



GGL RESOURCES CORP.

***MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF
OPERATIONS FOR THE NINE MONTHS ENDED
AUGUST 31, 2018***

REPORT DATE: OCTOBER 29, 2018

GGL RESOURCES CORP.

Management's Discussion and Analysis ("MD&A")

FOR THE NINE MONTHS ENDED AUGUST 31, 2018 INFORMATION AS OF OCTOBER 29, 2018 UNLESS OTHERWISE STATED

The following discussion of the results and financial position of the Company for the nine months ended August 31, 2018 should be read in conjunction with the August 31, 2018 Condensed Interim Financial Statements and the November 30, 2017 Audited Financial Statements of GGL Resources Corp. (the "Company"). The Company adopted International Financial Reporting Standards ("IFRS") and the following disclosure and associated financial statements are presented in accordance with IFRS. All comparative information provided is in accordance with IFRS. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are presented in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com. The information reported here includes events taking place subsequent to the end of the period, up to and including October 29, 2018.

International Financial Reporting Standards

The Company's financial statements and the financial data included in the MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") that are effective for the period ended August 31, 2018.

Company Overview

As at August 31, 2018, the Company has working capital of \$470,187 (November 2017 – \$1,205,244) and a deficit of \$34,842,186 (November 30, 2017 - \$34,407,355).

Both of the Company's previously owned subsidiaries Rio Sonora Resources Ltd. and the Company's wholly-owned US subsidiary, Gerle Gold (U.S.) Inc. have been struck off their respective jurisdiction's registry, and effective December 1, 2017 they are no longer consolidated.

DISCUSSION AND ANALYSIS

Corporate Transactions

Transaction with Silver Range

On September 6, 2017, the Company signed a Property Option Agreement (the "**Agreement**") with Silver Range Resources Ltd. ("Silver Range") (see the Company's news release dated September 12, 2017). Under the terms of this Agreement, the Company retained ownership of the Providence Greenstone Belt Property ("**PGB**") and the exploration camp on it. The Company also retained the right to explore for diamonds on the PGB Property. Silver Range had the optional right to explore the Company's PGB Project for all metals and minerals.

Under the Agreement the Company received:

- a cash payment of \$33,200 on signing; and
- 1,000,000 Silver Range common shares.

On April 18, 2018, Silver Range terminated the Agreement.

Transaction with Strategic

In conjunction with the Company's share consolidation, as approved by the shareholders on September 15, 2017, the Company completed a non-brokered private placement financing as part of the restructuring plan announced on August 2, 2017.

The Company completed its private placement financing by issuing a total of 15,000,000 common shares, at a price of \$0.10 per common share, with Strategic Metals Ltd. (“Strategic”) purchasing \$1,000,000 of the total \$1,500,000 financing. The investment by Strategic resulted in Strategic becoming a control person of the Company (as defined by the policies of the TSX Venture Exchange (“Exchange”)), holding greater than 20% of the issued and outstanding common shares of the Company.

Transaction with Arctic Star Exploration Corp.

On August 23, 2018, the Company signed a Property Option Agreement (the “**Agreement**”) with Arctic Star Exploration Corp. (“Arctic Star”) (see the Company’s news release dated August 23, 2018). Under the terms of this Agreement, the Company can acquire a 60% undivided interest in the Stein Project by conducting detailed ground geophysics on high priority airborne targets and discovering kimberlite by drilling, trenching or in outcrop. Once kimberlite is discovered, a Joint Venture is triggered with an initial 60/40 contributing relationship.

Board and Management Changes

Upon closing of the transaction and financing discussed above, the Company executed Board and Management changes.

J. Graham Eacott and William Meyer resigned from the Board. In addition, Mr. Eacott has resigned as interim Chairman and Chief Executive Officer (“**CEO**”), and Nick DeMare has resigned as Chief Financial Officer (“**CFO**”).

W. Douglas Eaton, Matthew A. T. Turner and M. Elizabeth Flavelle were appointed to the Board in addition to William Barclay and Mr. DeMare.

Mr. DeMare and Mr. Barclay are continuing Directors of the Company. Mr. Eaton has also been appointed as CEO, David Kelsch as President and Chief Operating Officer (“**COO**”), Larry Donaldson as CFO and Linda Knight as Corporate Secretary.

