

Gold Lion Resources Inc.

Unaudited Condensed Interim Financial Statements

For the Three Months Ended September 30, 2019
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of Gold Lion Resources Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Gold Lion Resources Inc.
Condensed Interim Statements of Financial Position
(Unaudited)

	As at September 30, 2019	As at June 30, 2019
Assets		
Current		
Cash and cash equivalent	\$ 1,147,303	\$ 814,815
Sales tax recovery	1,746	431
	1,149,049	815,246
Non-current assets		
Exploration and evaluation asset (Note 4)	115,467	115,467
Total Assets	\$ 1,264,516	\$ 930,713
Liabilities		
Current		
Accounts payable (Note 5)	\$ 61,142	\$ 58,290
Total Liabilities	61,142	58,290
Shareholders' Equity		
Capital Stock (Note 3)	1,266,600	897,950
Share payment reserve (Note 3)	138,195	
Deficit	(201,421)	(25,527)
Total Shareholder's Equity	1,203,374	872,423
Total Liabilities and Shareholders' Equity	\$ 1,264,516	\$ 930,713

Nature of operations and going concern (Note 1)

Subsequent event (Note 8)

Approved on behalf of the Board on November 14, 2019:

"Borzo Zare"

Borzo Zare, Director

"Nikolay Vassev"

Nikolay Vassev, Director

The accompanying notes are an integral part of the financial statements.

Gold Lion Resources Inc.
Condensed Interim Statement of Comprehensive Loss
(Unaudited)

	Three Months Ended September 31, 2019	Three Months Ended September 31, 2018
EXPENSES		
Consulting Fees (Note 5)	\$ 9,000	\$ -
Legal	14,428	-
Audit	9,098	-
Filing fees	4,717	-
General and Administrative	456	-
Stock based compensation (Note 3)	138,195	-
Total expenses	175,894	-
Net and Comprehensive loss	\$ (175,894)	\$ -
Loss per common share – basic and diluted	(0.01)	-
Weighted average number of common shares outstanding	18,866,000	-

The accompanying notes are an integral part of the financial statements.

Gold Lion Resources Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited)

	Share Capital		Subscriptions Received	Share Payment Reserve	Deficit	Total
	Number	Amount				
Balance, October 05, 2018						
(Date of Incorporation) – Issuance of founder shares (Note 3)	4,000,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Shares issued for private placement (Note 3)	4,200,000	210,000	-	-	-	210,000
Shares issued for debt (Notes 3)	600,000	30,000	-	-	-	30,000
Cash received for private placement	-	-	637,950	-	-	637,950
Net loss	-	-	-	-	(25,527)	(25,527)
Balance, June 30, 2019	8,800,000	\$ 260,000	\$ 637,950	\$ -	\$ (25,527)	\$ 872,423
Shares issued for private placement (Note 3)	10,066,000	1,006,600	(637,950)	-	-	368,650
Stock based compensation				138,195		
Net loss	-	-	-		(175,894)	(37,699)
Balance, September 30, 2019	18,866,000	\$ 1,266,600	\$ -	\$ 138,195	\$ (201,421)	\$ 1,203,374

The accompanying notes are an integral part of the financial statements.

Gold Lion Resources Inc.
Condensed Interim Statements of Cash Flows
(Unaudited)

	For the Three Months Ended September 30, 2019	For the Three Months Ended September 30, 2018
Operating activities		
Net loss for the period	\$ (175,894)	-
Changes in non-cash working capital balances:		
Stock based compensation	138,195	
Changes in non-cash working capital balances:		
Sales tax recovery	(1,315)	-
Accounts payable liabilities	2,852	-
Net cash provided by operating activities	(36,162)	-
Financing activities		
Proceeds from private placement	368,650	-
Net cash provided by financing activities	338,650	-
Change in cash	332,488	-
Cash, beginning	814,815	-
Cash, ending	\$ 1,147,303	-

The accompanying notes are an integral part of the financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the *Business Corporations Act* (British Columbia) on October 5, 2018 under the name "Blue Lion Holdings Inc.". The Company changed its name to "Gold Lion Resources Inc." on November 15, 2018. The Company's head office is located at #305-1770 Burrard Street, Vancouver, British Columbia, V6J 3G7, and its registered and records office is located at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is engaged in the business of mineral exploration in British Columbia, Canada.

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. During the period ended September 30, 2019, the Company incurred a net loss of \$37,699 and at September 30, 2019, the Company's net working capital is \$1,087,907.

The Company expects to incur losses in the development of its business, has no source of operating cash flow, and provides no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral properties. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs with the proceeds from equity financings, and its current working capital; however, there is no assurance that the Company will be successful in raising additional equity.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

a) Basis of Presentation -

The financial statements for the period ended September 30, 2019 were prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations of IFRS as issued by the International Accounting Standards Board (IASB). The accounting policies set out below are in effect in the financial statements.

2. BASIS OF PREPARATION and SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

b) Significant Accounting Judgments and Estimates -

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation and recognition of deferred income tax amounts.

c) Financial Instruments -

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

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

2. BASIS OF PREPARATION and SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

c) Financial Instruments – (continued)

(ii) Measurement (continued)

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

2. BASIS OF PREPARATION and SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

d) Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity.

In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the period presented.

e) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

f) Exploration and evaluation assets

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and classified as a component of mineral properties. As options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

2. BASIS OF PREPARATION and SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

g) Share based payments

The fair value of share options granted to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve.

