees (Note 12)	$ 23,263	$ -	$ 36,013	$ -
Depreciation (Note 9)	22	28	45	56
Legal and audit (Note 12)	1,434	835	7,398	5,403
Licenses, taxes, insurance and fees	6,549	3,798	18,618	14,506
Office services and expenses (Note 12)	32,004	6,551	57,792	18,282
Promotion (Note 12)	6,210	-	7,290	-
Property examination costs	13,854	2,963	25,083	5,380
Shareholders' meetings and reports	630	-	4,928	-
Stock-based compensation expense (Note 11, 12)	38,191	-	98,086	-
Travel	-	-	388	407
Operating loss	(122,157)	(14,175)	(255,641)	(44,034)
Other income (expenses)				
Interest income	1,944	114	4,798	227
Interest expense	-	(1,233)	-	(1,433)
Unrealized loss on marketable securities	(15,000)	-	-	-
	(13,056)	(1,119)	4,798	(1,206)
Net loss and comprehensive loss for the period	(135,213)	(15,294)	(250,843)	(45,240)
Loss per share - basic and diluted	$ (0.006)	(0.002)	(0.011)	(0.006)
Weighted average number of common shares outstanding - basic and diluted	22,096,949	7,096,949	22,096,949	7,096,949

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

GGL RESOURCES CORP.

Condensed Interim Statements of Changes in Shareholders' Equity
For the six months ended May 31, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

	Share Capital			Accumulated Other		
	# of Shares	Amount ($)	Contributed Surplus	Comprehensive Income	Deficit	Shareholders' Equity
Restated Balance, November 30, 2016 (Note 3)	**7,096,949**	**$ 35,983,666**	**$88,605**	**$ (24,999)**	**$(34,283,639)**	**$1,763,633**
Net loss	-	-	-	-	(45,240)	(45,240)
Restated Balance, May 31, 2017 (Note 3)	**7,096,949**	**$ 35,983,666**	**$ 88,605**	**$ (24,999)**	**$(34,328,879)**	**$ 1,718,393**

Balance November 30, 2017	**22,096,949**	**$ 37,474,159**	**$ 61,474**	**$ (69,999)**	**$(34,407,355)**	**$ 3,058,279**
Stock-based compensation expense	-	-	98,086	-	-	98,086
Reclassification on the adoption of IFRS 9	-	-	-	69,999	(69,999)	-
Net loss	-	-	-	-	(250,843)	(250,843)
Balance May 31, 2018	**22,096,949**	**$ 37,474,159**	**$ 159,560**	**$ -**	**$(34,728,197)**	**$ 2,905,522**

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

GGL RESOURCES CORP.

Condensed Interim Statements of Cash Flows
For the six months ended May 31, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

	May 31, 2018	May 31, 2017
Cash flows used in operating activities		
Net loss for the period	$ (250,843)	$ (45,240)
Adjustment for items not involving cash:		
Depreciation	45	56
Depreciation of exploration equipment	3,432	4,081
Stock-based compensation expense	98,086	-
	(149,280)	(41,103)
Change in non-cash working capital items:		
Amounts receivable	56,442	(16,758)
Prepaid expenses	1,118	5,295
Accounts payable and accrued liabilities	(40,993)	(12,278)
Consulting fees payable	(50,000)	-
	(182,713)	(64,844)
Cash flows from financing activities		
Advances from related parties	-	50,342
Cash flows used in investing activities		
Expenditures on exploration and evaluation assets	(382,725)	(31,332)
Decrease in cash and cash equivalents	(565,438)	(45,834)
Cash and cash equivalents, beginning of period	1,140,174	53,528
Cash and cash equivalents, end of period	$ 574,736	$ 7,694

See Note 15 Supplementary Cash Flow Information

1. Nature of Operations and Going Concern

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

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

2. Basis of Preparation

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Reporting", using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective May 31, 2018.

Basis of Presentation

These condensed interim financial statements are expressed in Canadian Dollars, the Company's presentation currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out in Note 4 of the audited Consolidated Financial Statements for the year ended November 30, 2017 have been applied consistently to all periods presented in these condensed interim financial statements as if the policies have always been in effect.

