



Condensed Consolidated Interim Financial Statements

For the three and six months ended January 31, 2018 and 2017

To the shareholders of Grizzly Discoveries Inc.:

The condensed consolidated interim financial statements of Grizzly Discoveries Inc. (the "Company") for the three and six months ended January 31, 2018 and 2017 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

GRIZZLY DISCOVERIES INC.
Condensed consolidated interim statements of financial position

As at	January 31 2018 <i>(unaudited)</i>	July 31 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 33,181	\$ 42,938
Restricted cash (note 3)	5,000	5,000
Other current assets (note 4)	55,450	52,675
	93,631	100,613
Deposit	30,391	30,303
Mineral properties (note 5)	8,300,884	8,296,168
	30,391	30,303
	8,300,884	8,296,168
TOTAL ASSETS	\$ 8,424,906	\$ 8,427,084
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 61,064	\$ 71,854
Reclamation provision	191,165	191,165
	191,165	191,165
TOTAL LIABILITIES	252,229	263,019
EQUITY		
Share capital (note 6)	20,033,544	19,975,034
Warrant capital (note 6)	23,059	23,059
Contributed surplus	2,739,563	2,724,563
Deficit	(14,623,489)	(14,558,591)
	8,172,677	8,164,065
TOTAL EQUITY	8,172,677	8,164,065
TOTAL LIABILITIES AND EQUITY	\$ 8,424,906	\$ 8,427,084

See note 9 for significant subsequent events.

Approved by the Board of Directors

Director (signed by) "Brian Testo"

Director (signed by) "Sam Pillersdorf"

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

GRIZZLY DISCOVERIES INC.

Condensed consolidated interim statements of loss and comprehensive loss

(unaudited)

For the	three months ended January 31		six months ended January 31	
	2018	2017	2018	2017
EXPENSES				
General and administration (note 7)	\$ (23,193)	\$ (25,274)	\$ (39,214)	\$ (55,234)
Share based compensation	(15,000)	-	(15,000)	-
Impairment (note 4)	(8,171)	(1,579)	(11,119)	(5,347)
TOTAL EXPENSES	(46,364)	(31,172)	(65,333)	(78,550)
OTHER INCOME				
Interest income	177	115	435	358
NET LOSS AND COMPREHENSIVE LOSS	\$ (46,187)	\$ (37,057)	\$ (64,898)	\$ (78,192)
BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	56,142,448	52,407,805	55,835,925	52,407,805

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

GRIZZLY DISCOVERIES INC.

Condensed consolidated interim statements of cash flows

(unaudited)

For the six months ended January 31	2018	2017
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net loss	\$ (64,898)	\$ (78,192)
Items not affecting cash and cash equivalents:		
Share based compensation	15,000	-
Impairment	11,119	23,316
Changes in non-cash working capital:		
Other current assets	(638)	4,547
Deposits	-	(114)
Accounts payable and accrued liabilities	(19,431)	(19,224)
Cash and cash equivalents used in operating activities	<u>(58,848)</u>	<u>(69,667)</u>
INVESTING ACTIVITIES:		
Deposit	(88)	-
Mineral properties expenditures	(9,331)	(6,261)
Cash and cash equivalents used in investing activities	<u>(9,419)</u>	<u>(6,261)</u>
FINANCING ACTIVITIES:		
Proceeds from issuance of shares (note 6)	60,000	-
Costs of share issuance	(1,490)	-
Cash and cash equivalents provided by financing activities	<u>58,510</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,757)	(75,928)
Cash and cash equivalents – beginning of period	<u>42,938</u>	<u>91,138</u>
CASH AND CASH EQUIVALENTS – END OF PERIOD	\$ 33,181	\$ 15,210

See Note 8 for supplemental cash flow information.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

GRIZZLY DISCOVERIES INC.