The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

h) Impairment of non-current assets

Non-current assets (which consist of exploration and evaluation assets) are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less direct costs to sell and the asset value in use (being the present value of the expected future cash flows of the asset). An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

i) New standards and interpretations not yet applied

New accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. SHARE CAPITAL

Authorized and Issued:

- Unlimited common shares without par value; and
- 18,866,000 shares issued and outstanding.

Issuances:

During the period from inception on October 5, 2018 to September 30, 2019 the Company issued the following share capital:

Gold Lion Resources Inc.

Notes to the financial statements

For the Three Months Ended September 30, 2019

Expressed in Canadian dollars

3. SHARE CAPITAL (continued)

- On October 5, 2018, 4,000,000 common shares were issued to the founder and director for proceeds of \$20,000.
- On February 15, 2019, 4,200,000 common shares at \$0.05 were issued as part of a private placement for proceeds of \$210,000.
- On March 31, 2019, 600,000 common shares at \$0.05 were issued to a director, in settlement of \$30,000 in loan payable (Note 5).
- On July 3, 2019 Company issued an aggregate of 10,066,000 units (the Units”) at \$0.10 per Unit as part of a private placement for proceeds of \$1,006,600. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, with each whole common share purchase warrant (a “Warrant”) entitling the holder to purchase an additional common share (a “Warrant Share”) at a price of \$0.20 for a period of 24 months from the closing of the Offering.

Warrants

Number of Warrants	Exercise Price	Expiry Date
5,033,000	\$0.20	July 3, 2021

As at September 30, 2019 the warrants outstanding had a weighted average exercise price of \$0.20 and weighted average life of 1.75 years.

Stock Options

The Company has adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Canadian Securities Exchange (“Exchange”) requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to five years from the date of issuance.

On August 20, 2019, the Company issued 1,850,000 stock options at a price of \$0.10 per share, expiring August 20, 2024. The estimated fair value of the options was \$138,195 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 100%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 1.56%.

The following table summarizes information about stock options outstanding and exercisable at September 30, 2019:

Number of Shares	Exercise Price	Expiry Date	Exercisable
1,850,000	\$0.10	August 20, 2024	1,850,000

As at September 30, 2019 the options outstanding had a weighted average exercise price of \$0.10 and a weighted average life of 4.89 years.

Gold Lion Resources Inc.

Notes to the financial statements

For the Three Months Ended September 30, 2019

Expressed in Canadian dollars

4. EXPLORATION AND EVALUATION ASSET

Mineral property interest was composed of the following at September 30, 2019:

Fairview Property	Amount
At October 5, 2019	\$ -
Option Cash Payment	32,000
Exploration Expenditure	83,467
At September 30, 2019	\$ 115,467

On December 10, 2018 (“the Effective Date”), the Company entered into an agreement with Christopher Paul, Oliver Friesen, and 1132902 BC Ltd. to option a 100% interest in the Fairview Property (the “Property”). The Property consists of 2 Mineral Tenure Online mineral titles with approximate size of 2574.3 hectare located in the Kamloops Mining District, British Columbia.

The agreement is subject to a 2% net smelter return (“NSR”). The Company may purchase one third of the NSR for total consideration of \$1,000,000 at any time prior to such time when:

- (i) the concentrator processing ores, for other than testing purposes, has operated for a period of 45 consecutive days at an average rate of not less than 70% of design capacity; or
- (ii) if a concentrator is not erected on the Property, when ores have been produced for a period of 45 consecutive production days at rate of not less than 70% of mining rate specified in a study and mine plan recommending placing the Property in production.

The Agreement and Option will terminate if the Company doesn’t complete all of the following within the relevant time period:

- (i) Make cash payment of \$32,000 upon 60 days of signing of the agreement (paid);
- (ii) Incur minimum exploration expenditures of \$75,000 by December 31, 2019 (incurred);
- (iii) Incur minimum exploration expenditures of \$125,000 between January 1, 2020 and December 31, 2020;
- (iv) Incur exploration expenditures of \$250,000 between January 1, 2021 and December 31, 2021; and;
- (v) Incur exploration expenditures of \$500,000 between January 1, 2022 and December 31, 2022.

5. RELATED PARTY TRANSACTIONS

During the period ended September 30, 2019, incurred a consulting and advisory expense of \$9,000 to Company Directors.

Included in accounts payable is \$182 owing to a director and an officer of the Company.

On August 20, 2019, the Company issued 1,850,000 stock options at a price of \$0.10 per share, expiring August 20, 2024, to directors and officers of the Company.

Gold Lion Resources Inc.

Notes to the financial statements

For the Three Months Ended September 30, 2019

Expressed in Canadian dollars

5. RELATED PARTY TRANSACTIONS (continued)

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the period ended September 30, 2019

Three Months Ended September 30, 2019			
	Fees		Share based compensation
Dorian Banks	\$	5,000.00	\$ -
Nikolay Vassev		4,000.00	11,205.00
Houman Ershadi		-	52,290.00
Borzoo Zare		-	52,290.00
Oliver Friesen		-	22,410.00
	\$	9,000.00	\$ 138,195.00

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

The fair values of accounts payable approximate their carrying values due to the short- term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2019 as follows:

	Level 1	Level 2	Level 3	Total
Financial Instrument				
Cash	\$ 1,147,303	-	-	\$ 814,815

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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. The Company's primary exposure to credit risk is in its cash. The Company's cash is held in large Canadian financial institution. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, and does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

7. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, issue debt instruments or return capital to its shareholders.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements.

8. SUBSEQUENT EVENT

On October 30, 2019 two of the Company's directors surrendered for cancellation an aggregate of 5,500 common share purchase warrants that were issued on July 3, 2019.