

Gold Lion Resources Inc.

Unaudited Condensed Consolidated Interim Financial Statements

For the Nine Months Ended March 31, 2020
(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 Consolidated Statements of Financial Position
(Unaudited)

	As at March 31, 2020	As at June 30, 2019
Assets		
Current		
Cash and cash equivalent	\$ 933,832	\$ 814,815
Sales tax recovery	6,313	431
Prepaid expense	15,487	-
	955,632	815,246
Non-current assets		
Exploration and evaluation asset (Note 6)	1,795,467	115,467
Total Assets	\$ 2,751,099	\$ 930,713
Liabilities		
Current		
Accounts payable	\$ 2,744	\$ 58,290
Total Liabilities	2,744	58,290
Shareholders' Equity		
Capital Stock (Note 5)	3,023,150	897,950
Share payment reserve (Note 5)	165,445	
Deficit	(440,240)	(25,527)
Total Shareholder's Equity	2,748,355	872,423
Total Liabilities and Shareholders' Equity	\$ 2,751,099	\$ 930,713

Nature of operations and going concern (Note 1)

Subsequent event (Note 8)

Approved on behalf of the Board on May 29, 2020:

"Borzoo Zare"

Borzoo Zare, Director

"Houman Ershadi"

Houman Ershadi, Director

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

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
EXPENSES				
Consulting Fees (Note 7)	\$ 39,565	\$ 4,218	\$ 50,215	\$ 13,894
Legal	15,233	2,766	54,500	3,000
Audit & Accounting	1,100	-	10,198	-
General and Administrative	127,159	207	190,880	350
Stock Based Compensation (Note 5,7)	27,250	-	164,445	-
	210,306	7,192	471,236	17,244
Other Items				
Interest Income	2,005		2,005	
Gain on account payable settlement		-	54,519	-
Net and Comprehensive loss	\$ (208,301)	\$ (7,192)	\$ (414,713)	\$ (17,244)
Loss per common share – basic and diluted	(0.01)	(0.00)	(0.02)	(0.00)
Weighted average number of common shares outstanding	23,468,718	8,200,000	22,812,715	8,200,000

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

Gold Lion Resources Inc.
Condensed Interim Consolidated 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 5)	4,000,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Shares issued for private placement (Note 5)	4,200,000	210,000	-	-	-	210,000
Shares issued for debt (Notes 5)	600,000	30,000	-	-	-	30,000
Net Loss					(15,806)	(15,806)
Balance, March 31, 2019	8,800,000	\$ 260,000	\$ -	\$ -	\$ (15,806)	\$ 244,194
Cash received for private placement	-	-	637,950	-	-	637,950
Net loss	-	-	-	-	(9,721)	(9,721)
Balance, June 30, 2019	8,800,000	\$ 260,000	\$ 637,950	\$ -	\$ (25,527)	\$ 872,423
Shares issued for private placement (Note 5)	10,066,000	\$ 1,006,600	\$ (637,950)	\$ -	\$ -	\$ 368,650
Shares issued to acquire property (Note 5)	6,000,000	1,680,000				1,680,000
Shares issued for exercise of warrants (Note 5)	379,000	76,550				76,550
Stock based compensation (Note 5)				165,445		165,445
Net loss	-	-	-	-	(414,713)	(414,713)
Balance, March 31, 2020	25,245,000	\$ 3,023,150	\$ -	\$ 165,445	\$ (440,240)	\$ 2,748,355

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

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

	For the Nine Months Ended March 31, 2020	For the Nine Months Ended March 31, 2019
Operating activities		
Net loss for the period	\$ (387,463)	\$ (17,244)
Changes in non-cash working capital balances:		
Stock based compensation	138,195	-
Changes in non-cash working capital balances:		
Sales tax recovery	(5,882)	(4,683)
Prepaid expense	(15,487)	(2,888)
Accounts payable liabilities	(55,546)	60,476
Net cash provided by operating activities	(326,183)	35,661
Investing activities		
Mineral property option		(115,467)
Net cash used by investing activities		(115,467)
Financing activities		
Proceeds from Loan		30,000
Proceeds from founders' shares	-	230,000
Proceeds from private placement	368,650	-
Proceeds from exercise of warrants	76,550	
Net cash provided by financing activities	445,200	260,000
Change in cash	119,017	180,194
Cash, beginning	814,815	-
Cash, ending	\$ 933,832	\$ 180,194

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 March 31, 2020, the Company incurred a net loss of \$181,052 and at March 31, 2020, the Company's net working capital is \$952,888.

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 nine months ended March 31, 2020 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").