Mr. Kelsch was appointed to the Board on August 28, 2018. The Board now consists of Mr. Eaton, Mr. Barclay, Mr. DeMare, Ms. Flavelle, Mr. Kelsch and Mr. Turner.

Bishop Project, Northwest Territories

The 100% owned Bishop property is 30,707 hectares of which 29,680 hectares (37 claims) were acquired by staking in winter 2018 as an expansion to the mining lease held by the Company which contains the diamondiferous Bishop kimberlite discovered in 2006. The property is centered 55 km SSW of the Ekati Diamond Mine and 40 km SW of the Diavik Diamond Mine. It is on trend with the economic diamond deposits of the Ekati Diamond Mine.

This region of Lac de Gras was extensively explored by the Company over a decade ago and included multiple seasons of exploration campaigns. Detailed airborne geophysics and heavy mineral sampling dominated the work. High resolution ground geophysical surveys followed up on airborne targets prioritized by indicator mineral results. This work resulted in the discovery of the Bishop kimberlite which returned 11 diamonds from the initial 78.2 kilogram sample. Further review of the Bishop data suggests that additional drilling is required to thoroughly evaluate the geology, geometry and diamond distribution throughout the kimberlite as additional phases may be present.

A large gravity anomaly proximal to Bishop was subsequently tested with several short reverse circulation drill holes. This drilling intercepted a small amount of kimberlite. Further ground geophysics followed by core drilling is required to determine the size and potential grade of this kimberlite discovery.

The remainder of the property contains numerous high priority targets identified in previous exploration campaigns conducted by the Company. The world economic crisis of 2008 essentially eliminated access to capital for exploration companies and as a result the Company was not able to move these targets forward to drill evaluation. The Company plans to continue its target evaluation process which has been on hold since then.

In addition to the reacquisition of historic Company targets in the Bishop staking campaign, the Company was also successful in acquiring the Courageous kimberlite located in the south of the new land tenure. The Courageous kimberlite, initially identified in 2005, was further advanced with core drilling in 2008 by Consolidated Global Diamond Corp (“CK”). The Company’s review of public domain data and news releases identified this historic discovery as open ground. The Courageous kimberlite geophysical anomaly is described by CK as being a coincident magnetic and resistivity anomaly. CK announced drilling into sediments containing various amounts of tuffaceous kimberlite rocks. The crater sediments are further described as occupying a sub circular area of approximately 1,100 meters. Drilling difficulties prevented CK from penetrating beyond the crater sediments and fully evaluating the potential diatreme below. A 78.4 kg sample of the sediments returned eight micro-diamonds indicating the kimberlite source rocks are diamond bearing.

In May 2018 the Company conducted a ground geophysical program on the Bishop property prior to spring break-up. A total of 243 line kilometers of ground magnetics, 130.5 line kilometers of ground electromagnetics and 468 stations of ground gravity were collected.

The ground geophysical program was successful in identifying a number of compelling geophysical targets near the Bishop kimberlite as well as defining a robust gravity anomaly at the Courageous kimberlite.

Target **BP-01** lies approximately 1.2 kilometers northwest of Bishop kimberlite and is described as a 1,200 nanotesla, reversely polarized magnetic low located on land. Reversely polarized, intensely magnetic signatures are associated with many of the kimberlites in the Diavik and Ekati kimberlite fields at Lac de Gras and are representative of intrusive bodies that were emplaced during a period when the Earth’s magnetic poles were reversed.

Target **BP-02** is located 1.0 kilometer west-southwest of Bishop kimberlite, in an embayment along a long linear lake. This target is a strong EM anomaly that persists to depth of investigation and measures approximately 150 meters by 100 meters. Three of the most productive kimberlites at the Diavik diamond mine exhibit strong EM signatures.

Target **BP-03** is centered 650 meters west-northwest of Bishop kimberlite, adjacent to a small lake. It is defined by an EM anomaly with an associated quiet magnetic signature within a lithologic package of noisy magnetics. This kimberlite target is interpreted to represent an intruding body locally displacing the host lithology.

Two earlier drill campaigns focusing at the Bishop kimberlite have shown it to be a complex body with multiple intercepts across a 250 meter by 160 meter area. The recent geophysical program has identified new high priority targets with potential of adding additional kimberlite discoveries as stand-alone bodies or additional phases to the Bishop kimberlite complex.