Condensed consolidated interim statements of changes in equity

*(unaudited)***For the six months ended January 31, 2018**

	Number of common shares	Share capital	Warrant capital	Contributed surplus	Deficit	Total equity
July 31, 2017	55,529,405	\$ 19,975,034	\$ 23,059	\$ 2,724,563	\$ (14,558,591)	\$ 8,164,065
Comprehensive loss	-	-	-	-	(64,898)	(64,898)
Private placement financings	1,200,000	58,510	-	-	-	58,510
Share based payments	-	-	-	15,000	-	15,000
January 31, 2018	56,729,405	\$ 20,033,544	\$ 23,059	\$ 2,739,563	\$ 14,623,489	\$ 8,172,677

For the six months ended January 31, 2017

	Number of common shares	Share capital	Warrant capital	Contributed surplus	Deficit	Total equity
July 31, 2016	52,407,805	\$ 19,842,144	\$ 8,879	\$ 2,655,563	\$ (14,303,082)	\$ 8,203,504
Comprehensive loss	-	-	-	-	(78,192)	(78,192)
January 31, 2017	52,407,805	\$ 19,842,144	\$ 8,879	\$ 2,655,563	\$ (14,381,274)	\$ 8,125,312

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. Nature of operations and going concern

Grizzly Discoveries Inc. (the “Company” or “Grizzly”) was incorporated on May 31, 2002 in Alberta and is in the business of acquiring and exploring mineral properties located in Canada. The Company has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company’s registered office is Suite 3400, 350 7 Avenue SW, Calgary, Alberta, T2P 3N9. The Company’s head office is at Suite 363, 9768 170 Street NW, Edmonton, Alberta, T5T 5L4.

Long-term continuance of the Company’s operations is dependent upon achieving profitable operations and obtaining additional equity or debt financing. The recoverability of the carrying values of the Company’s mineral properties is dependent upon the existence and discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production from or proceeds from the disposition of mineral properties.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. As at January 31, 2018, the Company has a deficit of \$14,623,489 (July 31, 2017 - \$14,558,591) and the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties may cast doubt regarding the Company’s ability to continue as a going concern. At the current stage of the Company’s development, the ability of the Company to continue as a going concern is dependent upon its ability to obtain additional sources of financing. Management’s intentions are to continue to pursue additional financing. If the Company is unsuccessful in obtaining additional financing to fund operations and the exploration and development of its mineral properties, the going concern assumption may not be appropriate and adjustments would be necessary to the carrying value of assets and liabilities and reported revenues and expenses. Such adjustments may be material.

2. Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial statements as specified in International Accounting Standard 34 – *Interim financial reporting* (“IAS 34”) issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements do not contain all of the disclosures required for financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements of the Company for the year ended July 31, 2017.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary Alberta Potash Corp. (incorporated in Alberta). All intercompany balances and transactions have been eliminated on consolidation.

These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in Canadian Dollars unless otherwise noted.

These consolidated financial statements were approved by the Audit Committee on behalf of the Board of Directors of the Company on April 2, 2018.

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and six months ended January 31, 2018 and 2017

*(unaudited)***3. Restricted cash**

The Company has restricted cash in the amount of \$5,000 (July 31, 2017 - \$5,000) as security for corporate credit card liabilities.

4. Other current assets

As at	January 31 2018	July 31 2017
Accounts receivable	\$ 1,388	\$ 1,388
Goods and services tax credits receivable	4,649	2,176
Mineral exploration tax credits receivable	5,086	2,949
Prepayments and deposits	<u>44,327</u>	<u>46,162</u>
	<u>\$ 55,450</u>	<u>\$ 52,675</u>

5. Mineral Properties

	Alberta Diamond Properties	Alberta Potash Properties	BC Precious Metals Properties	Total
Balance, July 31, 2016	\$ 1	\$ 1	\$ 8,285,126	\$ 8,285,128
Acquisition costs	-	6,818	17,391	24,209
Exploration and evaluation costs	12,100	1,166	6,839	20,105
Reclamation	-	(3,835)	-	(3,835)
Impairment	<u>(12,100)</u>	<u>(4,149)</u>	<u>(13,190)</u>	<u>(29,439)</u>
Balance, July 31, 2017	1	1	8,296,166	8,296,168
Acquisition costs	1,969	6,731	-	8,700
Exploration and evaluation costs	2,083	63	4,989	7,135
Impairment	<u>(4,052)</u>	<u>(6,794)</u>	<u>(273)</u>	<u>(11,119)</u>
Balance, January 31, 2018	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 8,300,882</u>	<u>\$ 8,300,884</u>

Impairment

In the six months ended January 31, 2018, the Company incurred costs totaling \$273 (2017 – \$13,190) related to its French and Silver Bear properties, included in BC Precious Metals Properties, which have been recorded as impairment on the condensed consolidated interim statements of loss and comprehensive loss.