3. Significant Accounting Policies

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

(Unaudited - Expressed in Canadian Dollars)

3. Significant Accounting Policies, continued

November 30, 2016 reconciliation of shareholders' equity

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

May 31, 2017 reconciliation of shareholders' equity

	As previously reported May 31, 2017	As restated May 31, 2017
SHAREHOLDERS' EQUITY		
Share Capital	35,983,666	35,983,666
Contributed Surplus	4,258,224	88,605
Accumulated Other Comprehensive Income	(24,999)	(24,999)
Deficit	(38,498,498)	(34,328,879)
Total Shareholders' Equity	1,718,393	1,718,393

(b) Principles of Consolidation

During the year ended November 30, 2017, the Company included its 86.8% owned subsidiary Rio Sonora Resources Ltd (Rio Sonora") and its wholly-owned U.S. subsidiary, Gerle Gold (U.S.) Inc. ("Gerle Gold"). Both Rio Sonora and Gerle Gold were inactive and as at December 1, 2017 onward, the financial statements will no longer be called consolidated, as both of the subsidiaries have been struck off their respective jurisdiction's registry.

(c) New accounting standard

The Company has early adopted new accounting standard IFRS 9 - Financial Instruments, effective for annual periods beginning on or after January 1, 2018. As a result of the Company early adopting this standard, the Company has changed its accounting policy for financial assets retrospectively, on assets that were recognized at the date of application.

3. Significant Accounting Policies, continued

(c) New accounting standard, continued

An assessment has been made and the impact to the Company's financial statements was to reclassify its available-for-sale marketable securities to fair value through profit or loss ("FVTPL").

The Company adopted IFRS 9 retrospectively without restatement of comparative amounts resulting in a reclassification of $69,999 from accumulated other comprehensive income to deficit on December 1, 2017. Future changes in the fair value of these marketable securities will be recorded directly in profit or loss. No other differences of any significance have been noted in relation to the adoption of IFRS 9.

The following are new accounting policies for financial assets under IFRS 9. All other aspects of the Company accounting policies for financial instruments as disclosed in the financial statements for the year ended November 30, 2017 are unaffected.

The new standard brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 - Financial instruments: recognition and measurement. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value.

The Company will classify and measure its financial instruments at fair value through profit or loss with changes in fair value recognized in profit or loss as they arise, unless restrictive criteria regarding the objective and contractual cash flows of the instrument are met for classifying and measuring at either amortized cost or fair value through other comprehensive income.

Cash and cash equivalents, marketable securities and trade receivables continue to be recorded at FVTPL and other receivables and loans, initially at FVTPL, and subsequently at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities are classified and measured as financial liabilities, initially at FVTPL, and subsequently at amortized cost using the effective interest rate method.

4. Significant Accounting Policies Not Yet Adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards ("IAS") Board or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

i) IFRS *15 Revenue from contracts with customers:* IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

(Unaudited - Expressed in Canadian Dollars)

4. **Significant Accounting Policies Not Yet Adopted**, continued

ii) IFRS *16 Leases*: IFRS 16 is effective for reporting periods beginning on or after January 1, 2019. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lease accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 22 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor IAS 17.

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

5. **Cash and cash equivalents**

	May 31, 2018	November 30, 2017
Cash	$ 24,736	$ 90,174
Short-term investment	550,000	1,050,000
	$ 574,736	$ 1,140,174

6. **Amounts receivable**

	May 31, 2018	November 30, 2017
Sales tax receivable	$ 27,820	$ 21,621
Other	11,032	73,673
	$ 38,852	$ 95,294

7. **Marketable securities**

(a) In 2014 the Company concluded an agreement with Proxima Diamonds Corp. ("Proxima"), an arm's length private corporation in the process of going public, for the sale of a portion of the Company's Diamond database. The Company received $100,000 cash and 500,000 common shares of Proxima. The 500,000 shares were originally recorded at an ascribed value of $0.05 per common share. At November 30, 2016, the Company wrote down the investment to $1. These shares represent an ownership interest in Proxima of approximately 1%. The shares continue to be recorded at a $1 nominal value as there is no market for the shares.

(Unaudited - Expressed in Canadian Dollars)

7. Marketable securities, continued

(b) During the year ended November 30, 2017, the Company signed an agreement with Silver Range Resources Ltd. ("Silver Range") involving the Providence Greenstone Belt ("PGB") claims and leases. The Company received $33,200 cash and 1,000,000 common shares of Silver Range. The shares were recorded at $0.20 per share common share being the closing price on the date of the share certificate. See Note 8(b). The shares are currently valued at $0.155 per share for a total value of $155,000 as at May 31, 2018, which has not changed from the November 30, 2017 year-end closing price, with no gain or loss for the six months ended May 31, 2018 and a $15,000 unrealized loss for the three months ended May 31, 2018.

