

Gold Lion Resources Inc.

Unaudited Condensed Interim Financial Statements

For the Six Months Ended December 31, 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 December 31, 2019	As at June 30, 2019
Assets		
Current		
Cash and cash equivalent	\$ 1,055,099	\$ 814,815
Sales tax recovery	3,935	431
Prepaid expense	1,674	-
	1,060,708	815,246
Non-current assets		
Exploration and evaluation asset (Note 5)	115,467	115,467
Total Assets	\$ 1,176,175	\$ 930,713
Liabilities		
Current		
Accounts payable	\$ 647	\$ 58,290
Total Liabilities	647	58,290
Shareholders' Equity		
Capital Stock (Note 4)	1,266,600	897,950
Share payment reserve (Note 4)	138,195	
Deficit	(229,267)	(25,527)
Total Shareholder's Equity	1,175,528	872,423
Total Liabilities and Shareholders' Equity	\$ 1,176,175	\$ 930,713

Nature of operations and going concern (Note 1)

Subsequent event (Note 8)

Approved on behalf of the Board on February 19, 2020:

"Borzoo Zare"

Borzoo Zare, Director

"Oliver Friesen"

Oliver Friesen, 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 December 31, 2019	Three Months Ended December 31, 2018	Six Months Ended December 31, 2019	Six Months Ended December 31, 2018
EXPENSES				
Consulting Fees (Note 6)	\$ 1,650	\$ 6,794	\$ 10,650	\$ 6,794
Legal	24,838	1,677	39,266	1,677
Audit	-	-	9,098	-
General and Administrative	58,548	143	63,722	143
Stock Based Compensation (Note 4,6)	-	-	138,195	-
	85,037	8,614	260,930	8,614
Other Items				
Gain on account payable settlement	57,191	-	57,191	-
Net and Comprehensive loss	\$ (27,846)	\$ (8,614)	\$ (203,740)	\$ (8,614)
Loss per common share – basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average number of common shares outstanding	18,866,000	4,000,000	18,866,000	4,000,000

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 4)	4,000,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Shares issued for private placement (Note 4)	4,200,000	210,000	-	-	-	210,000
Shares issued for debt (Notes 4)	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 4)	10,066,000	1,006,600	(637,950)	-	-	368,650
Stock based compensation (Note 4)				138,195		
Net loss	-	-	-	-	(203,740)	(203,739)
Balance, December 31, 2019	18,866,000	\$ 1,266,600	\$ -	\$ 138,195	\$ (229,267)	1,175,528

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

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

	For the Six Months Ended December 31, 2019	For the Six Months Ended December 31, 2018
Operating activities		
Net loss for the period	\$ (203,740)	\$ (8,614)
Changes in non-cash working capital balances:		
Stock based compensation	138,195	-
Changes in non-cash working capital balances:		
Sales tax recovery	(3,504)	(1,146)
Gain on settlement of accounts payable	(57,191)	-
Prepaid expense	(1,674)	(24,389)
Accounts payable liabilities	(452)	3,129
Net cash provided by operating activities	(128,366)	(31,020)
Financing activities		
Proceeds from Loan		30,000
Proceeds from founders' shares	-	20,000
Proceeds from private placement	368,650	-
Net cash provided by financing activities	368,650	50,000
Change in cash	240,284	-
Cash, beginning	814,815	-
Cash, ending	\$ 1,055,099	\$ 18,980

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 December 31, 2019, the Company incurred a net loss of \$27,846 and at December 31, 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 PRESENTATION

Statement of Compliance –

The financial statements for the six months ended December 31, 2019 with comparative figures for the six months ended December 31, 2018 were prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

3. SIGNIFICANT ACCOUNTING POLICIES

New accounting standards adopted –

IFRS 16 Leases:

In January 2016, the IASB issued IFRS16 – Leases which replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company adopted this new standard on July 1, 2019. This new standard did not have any impact on the Company's financial statements because the Company does not have any leases.

4. 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 December 31, 2019 the Company issued the following share capital:

- 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.

4. SHARE CAPITAL (continued)

Warrants

Number of Warrants	Exercise Price	Expiry Date
5,027,500	\$0.20	July 3, 2021

As at December 31, 2019 the warrants outstanding had a weighted average exercise price of \$0.20 and weighted average life of 1.50 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 December 31, 2019:

Number of Shares	Exercise Price	Expiry Date	Exercisable
1,700,000	\$0.10	August 20, 2024	1,700,000
150,000	\$0.10	March 11, 2020	150,000

As at December 31, 2019 the options outstanding had a weighted average exercise price of \$0.10 and a weighted average life of 4.28 years.

5. 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 December 31, 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.

6. RELATED PARTY TRANSACTIONS

During the six months ended December 31, 2019, the Company paid the following advisory and consulting fees:

- \$6,500 (2018: \$5,000) to Dorian Banks, an independent director of the Company;
- \$4,000 (2018: \$Nil) to Nikolay Vassev, former CEO 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.

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.

7. SUBSEQUENT EVENT

On January 24, 2020, the Company closed its acquisition of the Cuteye Group of Properties from a private British Columbia numbered company ("Numberco"). Under the transaction, Gold Lion issued an aggregate of 6,000,000 Gold Lion common shares to the shareholders of Numberco.

On January 20, 2020, 90,000 common shares at \$0.20 were issued as part of a warrants exercise for proceeds of \$18,000.

On January 24, 2020, 10,000 common shares at \$0.20 were issued as part of a of warrants exercise for proceeds of \$2,000.

On January 30, 2020, 258,750 common shares at \$0.20 were issued as part of a of warrants exercise for proceeds of \$51,750.