GGL RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2011

(UNAUDITED)

MANAGEMENT'S COMMENTS ON UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

***NOTICE**: The Company's external auditors have not reviewed the attached unaudited interim Consolidated Financial Statements of GGL Resources Corp. for the period ended August 31, 2011.*

GGL RESOURCES CORP.

Consolidated Balance Sheets as at

		August 31, 2011		November 30, 2010 (Unaudited)
ASSETS				
Current				
Cash (Note 5 (e), 14(a))	$	284,012	$	184,680
Amounts receivable		112,962		90,899
Prepaid expenses		2,199		3,316
		399,173		278,895
Unproven mineral interests (Note 3)		13,914,228		15,903,671
Property and equipment (Note 4)		171,252		198,508
	$	14,484,653	$	16,381,074
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	721,434	$	500,036
Subscription advances (Note 5 (e), 14(a))		60,000		-
		781,434		500,036
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		35,664,395		35,668,860
Contributed surplus (Note 7)		4,133,619		4,133,619
Deficit		(26,094,795)		(23,921,441)
		13,703,219		15,881,038
	$	14,484,653	$	16,381,074

Subsequent events (Note 14)

On behalf of the Board:

"Raymond A. Hrkac"
Raymond A. Hrkac, Director

"Nick DeMare"
Nick DeMare, Director

GGL RESOURCES CORP.

Consolidated Statements of Operations and Deficit
(Unaudited)

	For the three months ended August 31, 2011	For the three months ended August 31, 2010	For the nine months ended August 31, 2011	For the nine months ended August 31, 2010
Expenses				
Amortization	$ 246	$ 378	$ 738	$ 1,136
Consulting fees	20,312	26,953	50,195	83,203
Corporate relations	-	-	775	1,010
Exploration costs – general	32,127	7,810	87,595	46,773
Legal and audit	514	1,921	658	1,550
Licences, taxes, insurance and fees	1,147	991	11,640	11,112
Office services and expenses	21,865	21,488	67,891	68,850
Shareholders' meetings and reports	1,022	13,446	2,021	15,060
Stock-based compensation	-	38,980	-	38,980
Travel	191	447	261	1,136
Operating loss	(77,424)	(112,414)	(221,774)	(268,810)
Other income (loss)				
Interest income	1,081	368	1,296	520
Foreign exchange gain (loss)	-	99	(2)	(56)
Gain on sale of property and equipment	-	-	-	1,479
Interest expense	(220)	(544)	(659)	(1,237)
Operator's fee	21,418	37,085	61,658	78,789
Sale of data and technical support (Note 3 (f))	48,834	44,700	48,834	44,700
Write off of property and equipment	-	(2,785)	-	(2,785)
Write off of exploration and unproven mineral interests	(43,962)	(25,676)	(2,062,707)	(772,362)
	27,151	53,247	(1,951,580)	(650,952)
Net loss and comprehensive loss for the period	(50,273)	(59,167)	(2,173,354)	(919,762)
Deficit, beginning of period	(26,044,522)	(23,636,395)	(23,921,441)	(22,775,800)
Deficit, end of period	$ (26,094,795)	$ (23,695,562)	$ (26,094,795)	$ (23,695,562)
Loss per share - basic and diluted	$ 0.000	$ 0.000	$ (0.014)	$ (0.006)
Weighted average number of common shares outstanding - basic and diluted	153,423,693	150,423,693	153,423,693	150,423,693

Please see the notes accompanying these financial statements.

GGL RESOURCES CORP.

