Gold Lion Resources Inc.

Consolidated Financial Statements

For the Year Ended June 30, 2020

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Gold Lion Resource Inc.:

Opinion

We have audited the consolidated financial statements of Gold Lion Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year ended June 30, 2020 and the period from incorporation on October 5, 2018 to June 30, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and 2019, and its financial performance and its cash flows for the year ended June 30, 2020 and the period from incorporation on October 5, 2018 to June 30, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
September 18, 2020

MOORE

An independent firm
associated with Moore
Global Network Limited

Gold Lion Resources Inc.
Consolidated Statement of Financial Position
Expressed in Canadian dollars

		As at June 30, 2020		As at June 30, 2019
Assets				
Current				
Cash	$	1,427,240	$	814,815
Sales tax recoverable		14,097		431
Interest receivable		6,293		-
Mining exploration tax credit recoverable (Note 5)		25,040		-
Prepaid expenses		88,084		-
		1,560,754		**815,246**
Non-current assets				
Exploration and evaluation asset (Notes 4, 5)		2,595,549		115,467
Total Assets	**$**	**4,156,303**	**$**	**930,713**
Liabilities				
Current				
Accounts payable	$	135,308	$	58,290
Total Liabilities		**135,308**		**58,290**
Shareholders' Equity				
Capital stock (Note 6)		4,539,323		897,950
Share-based payment reserve (Note 6)		470,886		-
Deficit		(989,214)		(25,527)
Total Shareholder's Equity		4,020,995		872,423
Total Liabilities and Shareholders' Equity	**$**	**4,156,303**	**$**	**930,713**

Nature of operations and going concern (Note 1)

Approved on behalf of the Board on September 18, 2020:

"Borzoo Zare"
Borzoo Zare, Director

"Hannah Jin"
Hannah Jin, Director

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

Gold Lion Resources Inc.
Consolidated Statement of Comprehensive Loss
Expressed in Canadian dollars

	Year ended June 30, 2020	For the period from October 5, 2018 (inception) to June 30, 2019
Expenses		
Consulting fees (Note 8)	$ 259,634	$ 14,844
Legal	64,907	10,128
Audit and accounting	10,198	-
Investor relations	7,875	-
General and administrative	220,177	555
Stock-based compensation (Notes 6, 8)	485,051	-
	1,047,842	25,527
Other Items		
Interest income	15,471	-
Gain on account payable settlement	54,519	-
Net and comprehensive loss	**$ (977,852)**	**$ (25,527)**
Loss per common share – basic and diluted	**$ (0.04)**	**$ (0.00)**
Weighted average number of common shares outstanding	**21,915,232**	**6,319,403**

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

Gold Lion Resources Inc.
Consolidated Statement of Changes in Shareholders' Equity
Expressed in Canadian dollars

	Share Capital					
	Number	**Amount**	**Subscriptions Received**	**Share-based Payment Reserve**	**Deficit**	**Total**
Balance, October 5, 2018						
(Date of Incorporation) – Issuance of founder shares (Note 6)	4,000,000	$ 20,000	$ -	$ -	$ -	$ 20,000
Shares issued for private placement (Note 6)	4,200,000	210,000	-	-	-	210,000
Shares issued for debt (Notes 6)	600,000	30,000	-	-	-	30,000
Cash received for private placement	-	-	637,950	-	-	637,950
Net and comprehensive 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, net issuance cost (Note 6)	12,066,000	2,000,053	(637,950)	-	-	1,362,103
Shares issued on exercise of warrants (Note 6)	669,750	133,950	-	-	-	133,950
Shares issued for properties (Notes 5, 6)	6,855,320	2,145,320	-	-	-	2,145,320
Stock-based compensation (Note 6)	-	-	-	485,051	-	485,051
Options cancelled (Note 6)	-	-		(14,165)	14,165	-
Net and comprehensive loss	-	-	-	-	(977,852)	(977,852)
Balance, June 30, 2020	**28,391,070**	**$ 4,539,323**	**$ -**	**$ 470,886**	**$ (989,214)**	**$ 4,020,995**

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

Gold Lion Resources Inc.
Consolidated Statement of Cash Flows
Expressed in Canadian dollars

	For the year ended June 30, 2020	For the period from October 5, 2018 (date of inception) to June 30, 2019
Operating activities		
Net loss for the year	$ (977,852)	$ (25,527)
Item not affecting cash:		
Stock-based compensation	485,051	-
Changes in non-cash working capital balances:		
Prepaid expense	(88,084)	-
Sales tax recovery	(13,666)	(431)
Interest receivable	(6,293)	-
Accounts payable	2,229	58,290
Net cash provided by (used by) operating activities	**(598,615)**	**32,332**
Investing activities		
Exploration and evaluation expenditures	(285,013)	(115,467)
Net cash used by investing activities	**(285,013)**	**(115,467)**
Financing activities		
Proceeds from private placement, net of issuance costs	1,362,103	867,950
Proceeds from warrant exercise	133,950	-
Proceeds from loan	-	30,000
Net cash provided by financing activities	**1,496,053**	**897,950**
Change in cash	612,425	814,815
Cash, beginning of year	814,815	-
Cash, ending of year	**$ 1,427,240**	**$ 814,815**

The accompanying notes are an integral part of the consolidated 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 #810– 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is engaged in the business of mineral exploration in British Columbia, Canada and Idaho, United States.