The gravity survey at the Courageous kimberlite returned an anomaly that measures 800 meters by 600 meters and is characterized by a 0.5 milligal (mGal) gravity low. No discernible magnetic features are present.

Zeus Project, Northwest Territories

The 100% owned Zeus property was acquired by staking in winter 2018 and consists of 22 mineral claims totaling 14,809 hectares. It covers a portion of Lac de Gras and the north shore and is located only 11 kilometers south of the Ekati Diamond Mine’s Fox kimberlite which is the southerly most kimberlite body in a linear trend of economic deposits at Ekati. The Zeus property is strategically located directly along this trend.

This trend of significantly diamondiferous kimberlite bodies is further validated by New Nadina Exploration Limited's Monument property adjacent to the southwestern boundary of the Zeus property. Monument contains several kimberlite bodies where initial sampling has collectively returned encouraging diamond counts. The potential for new discoveries in this brownfields area is further emphasized by North Arrow Minerals Inc.'s recent announcement of a new kimberlite discovery on their Loki project adjacent to the southeastern boundary of Zeus and on trend with this string of significantly diamondiferous kimberlite bodies including those in the Ekati mine plan.

The Company intends to employ modern kimberlite exploration techniques along with hands-on discovery knowledge of the Lac de Gras kimberlite field to add additional discovery to this apparent "gap" in the trend. The Zeus property has been open ground and unexplored for over 5 years.

No exploration work was conducted on the property during the quarter ended August 31, 2018.

Rhombus Project, Northwest Territories

The Rhombus property was acquired by staking in winter 2018 and lies 40 kilometers northwest of the Ekati Diamond Mine and consists of 25 mineral claims covering 21,336 hectares. This strategic location exploits an apparent periodicity in the Ekati and Diavik economic trends further supported by the nearly one carat per tonne large DO-27 kimberlite resource controlled by Peregrine Diamonds Ltd.

Rhombus contains 4 kimberlites discovered in the early 1990's, all of which are diamond bearing. A review of data in the public domain suggests there is the potential for additional unidentified kimberlite bodies. The original discoveries were a quarter of a century ago and no work has been conducted on the property area in over a decade.

Kimberlite exploration tools, techniques and understanding have evolved immensely in the past decade and the Company plans to apply these advancements to move the property towards additional discovery. This approach has been successfully demonstrated by Kennady Diamonds Inc. ("KDI") at the Kelvin-Faraday kimberlite complex initially discovered in 1999-2000. It received no further evaluation for a dozen years due to the initial interpretation and resulting lack of encouragement. In 2012, a new approach including modernized exploration techniques and understanding has developed this kimberlite complex to the resource stage with a recent all share purchase by Mountain Province Diamonds Inc. ("MPVD") valued at \$162 million (April 2018).

In May 2018, the Company conducted a ground geophysical program on the Rhombus property prior to spring break-up. A total of 166.5 line kilometers of ground magnetics, 61.5 line kilometers of ground electromagnetics and 369 stations of ground gravity were collected.

The ground geophysical surveys were focused in and around the diamondiferous Torrie, Sue and Sputnik kimberlites discovered in the 1990s. Historically, gravity was not a widely used kimberlite exploration tool and GGL believes this year's gravity program may be the first in this area. The Rhombus survey identified a 0.35 mGal gravity low target measuring over 150 meters in diameter located 600 meters north of the Torrie kimberlite in a moderate size lake. The anomaly is open to the north requiring additional surveying to close it off.

Stein Project, Nunavut

The Stein Diamond property ("Stein") consists of 4 contiguous prospecting permits covering an area of 1,065 square kilometers on the Southern Boothia Peninsula, 45 kilometers from tide water. It is located 85 kilometers northwest of the community of Taloyoak, Nunavut which is serviced daily by commercial flights and seasonally by barge.

Stein is an advanced diamond exploration project having the benefit of numerous successive exploration campaigns and over \$1.5 million in previous exploration expenditures. This historic work included multiple seasons of heavy mineral sampling in which kimberlitic indicator minerals were followed in the up-ice direction to a region believed to be the source area. This area was subsequently flown with detailed airborne magnetic surveys. No kimberlite drill testing has been conducted on the project to date.