In the six months ended January 31, 2018, the Company incurred costs totaling \$4,052 (2017 – \$12,100) related to its Alberta Diamond Properties which were recorded as impairment on the condensed consolidated interim statements of loss and comprehensive loss.

In the six months ended January 31, 2018, the Company incurred costs totaling \$6,794 (2017 - \$4,149) related to its Alberta Potash Properties which were recorded as impairment on the condensed consolidated interim statements of loss and comprehensive loss.

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and six months ended January 31, 2018 and 2017

*(unaudited)***6. Share capital***Common shares*

The Company's articles authorize an unlimited number of common shares with no par value and an unlimited number of preferred shares. The Company has not issued any preferred shares. A summary of changes in common share capital is as follows:

	Number of Shares	Weighted average issue price	Amount
Balance, July 31, 2016	52,407,805		\$ 19,842,144
Issuance of shares in private placements:			
March 31, 2017	2,760,000	\$ 0.045	124,200
Shares issued for services	361,600	\$ 0.048	17,176
Costs of share issuance	-		(8,486)
			<hr/>
Balance, July 31, 2016	55,529,405		\$ 19,975,034
Issuance of shares in private placements:			
December 15, 2017	1,200,000	\$ 0.050	60,000
Costs of share issuance	-		(1,490)
			<hr/>
Balance, January 31, 2018	55,348,605		\$ 19,967,947

Common share purchase warrants

A summary of changes in common share purchase warrant capital is as follows:

	Number of Warrants	Weighted average issue price	Amount
Balance, July 31, 2016	3,682,537		\$ 8,879
Issuance of warrants in private placements:			
March 31, 2017	2,760,000	\$ 0.005	13,800
Finders' warrants	76,000	\$ 0.005	380
			<hr/>
Balance, July 31, 2016	6,518,537		\$ 23,059
Issuance of warrants in private placements:			
December 15, 2017	1,200,000	\$ -	-
Expiry of warrants	(887,857)	\$ -	-
			<hr/>
Balance, January 31, 2018	6,830,680		\$ 23,059

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and six months ended January 31, 2018 and 2017

(unaudited)

A summary of share purchase warrants outstanding is as follows:

As at January 31, 2018				As at July 31, 2017			
Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry	Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry
\$ -	-	-	-	\$ 0.10	887,857	887,857	0.4
\$ 0.075	2,794,680	2,794,680	0.2	\$ 0.075	2,794,680	2,794,680	0.7
\$ 0.075	2,760,000	2,760,000	1.2	\$ 0.075	2,760,000	2,760,000	1.7
\$ 0.075	76,000	76,000	1.2	\$ 0.075	76,000	76,000	1.7
\$ 0.075	1,200,000	1,200,000	1.9	\$ -	-	-	-
\$ 0.075	6,830,680	6,830,680	0.9	\$ 0.081	6,518,537	6,518,537	1.1

Private placement

On December 15, 2017, the Company completed a private placement of 1,200,000 Units (as defined below) for gross proceeds of \$60,000.

Each Unit was comprised of one common share in the capital of the Company ("Common Share") and one Common Share purchase warrant with an exercise price of \$0.075 per Common Share ("Warrant"). Each of the Warrants entitles the holder to acquire one additional Common Share at \$0.075 until December 15, 2019 or, if the Company's shares trade at or above a weighted average trading price of \$0.12 per share on the TSX Venture Exchange for 10 consecutive trading days, the Company may accelerate the expiry time of the Warrants by issuing a news release and giving written notice to holders of Warrants stating that the Warrants will expire 30 days from the date of such notice.

The Company has allocated the proceeds in this private placement using the residual value method whereby the fair value of the shares on the closing date was determined to be \$0.05 per common share, with no residual amount remaining to be allocated to the warrants.