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 year ended June 30, 2020 the Company incurred a net loss of $977,852 and at June 30, 2020, the Company's net working capital is $1,425,446.

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 these actions.

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.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in fiscal 2021.

2. BASIS OF PREPRATION

a) Basis of Presentation

The financial statements for the year ended June 30, 2020 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 and have been applied consistently to all periods presented unless otherwise indicated.

Expressed in Canadian dollars

2. BASIS OF PREPRATION (continued)

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. The financial statements of the subsidiaries are 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 subsidiaries of the Company as of June 30, 2020 are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest June 30, 2020	Ownership Interest June 30, 2019
1238339 BC LTD. ("123 LTD.")	Mineral exploration	Canada	100%	-
Gold Lion Resources (NV) Inc.	Mineral exploration	USA	100%	-

c) Foreign Currency Translation

The presentation currency of the financial statements is the Canadian dollar. The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the group. The Company considers the functional currency for itself and its subsidiaries to be the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the date of transaction. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation of foreign operations with functional currencies different from the presentation currency are included in the statement of comprehensive loss.

d) Use of Estimates and Judgments

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 the estimate of assumptions around stock-based awards and payments, recoverability of non-financial assets, and recognition of deferred income tax amounts.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments

(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.

Debt investments at FVOCI

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 FVOCI

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

a) Financial Instruments – (continued)

(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.

b) 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 periods presented.

c) 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

c) Income taxes (continued)

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.

d) Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination.

Pre-exploration costs are expensed in the period in which they are incurred. All costs related to the acquisition, and exploration of mineral properties are capitalized by property until the commencement of commercial production. As the 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. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the mineral property is considered to be a mine under development and is classified as "Mining Assets". Exploration and evaluation expenditures accumulated are also tested for impairment before the property costs are transferred to mining asset.

e) 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. The value relating to options which are cancelled or expire unexercised is moved to deficit.

f) 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.

Expressed in Canadian dollars

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

g) 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.

h) 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.

3. ACQUISITION OF CUTEYE GROUP OF PROPERTIES

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

This acquisition did not meet the definition of a business under IFRS 3; therefore the acquisition of the 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:

4. ACQUISITION OF CUTEYE GROUP OF PROPERTIES (continued)

Net assets acquired		
Exploration and evaluation assets	**$**	**1,800,000**
Consideration		
Fair value of 6,000,000 common shares issued (Notes 5, 6)	**$**	**1,800,000**

5. EXPLORATION AND EVALUATION ASSET

Cuteye Group Properties

On January 24, 2020, the Company completed the acquisition of the Cuteye Group of Properties for $1,800,000 (Notes 4, 6). The properties include the Mister Jay, Lady Jane, Lama, and Missus Jay claim blocks near Glenora, British Columbia.

5. EXPLORATION AND EVALUATION ASSET (continued)

Fairview Property

On December 10, 2018, 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 two mineral titles 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 plane recommending placing the Property in production.

The 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) Issuing an aggregate of 255,320 common shares between January 1, 2020 and December 31, 2020 (issued, notes 6, 8);
(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.

Robber Gulch/South Orogrande/Erikson Ridge

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

Each Project is covered by a separate exploration and option agreement (each, an "Agreement"). Pursuant to each Agreement, the Company can exercise its option to earn 100% interest in the respective Project by completing the following milestones on or before the dates indicated:

(i) Make cash payment of US$15,000 and issue 200,000 common shares upon of signing of the agreement (paid and issued, Note 6);
(ii) Make cash payment of US$25,000 and incur minimum exploration expenditure of US$100,000 on or before July 7, 2021;
(iii) Make cash payment of US$40,000 and issue 250,000 common shares and incur minimum exploration expenditure of US$200,000 on or before April 7, 2022;
(iv) Make cash payment of US$70,000 and incur minimum exploration expenditure of US$300,000 on or before April 7, 2023;
(v) Make cash payment of US$150,000 and incur minimum exploration expenditure of US$400,000 on or before April 7, 2024; and
(vi) Make cash payment of US$300,000 and issue 500,000 common shares and incur minimum exploration expenditure of US$500,000 on or before April 7, 2025;

For cash option payments beginning on the 2nd anniversary to the 5th anniversary of the effective date, the Company may elect to pay half of the value of the option payments through the issuance of common shares.