The indicator mineral suite contains grains that are indicative of diamond inclusion chemistry showing high chrome, low calcium G10D pyrope garnets. The detailed airborne magnetic surveys have identified numerous high priority targets that have signatures similar in characteristics to kimberlites found elsewhere in Canada's north. The Stein project is further complimented with the existence of a major structural feature identified on regional government airborne magnetic surveys which is greater than 100 kilometers in length and traverses the area of the project containing the high priority targets. In fields elsewhere, kimberlites can be geologically observed exploiting larger structural features and utilizing them as conduits for emplacement.

The nearest known kimberlite discovery is over 230 kilometers to the southeast and perpendicular to the regional ice flow direction. The distance and direction greatly reduce the potential for the Stein mineral grains being an overprint from this field.

No exploration work was conducted on the property during the quarter ended August 31, 2018.

PGB Project, Northwest Territories

The PGB Project (Providence Greenstone Belt) is centered in the Slave Craton, 280 km northeast of Yellowknife. The land package comprises: 11 PGB mineral leases; 5 Black Smoker mineral claims staked in 2017; and 29 of the CH mining leases in an area totaling 33,612 hectares.

The Archean greenstone belt underlying the property is a source for gold mineralization in silicified shears and in banded iron formation and polymetallic volcanogenic massive sulphide ("VMS") occurrences. The PGB is analogous to the mineral rich greenstone belts within the Abitibi greenstone belt that spans across the Ontario-Québec border, one of the world's largest Archean greenstone belts that still hosts several producing mines and untapped mineral wealth.

Compared to other geological settings, the risk/reward ratio for exploration projects on greenstone belts is highly favorable. The Company has flown the entire PGB with either a frequency domain EM system or a time domain VTEM system. The first phase of exploration has been completed with the following high priority targets identified:

- kimberlite targets, as well as many indicator mineral trains yet to be explored within the PGB;
- 4 advanced targets; and
- 4 advanced VMS targets, as well as nickel potential.

No exploration work was conducted on the property during the quarter ended August 31, 2018.

McConnell Creek Project, British Columbia

The McConnell Creek Project is located 400km northwest of Prince George and 15km southeast of the past producing Kemess open pit copper-gold mine in BC. The McConnell Creek property is comprised of 7,549 hectares of mineral claims encompassing a large and highly prospective gold mineralized shear hosted fracture system. The property contains two potential mineral deposit types: an advanced gold prospect to the south and a porphyry copper-gold-silver prospect to the north.

Subsequent to the reporting period the Company conducted a short exploration program on the property. The program consisted of soil sampling, rock sampling, mapping, prospecting and review of historic core stored on site. Results of the program are pending.

Diamond Royalties

Doyle leases

The Company maintains two diamond royalties on the Doyle mineral leases sold to KDI in 2013 and 2016. In April 2018, KDI was acquired by MPVD and as such the leases are controlled by MPVD. De Beers Canada Inc. and MPVD are 51%/49% joint owners in the Gahcho Kue Diamond Mine, Northwest Territories, Canada.

These royalties are within 2 to 15 kilometers of the Gahcho Kue diamond mine and along trend with the KDI Kelvin-Faraday diamond resource as well as the Gahcho Kue mine. The 2013 royalty covers 5,051 hectares on 9 mineral leases. The royalty is 1.5% with a 0.5% buyback for \$2,000,000. The 2016 royalty covers 4,233 hectares on 6 mineral leases. The royalty is 0.75% with a 0.25% buyback for \$1,000,000.

Proxima

In 2014 the Company entered into an agreement with Proxima Diamond Corp. ("**Proxima**") whereby the Company provided access to a portion of the Company's diamond database in return for a cash payment of \$100,000 and 500,000 common shares of Proxima. Proxima was able to select land for acquisition, exploration and development and the Company is entitled to receive a 1.5% NSR type royalty ("**Royalty**") from diamond production, from certain properties, subject to Proxima having the right to purchase one third of the Royalty for \$1,000,000 and a further third (0.5%) for \$5,000,000. To date, Proxima has not advanced any properties to production stage.

Qualified Person

The Company's exploration programs are directed by David Kelsch, P.Geo., the President of the Company, who is a "qualified person" as defined by National Instrument 43-101 and who also prepared and approved the scientific and technical information contained in this MD&A.

Stock Option Plan

The Company has a 10% rolling 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 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. Under the 10% rolling plan, the number of shares available for grant increases as the issued capital of the Company increases. 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 Exchange policies.