8. Exploration and Evaluation Assets

	Balance* November 30, 2017	Mineral Interests Additions (Recoveries)	Exploration Cost Additions (Recoveries)	Balance May 31, 2018
Fishback Lake	$ 51,970	$ -	$ 1,709	$ 53,679
CH **	559,900	-	17,192	577,092
Bishop **	14,151	71,138	113,542	198,831
Rhombus	-	51,100	98,226	149,326
Zeus	-	35,398	11,646	47,044
Providence Greenstone Belt	440,839	-	(5,270)	435,569
McConnell Creek	675,001	5,048	6,413	686,462
	$ 1,741,861	$ 162,684	$ 243,458	$ 2,148,003

* Restated to exclude the reclamation bonds
** See Notes 8(b) and (d)

	Balance November 30, 2017	Net Additions	Balance May 31, 2018
Acquisition costs	$ 155,088	$ 162,684	$ 317,772
Deferred exploration costs*	1,586,773	243,458	1,830,231
	$ 1,741,861	$ 406,142	$ 2,148,003

(Unaudited - Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets, continued

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

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

Reclamation Bonds

The Reclamation bonds are pledged to the Ministry of Energy, Mines and Petroleum Resources of BC and the Government of the Northwest Territories in the amount of $76,400 (November 30, 2017 - $76,400). They are invested in guaranteed investment certificates with one-year terms. Management has determined that the Company has no material reclamation work related to the properties requiring the deposits.

Exploration costs incurred during the six months ended:

	May 31, 2018	May 31, 2017
Licenses, recording fees and lease payments	$ 7,874	$ 43,295
Project supplies	210	17
Surveying	174,784	-
Technical and professional fees	60,590	-
	$ 243,458	$ 43,312

8. Exploration and Evaluation Assets, continued

(a) Fishback Lake, Northwest Territories, Canada
The Company owns one claim (692 hectares) (2017 - 692 hectares). This claim is a mining lease.

(b) CH, Northwest Territories, Canada

The Company owns 33 claims (26,576 hectares) north-northeast of Yellowknife, acquired by staking during the years 2000 to 2003. These claims include the Starfish, Winterlake North, Winterlake South, BP, Zip and Mill claims. All of these claims are leases. The Courageous lease is moved to the Bishop group of claims. See Note 8(d).

During the year ended November 30, 2017, the Company signed an agreement dated September 6, 2017 with Silver Range whereby Silver Range had the optional right to explore the Company's PGB project (certain CH and PGB claims) for all metals and minerals, except for diamonds in return for a cash payment of $33,200 (received), issuance of 1,000,000 Silver Range common shares (received) (Note 7(b)), surveying certain claims to take them to lease (completed), a commitment to making lease payments for the entire PGB project for at least 12 months, a commitment to make annual lease payments for all portions of the PGB project Silver Range maintains under option in subsequent years and a $1,000,000 milestone payment upon completion of a Preliminary Economic Assessment relating to a deposit(s) located within the PGB project. GGL retains ownership of the PGB Property and the exploration camp on it.

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

During the year ended November 30, 2017, Silver Range staked five claims, 2,882 hectares within the area of interest of the PGB project. During the six months ended May 31, 2018, these claims were registered in the Company's name as per the agreement with Silver Range. The claims were added to the group discussed in Note 8(c). During the six month period ended May 31, 2018, Silver Range Resources Ltd. terminated the option agreement to explore for non-diamond minerals.

(c) Providence Greenstone Belt, Northwest Territories, Canada

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

During the year ended November 30, 2017, 11 claims were surveyed as part of the lease application process. The surveying costs were paid for by Silver Range as per the September 6, 2017 agreement (see Note 8(b)). During the six-month period ended May 31, 2018, the 11 leases were in the process of being issued by the Mining Recorder. Subsequent to May 31, 2018, all 11 leases were issued by the Mining Recorder and received by the Company.

8. Exploration and Evaluation Assets, continued

(d) Bishop, Northwest Territories, Canada

During the six-month period ended May 31, 2018, the Company hired Aurora Geosciences Ltd. to stake 37 claims (29,680 hectares) in the Northwest Territories. Total holdings in this group are 37 claims and the Courageous lease, 30,707 hectares. The property is centered 55 kilometers south-southwest of the Ekati Diamond Mine and 40 kilometers southwest of the Diavik Diamond Mine.

(e) Rhombus, Northwest Territories, Canada

During the six month period ended May 31, 2018, the Company staked 25 claims (21,336 hectares). These claims are 40 kilometres northwest of the Ekati Diamond mine.