Consolidated Statements of Cash Flows

	For the three months ended August 31, 2011	For the three months ended August 31, 2010	For the nine months ended August 31, 2011	For the nine months ended August 31, 2010
Cash flows from (used in) operating activities				
Net loss and comprehensive loss for the period	$ (50,273)	$ (59,167)	$ (2,173,354)	$ (919,762)
Adjustment for items not involving cash:				
- amortization of property and equipment	246	378	738	1,136
- amortization of exploration property and equipment	9,962	2,592	29,483	21,394
- gain on sale of property and equipment	-	-	-	(1,479)
- stock-based compensation	-	38,980	-	38,980
- write off of property and equipment	-	2,785	-	2,785
- write off of exploration and unproven mineral interests	43,962	25,676	2,062,707	772,362
	3,897	11,244	(80,426)	(84,584)
Change in non-cash working capital items:				
- amounts receivable	(42)	(33,747)	(22,063)	(354,901)
- prepaid expenses	1,258	(386)	1,117	500
- accounts payable and accrued liabilities	(103,828)	74,108	19,162	433,512
- deferred revenues	-	(44,700)	-	(44,700)
- subscription advances	60,000	-	60,000	-
	(38,715)	6,519	(22,210)	(50,173)
Cash flows from (used in) financing activities				
Share issuance costs	(4,465)	(500)	(4,465)	(500)
Cash flows from (used in) investing activities				
Deferred exploration costs	113,751	100,723	128,972	41,437
Proceeds from sale of property and equipment	-	-	-	4,000
Purchase of equipment	(1,349)	-	(2,965)	-
	112,402	100,723	126,007	45,437
Increase (decrease) in cash	69,222	106,742	99,332	(5,236)
Cash, beginning of period	214,790	50,984	184,680	162,962
Cash, end of period	$ 284,012	$ 157,726	$ 284,012	$ 157,726

Please see the notes accompanying these financial statements.

These notes should be read in conjunction with the Audited Consolidated Financial Statements for the year ended November 30, 2010.

1. Nature and Continuance of Operations

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 mineral properties and related deferred costs is 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.

The Company intends to continue its exploration programs. In light of negative cash flows from operating activities, operating losses accrued in the past years of $26,094,795 and a negative working capital, the Company's ability to continue its exploration programs is dependent on its ability to secure additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is actively pursuing such additional sources of financing.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. Adoption of New Accounting Policies

Future Changes in Accounting Policies

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Unproven Mineral Interests

	Balance November 30, 2010	2011 Mineral interests additions	2011 Exploration cost additions	2011 Written off	Balance August 31, 2011
Doyle Lake	$ 1,236,584	$ -	$ 16,062	$ -	$ 1,252,646
Fishback Lake	813,532	-	3,123	(117,140)	699,515
CH	6,428,431	-	43,621	(1,260,030)	5,212,022
Providence Greenstone Belt	4,570,971	-	15,512*	(685,537)	3,900,946
McConnell Creek	2,854,153	-	(5,054)*	-	2,849,099
	$ 15,903,671	**$ -**	**$ 73,264**	**$(2,062,707)**	**$ 13,914,228**

* See Notes 3 (d) and (e)

	Balance November 30, 2010	2011 Additions	2011 Written off	Balance August 31, 2011
Unproven mineral interests	$ 481,199	$ -	$ (59,961)	$ 421,238
Deferred exploration costs	15,422,472	73,264	(2,002,746)	13,492,990
	$ 15,903,671	**$ 73,264**	**$ (2,062,707)**	**$ 13,914,228**

Exploration costs incurred during the nine months ended:

	August 31, 2011	August 31, 2010
Aircraft	$ 2,986	$ -
Licences, recording fees and lease payments	49,301	(13,297)
Project supplies	(31,043)	(91,962)
Salaries and wages	946	(237)
Sampling	-	636
Technical and professional services	62,393	61,812
Transportation	(11,319)	(5,826)
	$ 73,264	**$ (48,874)**

3. Unproven Mineral Interests, continued

(a) **Doyle Lake, Northwest Territories, Canada**

(i) Under the De Beers Agreement ("the Agreement") dated May 25, 1995, De Beers Canada Inc. has earned a 60% interest in the Doyle Lake Properties, which consist of 5 claims and 3 fractional claims (12,972 acres); and

(ii) in addition, the Company holds 17 claims (16,131 acres) in the Doyle Lake area that are not subject to the Agreement. 16 of these claims are leases.

(b) **Fishback Lake, Northwest Territories, Canada**

The Company owns 5 claims (10,718 acres). One of these claims is a mining lease and one claim was taken to lease during the period, subject to Mining Recorder approval.

During the period, one claim (1,808 acres) was allowed to lapse and the related costs of $117,140 were written off.

(c) **CH, Northwest Territories, Canada**

(i) 35 of these claims are subject to a February 11, 2009 exploration and option agreement with Rio Tinto Exploration Canada Inc. ("RIO"). 23 of these claims are leases. During the period, RIO applied to take six claims to lease subject to Mining Recorder approval. See Note 14 (c). RIO must make payments totalling $1,000,000 and incur cumulative expenditures of $10,000,000 in order to earn a 100% interest, subject to a gross overriding royalty of 1.5% of the appraised value of all gem and industrial diamonds recovered, sorted and graded from the property and a 1.5% net smelter returns royalty on the net value of all ores, minerals, metals and materials except diamonds, mined and removed from the property and sold or deemed to have been sold. The payments and both royalties are payable to the Company. The Company received the first payment of $25,000 in 2009; and

(ii) in addition the Company holds 47 claims (93,210 acres), four of which were returned during the period by RIO. During the period, the Company applied to take ten claims to lease subject to surveying and Mining Recorder approval. See Note 14 (c).