Shares Reserved for Future Issuance: Dilution

As at October 29, 2018 there were 1,725,000 stock options and 225,000 share purchase warrants outstanding pursuant to which a total of 1,950,000 shares may be issued in the future, all of which will result in further dilution to the Company's shareholders and pose a dilutive risk to potential investors.

Corporate Governance

The Company has a Corporate Disclosure Policy, an Insider Trading Policy and a Whistle Blower Policy. To view a copy of these policies, please go to www.gglresourcescorp.com.

Overall performance/results of operations

Three months ended August 31, 2018 compared to the three months ended August 31, 2017

For the three-month period ended August 31, 2018, the Company incurred exploration costs on mineral properties of \$89,297 (2017 – recovery of \$14,955). Compared to the period ended August 31, 2017, exploration costs for the period ended August 31, 2018 are higher for licences, recording fees and lease payments, surveying, technical and professional fees and transportation. The financing from the fourth quarter ended November 30, 2017 provided the Company with the funds to stake some new claims during the first quarter of 2018, perform the ground geophysical survey on Rhombus and Bishop during the second quarter (see Acquisition and Disposition of Resource Properties and Write-offs) and undertake some work on the McConnell claims during the third quarter.

The Company reported a net loss and comprehensive loss of \$113,989 for the three-month period ended August 31, 2018 compared to a net loss and comprehensive loss of \$31,507 for the three-month period ended August 31, 2017. Operating expenses for the three-month period ended August 31, 2018 were \$90,427 compared to \$30,070 for the three-month period ended August 31, 2017. The change in operating expenses was due to the following increases during the period: Legal and audit \$10,793 (2017 - \$4,430); consulting \$20,850 (2017 - \$Nil); office services and expenses \$22,615 (2017 - \$7,922); promotion \$1,395 (2017 - \$Nil); property examination costs \$6,762 (2017 - \$2,933); stock-based compensation \$21,912 (2017 - \$Nil); and travel \$621 (2017 - \$Nil).

Consulting fees were higher for the three-month period ended August 31, 2018 than for the three-month period ended August 31, 2017, due to administrative work provided by the President and the CFO.

Legal and audit expenses for the three-month period ended August 31, 2018 were higher than for the three-month period ended August 31, 2017, due to legal fees incurred for the preparation of the Stein Property Option agreement.

Office services and expenses for the three-month period ended August 31, 2018 were higher than for the three-month period ended August 31, 2017, due to additional expenses for the new website, a sign, retaining the Company's domain names, rent and the Corporate Secretary's consulting fees.

Property examination costs for the three-month period ended August 31, 2018 were higher than for the three-month period ended August 31, 2017, due to more activity by the President.

Shareholders' meetings and reports expenses were lower for the three months ended August 31, 2018. The Company incurred special meeting costs in 2017.

Licenses, taxes, insurance and fees were lower for the three months ended August 31, 2018. In 2017, the Company paid filing fees for the share consolidation.

Stock-based compensation expenses were for the stock options granted in November 2017 which are vested over one year with one-quarter of the stock options exercisable every three months.

Nine months ended August 31, 2018 compared to the nine months ended August 31, 2017:

As at August 31, 2018, the Company had incurred exploration costs on mineral properties of \$332,755 (August 31, 2017 - \$28,357). Compared to August 31, 2017, exploration costs for the period ended August 31, 2018 are higher in all categories except for licences, recording fees and lease payments. The decrease in licenses, recording fees and lease payments in 2018 of \$9,402 (15%) was due to extra payments in 2017 to pay for the yearly 2014 to 2016 lease rentals for the BP claims taken to lease.

The Company reported a net loss of \$364,832 for the period ended August 31, 2018 compared to net loss of \$76,745 for the period ended August 31, 2017. Operating expenses for the period ended August 31, 2018 were \$346,068 compared to \$74,103 for the period ended August 31, 2017. The changes in operating expenses were due to the following increases during the period: consulting \$56,863 (2017 - \$Nil); legal and audit \$18,191 (2017 - \$9,833); office services and expenses \$80,406 (2017 - \$26,204); promotion \$8,685 (2017 - \$Nil); property examination costs \$31,845 (2017 - \$8,312); stock-based compensation \$119,998 (2017 - \$Nil); and travel \$1,009 (2017 - \$407). Offsetting these increases were the following decreases: depreciation \$68 (2017 - \$84); licences, taxes, insurance and fees \$23,716 (2017 - \$23,833); and shareholders' meetings and reports \$5,286 (2017 - \$5,430).