2. Basis of Presentation (continued)

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary. The financial statements of the subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

The principal subsidiary of the Company as of March 31, 2020 is as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest March 31, 2020	Ownership Interest March 31, 2019
1238339 BC LTD. ("123 LTD.")	Mineral exploration	Canada	100%	-
Gold Lion Resources (NV) Inc.	Mineral exploration	USA	100%	-

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. ACQUISITION OF CUTEYE GROUP PROPERTIES

On January 24, 2020, Gold Lion Resources Inc. ("Gold Lion" or the "Company") completed an acquisition agreement and an amalgamation agreement (collectively, the "Agreements") with a private British Columbia numbered company ("Numberco") pursuant to which Gold Lion acquired the Cuteye Group of Properties (the "Property"). Under the Agreements, Gold Lion and Numberco completed a "three-cornered amalgamation" pursuant to which Gold Lion issued an aggregate of 6,000,000 Gold Lion common shares to the shareholders of Numberco, and Numberco amalgamated with Gold Lion's wholly-owned subsidiary to continue as 1238339 BC LTD. ("123 LTD.").

123 LTD. does not meet the definition of a business under IFRS 3; therefore the acquisition of Property was treated as an acquisition of exploration and evaluation assets. The fair value of the assets acquired, and liabilities assumed as at the date of acquisition were as follows:

Net assets acquired	
Exploration and evaluation assets	\$ 1,680,000
Consideration	
Fair value of 6,000,000 common shares issued (Note 5)	\$ 1,680,000

5. SHARE CAPITAL

Authorized and Issued:

- Unlimited common shares without par value; and
- 25,245,000 shares issued and outstanding.

Issuances:

During the period from inception on October 5, 2018 to March 31, 2020 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.
- During January 2020, 358,750 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$71,750.

5. SHARE CAPITAL (continued)

- On January 24, 2020, 6,000,000 common shares were issued at \$0.28 as part of asset purchase agreement for a total consideration of \$1,680,000.
- On February 27, 2020, 8,750 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$1,750.
- On March 9, 2020, 11,500 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$2,300.
- On March 31, 2020, 3,750 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$750.

Warrants

Number of Warrants	Exercise Price	Expiry Date
4,644,750	\$0.20	July 3, 2021

As at March 31, 2020 the warrants outstanding had a weighted average exercise price of \$0.20 and weighted average life of 1.25 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.

On February 22, 2020 the Company issued 100,000 stock options at a price of \$0.365 per share, expiring February 22, 2025. The estimated fair value of the options was \$27,250 which was determined using the Black-Scholes Option Pricing Model.

The following table summarizes information about stock options outstanding and exercisable at March 31, 2020:

Number of Shares	Exercise Price	Expiry Date	Exercisable
1,700,000	\$0.10	August 20, 2024	1,700,000
100,000	\$0.365	February 22, 2025	100,000

As at March 31, 2020 the options outstanding had a weighted average exercise price of \$0.11 and a weighted average life of 4.41 years.

6. EXPLORATION AND EVALUATION ASSET

	Fairview Property	Cuteye Group	Total
Acquisition Costs			
Balance at July 1, 2019	\$ 115,467	\$ -	\$ 115,467
Incurred during year	-	1,680,000	1,680,000
Balance at March 31, 2020	115,467	1,680,000	1,795,467
Exploration Costs	-	-	-
Balance at March 31, 2020	-	-	-
Total Exploration and Valuation at March 31, 2020	\$ 115,467	\$ 1,680,000	\$ 1,795,467

Fairview Property

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 does not complete all 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.

Cuteye Group Properties

On January 24, 2020, the Company completed an acquisition agreement and an amalgamation with a private British Columbia numbered company pursuant to which Gold Lion acquired the Cuteye Group of Properties. The Property includes the Mister Jay (2373 ha), Lady Jane (242 ha), Lama (69 ha), and Missus Jay (468 ha) claim blocks covering twelve mineral showings in BC’s Golden Triangle, roughly 25km southwest of Glenora, British Columbia.

7. RELATED PARTY TRANSACTIONS

During the nine months ended March 31, 2020, the Company paid the following advisory and consulting fees:

- 6,250 (2019:\$Nil) to Oliver Friesen, CEO of the Company;
- \$7,500 (2019: \$5,000) to Dorian Banks, an independent director of the Company;
- \$4,000 (2019: \$Nil) to Nikolay Vassev, former CEO of the Company;
- 1,500 (2019:\$Nil) to Dan Dente, a director 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.

On February 22, 2020, the Company issued 100,000 stock options at a price of \$0.365 per share, expiring February 22, 2025, to directors of the Company.

7. SUBSEQUENT EVENT

On April 7, 2020, the Company's wholly-owned subsidiary, Gold Lion Resources (NV) Inc., entered into an arm's length option to earn 100% of the South Orogrande, Robber Gulch, and Erikson Ridge gold projects in Idaho from Bronco Creek Exploration Inc., a wholly-owned subsidiary of EMX Royalty Corp.

On May 15, 2020, the Company issued 650,000 stock options at a price of \$0.45 per share, expiring May 15, 2025, to directors and officers of the Company.

On May 22, 2020, 51,500 common shares were issued at \$0.20 as part of warrant exercise for proceeds of \$10,300.

On May 22, 2020, closed a non-brokered private placement financing with one subscriber for gross proceeds of \$1,000,000. Under the financing, the Company issued 2,000,000 units (each, a "Unit"), each Unit consisting of one common share (each, a "Common Share") and one common share purchase warrant exercisable for an additional common share (each, a "Warrant Share") at \$0.75 for two years from the date of issuance.