Common share purchase options

The Company issues common share purchase warrants as incentive compensation to officers, directors, employees and consultants pursuant to the Company's stock option plan. A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
Outstanding stock options, July 31, 2016	4,400,000	\$ 0.09
Granted	2,300,000	\$ 0.05
Expired	<u>(1,500,000)</u>	\$ 0.10
Outstanding stock options, July 31, 2017	5,200,000	\$ 0.07
Granted	300,000	\$ 0.10
Expired	<u>(200,000)</u>	\$ 0.10
Outstanding stock options, January 31, 2018	<u>5,300,000</u>	\$ 0.07

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and six months ended January 31, 2018 and 2017

(unaudited)

A summary of stock options outstanding is as follows:

As at January 31, 2018				As at July 31, 2017			
Exercise price	Options outstanding	Options exercisable	Years to expiry	Exercise price	Options outstanding	Options exercisable	Years to expiry
\$ -	-	-	-	\$ 0.10	200,000	200,000	0.3
\$ 0.10	300,000	300,000	0.1	\$ 0.10	300,000	300,000	0.6
\$ 0.10	200,000	200,000	1.3	\$ 0.10	200,000	200,000	2.8
\$ 0.075	2,200,000	2,200,000	3.3	\$ 0.075	2,200,000	2,200,000	3.8
\$ 0.05	2,300,000	2,300,000	4.4	\$ 0.05	2,300,000	2,300,000	4.9
\$ 0.10	300,000	300,000	5.0	\$ -	-	-	-
\$ 0.07	5,300,000	5,300,000	3.6	\$ 0.07	5,200,000	5,200,000	3.9

7. General and administrative expenses

For the	three months ended January 31		six months ended January 31	
	2018	2017	2018	2017
Advertising and promotion	\$ 1,538	\$ 690	\$ 2,715	\$ 3,389
Conferences and corporate travel	-	500	390	566
Consulting fees	12,000	12,000	24,000	24,000
Office and administration	5,018	5,068	7,560	12,896
Regulatory and transfer fees	5,157	5,855	7,984	10,028
Professional fees	(520)	1,161	1,995	4,355
	\$ 23,193	\$ 25,274	\$ 39,214	\$ 55,234

8. Supplemental cash flow information*Interest received and paid*

During the three and six months ended January 31, 2018, the Company received interest of \$177 and \$435 respectively (2017 - \$115 and \$358 respectively) from deposits with its financial institutions. The Company did not pay any interest, nor did it receive any dividends, in either of the periods ended January 31, 2018 or 2017.

Non-cash transactions eliminated from the consolidated statements of cash flows

The following table lists non-cash transactions which were recorded in the periods ended January 31, 2018 and 2017 and have been eliminated from the consolidated statements of cash flows.

For the six months ended January 31	2018	2017
Mineral exploration tax credits accrued as a reduction of mineral properties	\$ (2,137)	\$ (1,643)
Change in non-cash working capital related to investing activities	\$ 8,641	\$ 23,756

9. Subsequent Events

Options and warrants exercised

Subsequent to January 31, 2018, the Company received aggregate proceeds of \$145,075 and issued an aggregate 2,001,000 common shares of the Company from the exercise of outstanding stock options and warrants.

Letter of Intent – Robocop Property

On March 27, 2018, the Company announced that it had signed a letter of intent (“Robocop LOI”) with several individuals (“Vendors”) to acquire certain mineral claims in British Columbia (“Robocop Property”).

Under the terms of the Robocop LOI, Grizzly and the Vendors shall seek to enter into a definitive agreement whereby Grizzly would acquire a 100% interest in the Robocop claims, subject to a 3% net smelter royalty (“NSR”). The Company would have the right to purchase two-thirds of the NSR for \$1,500,000 within two years after the delivery of a positive feasibility study.

Under the terms of the LOI, the Company would issue a total of 2,000,000 units as consideration for the Robocop Property, where each unit consists of one common share of Grizzly and one common share purchase warrant exercisable at \$0.14 within three years of the date of issuance. The LOI is subject to a definitive agreement being approved by the Board of Directors and acceptance by the TSX Venture Exchange.