Consulting fees and property examination costs for the nine-month period ended August 31, 2018 were higher than the nine-month period ended August 31, 2017 due to payments to the President and COO for administrative work and the CFO. For the nine-month period ended August 31, 2017, there was no President and COO and no payments were made to the CFO.

Legal and audit expenses increased in 2018 for legal fees for the preparation of the Stein Property Option agreement, extra audit costs for information requested by Strategic's auditors and higher audit fees than first estimated for the year ended November 30, 2017.

Licences, taxes, insurance and fees and shareholders' meetings and reports for 2018 are only slightly lower than 2017 when there was a corporate transaction and a Special Meeting to approve the consolidation of shares and a change in control. In 2018 the Company bought directors and officers insurance; there was a slight increase in the commercial liability insurance; and the yearly stock option plan filing fee was paid in January instead of the fourth quarter.

Office services and expenses were higher in 2018 due to more administrative and accounting services for work related to two annual general meetings held in January and October 2018 and changing accounting programs, new charges for office rental and administrative support and the cost to set up a new website.

Property examination costs for 2018 were higher than 2017 due to an increase in activity for the Company, mainly professional fees and expenses incurred by the President.

Stock-based compensation expenses were for the stock options granted in November 2017 which are vested over one year with one-quarter of the stock options exercisable every three months.

Other losses for the nine-month period ended August 31, 2018 amounted to \$18,766 (2017 – \$2,642), comprised of a \$25,000 unrealized loss on marketable securities, which was offset by interest earned and accrued for various investment certificates. Interest income for the nine-month period ended August 31, 2018 was \$6,235 (2017 - \$352).

Acquisition and Disposition of Resource Properties and Write-offs

During the nine-month period ended August 31, 2018, the Company:

- a) staked 37 claims (29,680 hectares) called Bishop in the Northwest Territories;
- b) staked 35 claims (21,336 hectares) called Rhombus in the Northwest Territories;
- c) staked 22 claims (14,809 hectares) called Zeus in the Northwest Territories;
- d) staked 2 claims (2,671 hectares) adjacent to the existing McConnell Creek claims in British Columbia; and
- e) signed a Property Option Agreement with Arctic Star to earn a 60% interest on Arctic Star's Stein Diamond Project in Nunavut (see "Discussion and Analysis, Transaction with Arctic Star Exploration Corp. and Stein Project, Nunavut")

The Company did not write off any exploration and evaluation assets.

Property and Equipment

There were no changes to property and equipment during the nine-month period ended August 31, 2018.

Related Party Disclosures

Related parties include key management personnel and 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 nine-month period ended August 31, 2018:

- (a) The Chief Financial Officer charged \$22,800 (2017 - \$Nil) which is in consulting fees.
- (b) The President and Chief Operations Officer invoiced the Company \$131,113 (2017 - \$6,000) in fees: \$35,063 (2017 - \$6,000) in consulting fees; \$96,050 (2017 - \$Nil) in technical and professional services. A company controlled by a partner of the President and Chief Operations Officer invoiced the Company \$14,000 (2017 - \$Nil) for exploration services.

- (c) A Director and Corporate Secretary of Strategic Metals Ltd. (45.255% owner of the Company) provided \$12,840 (2017 - \$Nil) of legal services to the Company. The Vice-President of Communications of Strategic provided promotional services of \$7,875 (2017 - \$Nil) to the Company.
- (d) Archer, Cathro & Associates (1981) Limited (“Archer Cathro”) charged \$16,195 (2017 - \$Nil) 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 and controls Archer Cathro.
- (e) The Corporate Secretary charged \$52,763 (2017 - \$Nil) which is in office services and expenses.

At August 31, 2018, included in accounts payable and accrued liabilities is \$60,819 (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 nine months ended August 31, 2018, the Company recorded an additional \$119,998 of stock-based compensation, \$85,199 of which is attributable to related parties.

Commitments

The Company has no commitments.

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.

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.

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

Critical Accounting Policies

The preparation of financial statements in conformity to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of recoverability of amounts capitalized to exploration and evaluation assets, property and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and the valuation of share-based payments. Actual results may differ from those estimates.

Changes in Accounting Policies

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.

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.