Expressed in Canadian dollars

5. EXPLORATION AND EVALUATION ASSET (continued)

***Robber Gulch/South Orogrande/Erikson Ridge* (continued)**

Upon the Company's exercise of the option for a Project, EMX will retain a 3.5% NSR on the Project, of which the Company may purchase up to 1.0% of the NSR (the first 0.5% for 350 ounces of gold or cash equivalent prior to the third anniversary after exercise of the option, then the remaining 0.5% can be purchased at any time thereafter, until commercial production, for 1,150 ounces of gold or cash equivalent). The Company may, at its election, make up to one-half of the payment for the first 0.5% through the issuance of common shares. After exercise of the option, annual advance royalty ("AAR") payments are due starting at US$30,000 on the first anniversary of the exercise of the option and increasing by US$10,000 per year to a maximum of US$80,000 per year. All AAR payments cease upon commencement of commercial production from a Project.

In addition, the Company will make milestone payments for a given Project to EMX consisting of:

- 300 ounces of gold upon completion of a Preliminary Economic Assessment;
- 550 ounces of gold upon completion of a Pre-Feasibility Study; and
- 650 ounces of gold upon completion of a Feasibility Study.

The Company may elect to make any such milestone payments in cash or in kind as refined bullion.

The continuity of the Company's exploration and evaluation assets is as follows:

	Fairview	Robber Gulch	South Orogrande	Erickson Ridge	Cuteye	Total
Acquisition Costs:						
At October 5, 2018	$ -	$ -	$ -	$ -	$ -	$ -
Incurred during the period	32,000	-	-	-	-	32,000
Balance, June 30, 2019	32,000	-	-	-	-	32,000
Incurred during the year	135,320	91,200	91,200	91,200	1,800,000	2,208,920
Balance, June 30, 2020	**167,320**	**91,200**	**91,200**	**91,200**	**1,800,000**	**2,240,920**
Deferred Exploration Costs:						
At October 5, 2018	-	-	-	-	-	-
Geological and geophysical	83,467	-	-	-	-	83,467
Balance, June 30, 2019	83,467	-	-	-	-	83,467
Equipment rental	-	15,900	3,695	3,079	-	22,674
Geological and geophysical	-	24,375	79,465	4,166	-	108,006
Management fees	-	4,284	427	356	-	5,067
Project preparation and support	-	2,970	1,980	1,650	-	6,600
Sampling and analysis costs	-	62,592	13,650	11,375	-	87,617
Travel and accommodations	-	8,544	2,900	2,237	-	13,681
Report and data compilation	-	10,080	-	-	-	10,080
Taxes and mineral claims	-	5,549	1,824	23,104	-	30,477
Camp costs and field expenses	-	-	12,000	-	-	12,000
Mining exploration tax credit	(25,040)	-	-	-	-	(25,040)
Balance, June 30, 2020	**58,427**	**134,294**	**115,941**	**45,967**	**-**	**354,629**
Total	**$ 225,747**	**$ 225,494**	**$ 207,141**	**$ 137,167**	**$ 1,800,000**	**$ 2,595,549**

6. SHARE CAPITAL

Authorized and Issued:
- Unlimited common shares without par value; and
- 28,391,070 shares issued and outstanding

3,458,250 shares are held in escrow and will be released by November 13, 2022.

Issuances:

During the period from inception on October 5, 2018 to June 30, 2020 the Company issued the following shares:
- 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 8).
- On July 3, 2019 the Company issued an aggregate of 10,066,000 units at $0.10 per unit for gross 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 entitling the holder to purchase an additional common share at a price of $0.20 to July 3, 2021.
- On January 24, 2020, 6,000,000 common shares with a fair value of $0.30 were issued as part of asset purchase agreement for a total consideration of $1,800,000 (Notes 4, 5).
- On April 7, 2020, 600,000 common shares with a fair value of $0.35 per share were issued as part of an option agreement for a total consideration of $210,000 (Note 5).
- On May 22, 2020, the Company issued an aggregate of 2,000,000 units at $0.50 for proceeds of $1,000,000. Each unit is comprised of one common share of the Company and one common share purchase warrant entitling the holder to purchase an additional common share at a price of $0.75 to May 22, 2022.
- On June 4, 2020, 255,320 common shares with a fair value of $0.53 per share were issued to the CEO of the Company as part of an option agreement for total consideration of $135,320 (Notes 5 and 8)
- During year ended June 30, 2020, 669,750 common shares were issued at $0.20 as part of warrant exercise for proceeds of $133,950.