(f) Zeus, Northwest Territories, Canada

During the six month period ended May 31, 2018, the Company staked 22 claims (14,809 hectares). These claims cover a portion of Lac de Gras and the north shore.

(g) McConnell Creek, British Columbia, Canada

The Company owns 4 mineral claims (7,549 hectares) in the Omineca Mining Division of British Columbia. Two of these claims (2,671 hectares) were staked during the six-month period ended May 31, 2018.

(h) Doyle NSR

(i) During the year ended November 30, 2013, the Company sold nine of its mineral leases and two reinstated leases (5,051 hectares), including Bob Camp to Kennady Diamonds Inc. ("Kennady") for $150,000 cash and a retained 1.5% Net smelter royalty ("NSR") on all the leases except for one where the Company retains a 0.5% NSR. Kennady has the right at any time prior to commencement of production from the property to purchase one-third (1/3) of the NSR, being 0.5%, for the sum of $2,000,000.

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

(Unaudited - Expressed in Canadian Dollars)

9. Property and Equipment

	Office Furniture	Exploration Equipment	Total
Cost			
Balance as at November 30, 2016	$ 17,879	$ 390,845	$ 408,724
Additions	-	2,183	2,183
Disposals	-	(640)	(640)
Balance as at November 30, 2017 and May 31, 2018	$ 17,879	$ 392,388	$ 410,267
Accumulated Depreciation			
Balance as at November 30, 2016	$ 17,137	$ 350,216	$ 367,353
Depreciation	149	8,545	8,694
Disposal	-	(554)	(554)
Balance as at November 30, 2017	17,286	358,207	375,493
Depreciation	59	3,418	3,477
Balance as at May 31, 2018	$ 17,345	$ 361,625	$ 378,970
Carrying Amounts			
At November 30, 2017	$ 593	$ 34,181	$ 34,774
At May 31, 2018	$ 534	$ 30,763	$ 31,297

At May 31, 2018 depreciation is recorded on the statement of comprehensive loss as $45 (2017 - $56) in depreciation and $3,432 (2017 - $4,081) is recorded as part of property examination costs.

10. Share Capital

(a) Authorized: unlimited common shares without par value;

(b) At the Company's Special general meeting ("Meeting") held on September 15, 2017, the shareholders approved the consolidation of all of the issued and outstanding common shares on the basis of five old for one new and a change of control. On September 21, 2017, the TSXV accepted the Company's filings with respect to the consolidation and trading of the post-consolidated shares began on September 21, 2017. The fiscal 2017 per share amounts, stock options and warrants were adjusted to give effect to the consolidation.

(Unaudited - Expressed in Canadian Dollars)

10. Share Capital, continued

(c) Changes in warrants for each of the six months ended May 31, 2018 and year ended November 30, 2017:

	May 31, 2018		November 30, 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period/year	527,000	$1.54	623,000	$1.70
Expired	(302,000)	2.50	(96,000)	2.50
Outstanding, end of period/year	225,000	$0.25	527,000	$1.54

The Company has the following warrants outstanding and exercisable as at May 31, 2018:

Number of warrants	Exercise Price	Expiry Date	Weighted average remaining contractual life (years)
225,000	$0.25	November 25, 2018	0.49

11. Stock Options

The Company has a Stock Option Plan whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the TSX Venture Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for a fixed number stock option plan, except for stock options granted to investor relations consultants which vest over 12 months. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors based on the most recent trading prices and subject to the TSX Venture Exchange policies.

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

(Unaudited - Expressed in Canadian Dollars)

11. Stock Options, continued

Changes in stock options for each of the six months ended May 31, 2018 and year ended November 30, 2017:

	May 31, 2018		November 30, 2017	
	Number of Stock Options	Weighted average exercise price	Number of Stock Options	Weighted average exercise price
Outstanding, beginning of period/year	1,725,000	$0.18	450,000	$ 0.25
Granted	-	-	1,275,000	0.15
Outstanding, end of period/year	1,725,000	$0.18	1,725,000	$0.18

	May 31, 2018	November 30, 2017
Weighted average remaining contractual life	3.94 years	4.44 years

The following table sets forth information relating to stock options outstanding as at May 31, 2018:

Number outstanding at May 31, 2018	Number exercisable at May 31, 2018	Exercise price	Expiry Date	Weighted average remaining contractual life (years)
450,000	450,000	$0.25	November 30, 2020	2.51
1,275,000	637,500	$0.15	November 6, 2022	4.44
1,725,000	**1,087,500**			

During the year ended November 30, 2017, the Company granted 1,275,000 stock options (2016 – nil) to Directors, Officers and consultants. One-quarter of the stock options will vest every three months commencing with the first stock options exercisable three months after the date of grant. Stock- based compensation expense recorded for the six month period ended May 31, 2018 was $98,086.