Accounting Standards Issued but 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.
- 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.

Summary of Quarterly Information

The following table sets forth a comparison of quarterly results for the previous eight quarters ending with August 31, 2018. Figures are reported in Canadian dollars.

<u>Quarter Ended:</u>	August 31, 2018 (\$)	May 31, 2018 (\$)	February 28, 2018 (\$)	November 30, 2017 (\$)	August 31, 2017 (\$)	May 31, 2017 (\$)	February 28, 2017 (\$)	November 30, 2016 (\$)
Total Revenue	-	-	-	-	-	-	-	-
Net Income (loss) ⁽¹⁾	(113,989)	(135,213)	(115,630)	(94,969)	(31,507)	(15,294)	(29,946)	(38,801)
Net income (loss) per share ⁽²⁾	(0.005)	(0.006)	(0.005)	(0.011)	(0.004)	(0.000)	(0.005)	(0.010)

Note:

- (1) Income (loss) before discontinued operations and extraordinary items is the same as Net Income (loss) as there are no discontinued operations or extraordinary items in 2018 or 2017. Fully diluted earnings (loss) per share is not presented as the exercise of warrants and stock options would be anti-dilutive.
- (2) Net Income (loss) per share has been adjusted to give effect to the consolidation of shares in 2017.

During each period end, management decides which exploration and evaluation assets will be retained and which exploration and evaluation assets will be abandoned based on results from current and previous work including the analysis of sample assay results. Properties that will be abandoned are written off when management makes its decision to cease any further work, which will increase the Net Loss.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Liquidity and Capital Resources

The Company does not have operating revenues and must finance its exploration activity by raising funds through joint ventures or equity financing. The exploration and subsequent development of the Company's properties depend on the Company's ability to obtain required financing. There is no assurance that additional funding will be available to allow the Company to fully explore its existing exploration and evaluation assets. The Company requires sufficient funds to complete further exploration work (see Management of Capital). Failure to obtain financing could result in delays or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain exploration and evaluation assets.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its exploration and evaluation assets (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral interests and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising its required financing.

The Company's financial performance is dependent on many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and respond to changes in domestic and international, political, social and economic environments. In addition, the

availability and cost of funds for exploration, development and production costs are difficult to predict. These changes in events could materially affect the financial performance of the Company.

The Company had working capital of at August 31, 2018 of \$470,187 (November 2017 – \$1,205,244). The Company's current assets exceeded its current liabilities at August 31, 2018 and November 30, 2017. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital.

For the nine-month period ended August 31, 2018, the Company reported a net loss for the period of \$364,832 (August 2017 - \$76,745), which after allowing for changes in non-cash operating working capital balances from operating activities, provided a net decrease in cash flows of \$216,540 (August 2017 – an increase in cash flows of \$21,594). Changes in operating activities for the nine-month period ended August 31, 2018 resulted primarily from an increase in almost all categories of expenses except for depreciation, licences, taxes, insurance and fees and shareholders' meetings and reports. See Overall performance/results of operations.

The Company's cash position as at August 31, 2018 was \$376,488 (November 30, 2017 - \$1,140,174).

Share Capital

During the nine-month period ended August 31, 2018:

- a) there were no changes in share capital or stock options; and
- b) 302,000 warrants expired unexercised.

See Notes 10 and 11 of the condensed interim financial statements for the nine-month period ended August 31, 2018.

Outstanding Share data as at October 29, 2018:

- (a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued (Number of shares)
Common	No par value	Unlimited	22,096,949

- (b) Summary of options outstanding:

Security	Number	Exercise Price	Expiry Date
Options	450,000	\$0.25	November 30, 2020
Options	1,275,000	\$0.15	November 6, 2022
Total	1,725,000		

- (c) Summary of warrants outstanding:

Security	Number	Exercise Price	Expiry Date
Warrants	225,000	\$0.25	November 25, 2018

- (d) There are no escrowed or pooled shares.

Event After the Reporting Period

Subsequent to the reporting period, the Company conducted a short exploration program on the McConnell Creek property. The program consisted of soil sampling, rock sampling, mapping, prospecting and review of historic core stored on site. Results of the program are pending.

Other Information

The Company's web site address is www.gglresourcescorp.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

Forward-Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "advance", "expects", "plans", "anticipates", "believes", "intends", "allocated", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or are "subject to" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.