Stock Option

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 options vested on grant. The estimated fair value of the options was $174,696 which was determined using the Black-Scholes Option Pricing Model. with the following assumptions: an annualized volatility of 170%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 1.19%. During the year, 150,000 options were cancelled, and a value of $14,165 was transferred to deficit.

On February 18, 2020 the Company issued 100,000 stock options at a price of $0.365 per share, expiring February 18, 2025. The options vested on grant. The estimated fair value of the options was $34,476 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 170%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free interest rate of 1.34%.

Expressed in Canadian dollars

6. SHARE CAPITAL (continued)

On May 15, 2020 the Company issued 650,000 stock options at a price of $0.45 per share, expiring May 15, 2025. The options vested on grant. The estimated fair value of the options was $275,879 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: an annualized volatility of 170%; an expected life of 5 years; a dividend yield rate of 0%; and a risk-free rate of 0.37%.

The following table summarizes information about stock options outstanding and exercisable at June 30, 2020:

Number of Options	Exercise Price	Expiry Date	Exercisable
1,700,000	$0.10	August 20, 2024	1,700,000
100,000	$0.365	February 18,2025	100,000
650,000	$0.45	May 15,2025	650,000

As at June 30, 2020 the 2,450,000 options outstanding had a weighted average exercise price of $0.20 and a weighted average life of 4.15 years.

Warrants

Number of Warrants	Exercise Price	Expiry Date	Exercisable
4,357,750	$0.20	July 3, 2021	4,357,750
2,000,000	$0.75	May 22, 2022	2,000,000

As at June 30, 2020 the 6,357,750 warrants outstanding had a weighted average exercise price of $0.37 and weighted average life of 1.29 years.

Reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised or are cancelled, the amount is transferred to deficit.

7. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2020	June 30, 2019
Loss before income taxes	$ (977,852)	$ (25,527)
Statutory tax rate	27%	27%
Expected income tax recovery at statutory rates	(264,020)	(6,892)
Non-deductible expenses	129,196	-
Increase in unrecognized deferred taxes	134,824	6,892
Deferred income tax recovery	**$ -**	**$ -**

Expressed in Canadian dollars

7. INCOME TAXES (continued)

The significant components of the Company's deferred income tax assets are as follows:

	June 30, 2020	June 30, 2019
Deferred income tax assets:		
Non-capital losses carried forward	$ 140,302	$ 6,892
Share issuance costs	1,414	-
Total unrecognized deferred income tax assets	$ 141,716	$ 6,892

Deferred tax assets have not been recognized as it is not probable that future taxable income will be available against which the Company can utilize the benefits from the deductible temporary differences and unused tax losses.

As at June 30, 2020, the Company has non-capital losses of $519,637, which may be carried forward to apply against future years income tax for Canadian income tax purposes.

The non-capital losses expire as follows:

	Total
2039	$ 25,527
2040	494,110
Total	$ 519,637

8. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2020, the Company carried out the following transactions with related parties:

	June 30, 2020	June 30, 2019
Consulting fees to officers and director and to a company controlled by an officer and director	$ 28,250	$ 7,000
Share-based compensation	$ 357,722	$ -
Loan payable to officer or director	$ -	$ 30,000
Shares issued to officer or director to settle debt (Note 5)	$ -	$ 30,000
Shares issued to CEO as part of property option payment (Notes 5, 6)	$ 135,320	$ -

9. 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.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at June 30, 2020 as follows:

Financial Instrument	Level 1	Level 2	Level 3	Total
Cash	$ 1,427,240			$ 1,427,240
Accounts payable	$ 135,308			$ 135,308

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.

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 by a large Canadian financial institution. The Company 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 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's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Commodity risk
The Company is exposed to price risk with respect to commodity. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Currently, the Company's exposure to commodity risk is minimal.

Global economic risk
General global economic conditions, including, without limitation, general levels of economic activity, fluctuations in the market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters, public health crises (such as the recent global outbreak of a novel coronavirus, COVID-19, refer below) and other events outside of our control, may affect the activities of the Company.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

COVID-19
Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Global equity markets have experienced significant volatility and weakness.

The Company may face future disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemics. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

10. 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. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

11. SUBSEQUENT EVENTS

On July 13, 2020, the Company entered into an agreement and issued 2,600,000 common shares with a fair value of $0.56 per share to acquire, through the purchase of a private Idaho corporation, four additional gold properties in Idaho.

On July 10, 2020, the Company issued 50,000 common shares with a fair value of $0.57 per share as part of a compensation to a consultant.

On July 16, 2020, the Company issued 100,000 common shares at $0.37 on exercise of options for proceeds of $36,500.

Subsequent to year ended June 30, 2020, the Company issued a total of 40,500 common shares at $0.20 on exercise of warrants for proceeds of $8,100.