During the period, 21 claims (50,057 acres) were allowed to lapse and the related costs of $1,260,030 were written off.

3. Unproven Mineral Interests, continued

(d) **Providence Greenstone Belt, Northwest Territories, Canada**

(i) The Company owns 89 claims (198,428 acres) in the Providence Greenstone Belt ("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.

On August 4, 2011 the Company announced that it had signed an agreement with Emerick Resources Corp. ("Emerick") whereby Emerick has the option to acquire a 75% interest in the PGB group of claims. To complete its option Emerick must: (a) invest $1 million in the Company by way of a private placement of 20 million units at $0.05 per unit. Each unit consists of one non flow-through common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one non flow-through common share for three years from the closing date at $0.10 per share; and (b) incur expenditures of $10 million on the PGB claims over 5 years, of these expenditures not less than $600,000 will be a commitment to carry out an agreed program in 2011 and 2012 designed to advance as many targets as possible to a drilling stage and to cover the costs of legal surveys required to bring certain claims to lease in 2011 and 2012. Upon Emerick having earned the 75% interest in the PGB, the parties will form a joint venture with standard JV and dilution provisions. The option agreement and private placement are subject to TSX Venture Exchange approval. See Note 5 (e) and 14 (a).

During the period, 17 claims (35,744 acres) were allowed to lapse and the related costs of $685,537 were written off

(ii) During the period, the Company sold some of its fuel inventory and rented out its camp for $54,728.

(e) **McConnell Creek, British Columbia, Canada**

The Company owns 2 mineral tenures (4,878 hectares) in the Omineca Mining Division of British Columbia. Netted against the costs is $10,122 receivable in BC Mineral Exploration Tax Credits for some of the 2010 BC expenditures. See Note 14 (b).

(f) **Sale of data and technical support**

During the period the Company sold some of its data on the Dessert Lake project for $48,834.

In 2009, the Company signed a non-exclusive license agreement for the use of its Slave Geological Province data set for diamond exploration for $100,000 and would provide 500 hours of technical support over an 18 month period at a price of $50,000. During the third quarter of 2010, the agreement expired and the balance of $44,700 was forfeited to the Company and recognized as other income in the statement of operations.

4. Property and Equipment

	August 31, 2011		
	Cost	Accumulated Amortization	Net book Value
Exploration equipment	$ 666,925	$ 508,783	$ 158,142
Office furniture and fixtures	58,953	45,843	13,110
	$ 725,878	**$ 554,626**	**$ 171,252**

	November 30, 2010		
	Cost	Accumulated Amortization	Net book Value
Exploration equipment	$ 663,959	$ 480,875	$183,084
Office furniture and fixtures	58,953	43,529	15,424
	$ 722,912	**$ 524,404**	**$ 198,508**

5. Share Capital

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

(b) 153,423,693 common shares issued (no changes during the period). See Note 14 (a);

(c) During the period ended August 31, 2011, 1,480,000 stock options expired unexercised;

(d) At August 31, 2011, the Company had the following share purchase warrants outstanding:

Number of warrants	Exercise Price	Expiry Date
888,000	$0.30	Aug. 20, 2012
3,000,000	$0.10	Sept. 17, 2012
1,310,334	$0.20/ $0.30	Sept. 21, 2012
5,198,334		

No changes in warrants during the period ended August 31, 2011. See Note 14 (a).

5. Share Capital, continued

(e) On August 4, 2011 the Company announced that it had negotiated a property option agreement (see Note 3 (d)) and private placement with Emerick to raise $1,000,000 by way of issue of 20 million units at a price of $0.05 per unit. Each unit will comprise of one non flow-through common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one non flow-through common share for three years from the closing date at $0.10 per share. The option agreement and private placement are subject to TSX Venture Exchange approval.

Of the $1 million raised from the financing with Emerick $500,000 of the proceeds will be spent by GGL on a work program on the McConnell Creek Property and a maximum of $250,000 towards payment of current accounts payable with the balance allocated for ongoing working capital.

