GOLDCLIFF RESOURCE CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Cdn $)

FOR THE THREE MONTHS ENDED JANUARY 31, 2019

(Unaudited – Prepared by Management)

Notice to Reader

Management has prepared the unaudited condensed interim consolidated financial statements for Goldcliff Resource Corporation (the "Company") in accordance with sub-section 4.3(2)(d)(i) of National Instrument 51-102 and IAS 34.19 released by the Canadian Securities Administration. The Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended January 31, 2019.

Emphasis of Matter

We draw attention to Note 2 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Goldcliff Resource Corporation's ability to continue as a going concern.

GOLDCLIFF RESOURCE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	January 31, 2019	October 31, 2018
ASSETS		
Current		
Cash	$ 62,858	$ 5,255
Receivables	7,534	5,920
Prepaid expenses	-	-
	70,392	11,175
Deposits	36,772	36,732
Exploration and evaluation assets	469,947	469,947
	$ 577,111	$ 517,854
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 47,998	102,006
Due to related parties	48,882	212,327
Loan payable	158,785	158,785
Convertible note	350,000	-
	605,665	473,118
Shareholders' equity		
Share capital	14,294,709	14,294,709
Share-based compensation reserve	1,801,507	1,801,507
Deficit	(16,124,770)	(16,051,480)
	(28,554)	44,736
	$ 577,111	$ 517,854

On behalf of the Board:

"George Sanders" Director **"Gary Moore"** Director

GOLDCLIFF RESOURCE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED JANUARY 31
(Unaudited – Expressed in Canadian Dollars)

		2019		2018
EXPENSES				
Exploration expenses	$	38,245	$	34,682
Interest and fees		3,405		26,339
Marketing		15,000		14,821
Office		5,726		7,780
Professional fees		10,564		4,496
Rent		414		390
Share-based compensation		-		-
Loss before other items		(73,354)		(88,508)
OTHER ITEMS				
Interest income		64		51
Other income		-		-
		64		51
Loss and comprehensive loss for the period	$	(73,290)	$	(88,457)
Basic and diluted loss per common share	$	(0.00)	$	(0.00)
Weighted average number of common shares outstanding		19,833,991		19,795,233

GOLDCLIFF RESOURCE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Expressed in Canadian Dollars)

	Share Capital		**Share-based Compensation Reserves**		
	Number of Shares	Amount	Equity settled benefits	**Deficit**	**Total**
		$	$	$	$
Balance, November 1, 2017	19,696,849	14,268,652	1,801,507	(15,844,678)	225,481
Shares issued	137,142	26,057	-	-	26,056
Total comprehensive loss for the period	-	-	-	(88,457)	(88,457)
Balance, January 31, 2018	19,833,991	14,294,709	1,801,507	(15,933,135)	163,080
Balance, November 1, 2018	19,833,991	14,294,709	1,801,507	(16,051,480)	44,736
Total comprehensive loss for the period	-	-	-	(73,290)	(73,290)
Balance, January 31, 2019	19,833,991	14,294,709	1,801,507	(16,124,770)	(28,554)

GOLDCLIFF RESOURCE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED JANUARY 31
(Unaudited – Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (73,290)	$ (88,457)
Items not affecting cash:		
Share-based compensation	-	-
Accrued interest	(40)	(32)
Loan consideration fee	-	26,056
Changes in non-cash working capital items:		
Increase in receivables	(1,614)	(1,449)
Decrease in prepaid expenses	-	2,311
Decrease in accounts payable and accrued liabilities	(217,453)	(32,753)
Increase in loans payable	350,000	100,000
Net cash provided (used) in operating activities	57,603	5,676
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	-	(2,106)
Net cash used in investing activities	-	(2,106)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital for cash	-	-
Share issue cost	-	-
Net cash provided by financing activities	-	-
Change in cash for the period	57,603	3,570
Cash, beginning of period	5,255	13,673
Cash, end of period	$ 62,858	$ 17,273
Cash paid for:		
Interest	$ 3,405	$ 283
Income taxes	-	-

NOTE 1 BASIS OF PRESENTATION

The interim period financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report.

NOTE 2 GOING CONCERN

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company expects to raise additional funds through a share issuance to fund operating and administrative costs for the upcoming year. There is no guarantee that such funds will be available to the Company on acceptable terms, or at all. There is material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

NOTE 3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to publicly accountable enterprises. The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

NOTE 4 SHARE CAPITAL:

Authorized share capital is unlimited at no par value shares. Details of shares issued are as follows:

	Number		Amount
Balance - October 31, 2018	19,833,991	$	14,294,709
Cash	-		-
Future income taxes	-		-
Stock-based compensation	-		-
Cash (Exercise of options)	-		-
Cash (Exercise of Warrants)	-		-
Balance – January 31, 2019	19,833,991	$	14,294,709

NOTE 5 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFICTIVE

Future accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective as of November 1, 2018. The Company has not early adopted any of these standards. Adopting these standards is expected to have minimal or no impact on the Company's financial statements.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, *Financial Instruments – Classification and Measurement*

New accounting policies

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

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

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company completed an assessment of its financial instruments as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	Original classification under IAS 39	New classification under IFRS 9
Cash and cash equivalents	Loans and receivables – amortized costs	Amortized costs
Marketable securities	Available-for-sale – fair value through other comprehensive income	FVTPL
Receivables	Loans and receivables – amortized costs	Amortized costs
Trade and other payables	Other financial liabilities – amortized costs	Amortized costs

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured as an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. Given the nature and balances of the Company's receivables the Company has no material loss allowance at adoption or as at January 31, 2019.

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

NOTE 6 RELATED PARTIES

Included in accounts payable for the quarter ended January 31, 2019 is $48,882 (2018 - $135,115) owing to directors, or corporations controlled by directors of the Company. The loan payable of $160,000 is due to the Company's President George Sanders. The Company entered into a convertible note (the "Note") with the Company's CEO for proceeds of $350,000. The Note is convertible into common shares of the Company at a price of $0.07 per share until maturity on January 9, 2020. The Note bears interest at the rate of 7.5% per annum, compounded semi-annually and payable on maturity. Shareholder approval will be required if the conversion of the Note would result in the holder acquiring 20% or more of the Company's issued and outstanding share capital on the date of conversion.

The Company entered into the following transactions with key management personnel:

a) Paid or accrued deferred exploration costs and office expenses of $3,150(2018-$5,756) to Interpretex Resources Ltd., a company controlled by a director (Edwin R. Rockel).

b) Paid or accrued professional fees of $10,156 (2018-$4,107) included in professional fees to a legal firm, Bennett Jones, in which an officer (Graham H. Scott) of the Company is Associate Counsel.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

NOTE 7 SUBSEQUENT EVENTS:

Goldcliff Resource Corporation plans to discharge $203,400 of related party debt. The Company proposes to issue to George Sanders, President and Director, 3,390,000 shares at a price of $0.06 per share in settlement of outstanding loans and expenses paid on Goldcliff's behalf. The proposed share issuance is subject to TSX Venture Exchange and shareholder approval. Any shares issued will be subject to a resale restriction for a period of four months from the date of issuance.