(Unaudited - Expressed in Canadian Dollars)

11. Stock Options, continued

The fair value of share options granted during the year ended November 30, 2017 was estimated using the Black-Scholes option pricing model using the following assumptions:

	Year ended November 30, 2017
Risk-free interest rate	1.63%
Estimated volatility	172.06%
Expected life	5 years
Expected dividend yield	0%
Estimated forfeiture rate	0%

12. Related Party Disclosures

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Directors (executive and non-executive) of the Company. During the six-month period ended May 31, 2018:

(a) The Chief Financial Officer charged $13,500 which is accrued in consulting fees.

(b) The President and Chief Operations Officer invoiced the Company $86,275 in fees: $24,013 in consulting fees; $62,263 in technical and professional services.

(c) A director and secretary of Strategic Metals Ltd. (45.255% owner of the Company) provided $2,675 of legal services to the Company. The Vice-President of Communications of Strategic provided promotional services of $6,480 to the Company.

(d) Archer, Cathro & Associates (1981) Limited ("Archer Cathro") charged $11,224 for the rental of office space and office support to the Company. The Company's Chief Executive Officer ("CEO") is the President, CEO and a director of Strategic Metals Ltd. and controls Archer Cathro.

At May 31, 2018, included in accounts payable and accrued liabilities is $34,262 (November 30, 2017 - $26,556) owed to Directors and Officers of the Company. These amounts are unsecured, non-interest bearing and are due on demand.

During the year ended November 30, 2017, the Company granted 1,275,000 stock options to directors, officers and consultants. $20,869 was recorded as stock-based compensation at November 30, 2017 and $14,322 was attributable to related parties. For the six months ended May 31, 2018, the Company recorded an additional $98,086 of stock-based compensation, $73,083 of which is attributable to related parties.

13. Segmented Information

The Company is involved in mineral exploration and development activities, which are conducted in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the six months ended May 31, 2018 and May 31, 2017.

14. Financial Instruments

The Company classifies its financial instruments as follows: cash and cash equivalents, marketable securities and trade receivables at FVTPL and other receivables and loans, initially at FVTPL, and subsequently at amortized cost. Trade and other payables are classified and measured initially at FVTPL, and subsequently at amortized cost.

The carrying amounts of cash and cash equivalents, receivables and accounts payables and accrued liabilities carried at amortized cost are a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

Financial instruments – Disclosures

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

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

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

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

(Unaudited - Expressed in Canadian Dollars)

14. Financial Instruments, continued

(a) **Fair Value**

The fair value of financial instruments at May 31, 2018 and November 30, 2017 is summarized as follows:

	May 31, 2018		November 30, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
FVTPL				
Cash and cash equivalents	$ 574,736	$ 574,736	$ 1,140,174	$ 1,140,174
Marketable securities	$ 155,001	$ 155,001	$ -	$ -
Loans and receivables				
Amounts receivable	$ 11,032	$ 11,032	$ 73,673	$ 73,673
FVOCI				
Marketable securities	$ -	$ -	$ 155,001	$ 155,001
Financial Liabilities				
Other Financial liabilities				
Accounts payable and accrued liabilities	$ 127,198	$ 127,198	$ 144,774	$ 144,774
Consulting fees payable	$ -	$ -	$ 50,000	$ 50,000

The recorded amounts for cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(b) **Financial Risk Management**

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

Credit risk

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

(Unaudited - Expressed in Canadian Dollars)

14. Financial Instruments, continued

(b) Financial Risk Management, continued

Currency risk

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

Liquidity risk

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

Market risk

The Company is exposed to market risk because of the fluctuating values of its marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the six months ended May 31, 2018 portfolio value, every 10% increase or decrease in the share price of the securities would have impacted loss for the period, up or down, by approximately $15,500 (November 30, 2017 - $15,500) before income taxes.

15. Supplementary Cash Flow Information

Non-cash operating, financing, and investing activities were conducted by the Company during the six months ended:

	May 31, 2018	May 31, 2017
Operating activities		
Accounts payable for exploration and evaluation assets	$ 101,414	$ 237,308
Investing activities		
Additions to exploration and evaluation assets	$ (101,414)	$ (237,308)
Other supplementary cash flow information:		
Cash paid for interest charges	$ -	$ 1,433

16. Management of Capital

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

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

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