In addition, the Company intends to raise up to an additional $500,000 by way of a non-brokered private placement comprising a combination of flow-through and non flow-through units at a price of $0.05 per unit. Each flow-through unit will consist of one flow-through common share and one non-transferable non flow-through warrant. Each warrant will entitle the holder to purchase one non flow-through common share for three years from the closing date at $0.10 per share. Each non flow-through unit will comprise of one non flow-through common share and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase one non flow-through common share for three years from the closing date at $0.10 per share.

During the period the Company received share subscription proceeds of $60,000: $40,000 for flow-through units and $20,000 for non flow-through units. The first tranche of the private placement closed subsequent to the end of the quarter. See Note 14 (a).

6. Stock Options

In 2006, the Company amended its Stock Option Plan to a 10% rolling 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 fixed number stock option plans, except for stock options granted to investor relations consultants. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors.

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

6. Stock Options, continued

Stock options outstanding as at August 31, 2011:

	Shares	Weighted Average Exercise Price
Options outstanding as at Nov. 30, 2010	13,885,000	$0.19
Expired	(1,480,000)	0.20
Options outstanding as at August 31, 2011	12,405,000	$0.19

	Shares	Weighted Average Exercise Price
2011 options exercisable	12,405,000	$0.19
2010 options exercisable	13,910,000	$0.19

	2011	**2010**
Weighted average remaining contractual life	2.07 years	2.81 years
Weighted average fair value of options granted during the period	N/A	$0.04

7. Contributed Surplus

Contributed surplus for August 31, 2011 and 2010 is comprised of:

	2011	**2010**
Balance, beginning of the period	**$ 4,133,619**	**$ 4,094,639**
Stock-based compensation on options granted	-	35,341
Stock-based compensation on repriced options	-	3,639
Balance, August 31,	**$ 4,133,619**	**$ 4,133,619**

8. Related Party Transactions

During the nine months ended August 31, 2011, the Company was billed $112,500 (2010 - $112,500) by a director, including $50,195 (August 31, 2010 - $83,203) for consulting fees and $62,305 (August 31, 2010 - $29,297) for technical and professional services. Included in the August 31, 2011 accounts payable is $439,000 (2010 - $314,947) owed by the Company to the director. Transactions with related parties are measured at the exchange amount which is the amount agreed to by transacting parties.

9. 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 nine months ended August 31, 2011 and 2010.

10. Financial Instruments and Risk Management

Fair value estimates of financial instruments are made at the balance sheet date, based on relevant market information and other information about the financial instruments.

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

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.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

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 monitoring carefully its operating requirements.

11. Supplementary Cash Flow Information

Non-cash operating, financing, and investing activities were conducted by the Company during the periods ended August 31, 2011 and 2010 as follows:

	2011	2010
Operating activities		
Accounts payable for deferred exploration costs	$ 349,525	$ 180,640
Financing activities	$ -	$ -
Investing activities		
Accounts payable for deferred exploration costs	$ (349,525)	$ (180,640)

Other supplementary cash flow information:

Cash paid for interest charges	$ 659	$ 1,237
Cash paid for income taxes	$ -	$ -

12. 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 mineral properties 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.

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 and cash equivalents.

In order to maximize ongoing development efforts, the Company does not pay dividends.

13. Comparative Figures

Certain 2010 figures have been reclassified to conform to the presentation used in the current period.

14. Subsequent Events

Subsequent to August 31, 2011:

(a) The Company closed the first tranche of its private placement: 700,000 non flow-through units at $0.05 per unit for gross proceeds of $35,000 and 900,000 flow-through units at $0.05 per unit for gross proceeds of $45,000. Each non flow-through unit consists of one non flow-through common share and one non-transferable common share purchase warrant exercisable until September 20, 2014 at $0.10 per share. Each flow-through unit consists of one flow-through common share and one non-transferable non flow-through common share purchase warrant. Each warrant entitles the holder to purchase one non flow-through common share until September 20, 2014 at $0.10 per share. Both the non flow-through and flow-through shares have a hold period until January 21, 2012;

(b) The Company received $10,122 (recorded as amounts receivable at August 31, 2011) in BC Mineral Exploration Tax Credits relating to some of its 2010 exploration work in BC; and

(c) RIO returned five CH claims back to the Company. All five claims were taken to lease by RIO during the period and await Mining Recorder approval.