



Condensed Consolidated Interim Financial Statements

For the three months ended October 31, 2023 and 2022

To the shareholders of Grizzly Discoveries Inc.:

The condensed consolidated interim financial statements of Grizzly Discoveries Inc. (the "Company") for the three months ended October 31, 2023 and 2022 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	October 31 2023 <i>(unaudited)</i>	July 31 2022
ASSETS		
Current		
Cash and cash equivalents	\$ 539,262	\$ 181,629
Restricted cash (note 3)	5,000	5,000
Other current assets (note 4)	<u>283,642</u>	<u>311,320</u>
	827,904	497,949
Deposit		
Mineral properties (note 5)	<u>33,951</u>	<u>33,508</u>
	9,658,917	9,345,256
TOTAL ASSETS	<u>\$ 10,520,772</u>	<u>\$ 9,876,713</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 566,805	\$ 249,830
Deferred flow through share premium (note 6)	<u>22,856</u>	<u>-</u>
	589,661	249,830
Reclamation provision		
	<u>15,000</u>	<u>15,000</u>
TOTAL LIABILITIES	<u>604,661</u>	<u>264,830</u>
EQUITY		
Share capital (note 6)	24,005,611	23,657,279
Warrant capital (note 6)	707,545	566,711
Unit subscriptions received	-	84,230
Contributed surplus	3,856,250	3,831,250
Deficit	<u>(18,653,295)</u>	<u>(18,527,584)</u>
TOTAL EQUITY	<u>9,916,111</u>	<u>9,611,883</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 10,520,772</u>	<u>\$ 9,876,713</u>

See Note 5 for 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.

Consolidated statements of net income (loss) and comprehensive income (loss) *(unaudited)*

For the three months ended October 31	2023	2022
EXPENSES		
General and administration (note 9)	\$ (121,394)	\$ (97,056)
Share based compensation (note 6)	(25,000)	-
Impairment	-	(846)
TOTAL EXPENSES	(146,394)	(97,902)
OTHER INCOME (LOSS)		
Interest income	4,461	16,140
Unrealized loss on marketable securities	(14,046)	(5,103)
Flow through share premium	30,269	179,694
TOTAL OTHER INCOME	20,684	190,731
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME	\$ (125,710)	92,829
BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.00)	0.00
Weighted average number of common shares outstanding	148,423,843	137,263,044

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 three months ended October 31, 2023**

	Number of common shares	Share capital	Warrant capital	Unit Subscriptions Received	Contributed surplus	Deficit	Total equity
As at July 31, 2023	142,159,760	\$ 23,657,276	\$ 566,711	\$ 84,230	\$ 3,831,250	\$ (18,527,584)	\$ 9,611,883
Net income and comprehensive income	-	-	-	-	-	(125,710)	(125,710)
Private placement financing	7,484,359	396,671	140,834	(84,230)	-	-	453,275
Options granted	-	-	-	-	25,000	-	25,000
Share issuance costs	-	(48,336)	-	-	-	-	(48,336)
October 31, 2023	149,644,119	\$ 24,005,611	\$ 707,545	\$ -	\$ 3,856,250	\$ (18,653,295)	\$ 9,916,111

For the three months ended October 31, 2022

	Number of common shares	Share capital	Warrant capital	Unit Subscriptions Received	Contributed surplus	Deficit	Total equity
As at July 31, 2022	137,186,227	\$ 23,138,140	\$ 735,126	\$ -	\$ 3,547,918	\$ (17,792,018)	\$ 9,629,166
Net income and comprehensive income	-	-	-	-	-	92,829	92,829
Warrants exercised	2,740,200	282,064	(65,483)	-	-	-	216,581
Warrants expired	-	-	(46,670)	-	46,670	-	-
Share issuance costs	-	(44)	-	-	-	-	(44)
October 31, 2022	139,926,427	\$ 23,420,160	\$ 622,973	\$ -	\$ 3,594,588	\$ (17,699,189)	\$ 9,938,532

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 three months ended October 31	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net loss	\$ (125,710)	\$ (92,829)
Items not affecting cash and cash equivalents:		
Share based compensation	25,000	-
Impairment	-	846
Unrealized loss on marketable securities	14,046	5,103
Flow through share premium	(30,269)	(179,694)
Changes in non-cash working capital:		
Other current assets	40,234	(61,725)
Accounts payable and accrued liabilities	(5,212)	8,406
	<u>(81,911)</u>	<u>(134,235)</u>
INVESTING ACTIVITIES:		
Deposit	(443)	(228)
Mineral property expenditures and reclamation provision	(17,410)	(408,490)
	<u>(17,853)</u>	<u>(408,718)</u>
FINANCING ACTIVITIES:		
Proceeds from private placement (note 6)	464,800	-
Proceeds from exercise of warrants	-	216,581
Costs of share issuance	(7,403)	(1,983)
	<u>457,397</u>	<u>214,598</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	357,633	(328,355)
Cash and cash equivalents – beginning of period	<u>181,629</u>	<u>2,153,007</u>
CASH AND CASH EQUIVALENTS – END OF PERIOD	\$ 539,262	\$ 1,824,652

See Note 10 for supplemental cash flow information.

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 condensed consolidated interim 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 October 31, 2023, the Company has a deficit of \$18,653,295 (July 31, 2023 - \$18,527,585) and the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties may cast significant 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, 2023.

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, the Company’s functional currency, unless otherwise noted.

These consolidated financial statements were approved by the Audit Committee on behalf of the Board of Directors of the Company on January 2, 2024.

3. Restricted cash

The Company has restricted cash in the amount of \$5,000 (July 31, 2023 - \$5,000) as security for corporate credit card liabilities.

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three months ended October 31, 2023 and 2022

*(unaudited)***4. Other current assets**

As at	October 31 2023	July 31 2023
Accounts receivable	\$ 5,824	\$ 5,824
Goods and services tax receivable	33,050	31,281
Mineral exploration tax credits receivable	111,506	84,904
Prepayments and deposits	114,154	156,157
Marketable securities	19,108	33,154
Total other current assets	\$ 283,642	\$ 311,320

The Company holds securities of publicly traded companies which it has classified as FVTPL, carried at fair value, with unrealized gains and losses held as a component of net loss.

5. Mineral properties

	Alberta Diamond Properties	Alberta Potash Properties	BC Precious Metals Properties	Total
Balance, July 31, 2021	\$ 1	\$ 1	\$ 7,752,757	\$ 7,752,759
Acquisition costs	3,878	9,572	45,731	59,181
Exploration and evaluation costs	-	-	1,551,766	1,551,766
Recoveries	-	-	(5,000)	(5,000)
Impairment	(3,878)	(9,572)	-	(13,450)
Balance, July 31, 2022	1	1	9,345,254	9,345,256
Acquisition costs	-	-	9,433	9,433
Exploration and evaluation costs	-	-	304,228	304,228
Balance, October 31, 2023	\$ 1	\$ 1	\$ 9,658,915	\$ 9,658,917

Midway-Beaverdell Option Agreement

On October 10, 2023, the Company entered into an option agreement with an arm's length individual to purchase the mineral rights to 761.25 hectares (1,881 acres) in six (6) mineral claims in the Greenwood Mining District ("Midway-Beaverdell Option Agreement").

Under the terms of the Midway-Beaverdell Option Agreement, the Company may earn a 100% interest in the Midway-Beaverdell claims by paying \$7,500 in cash and issuing 150,000 common shares of Grizzly by the third anniversary date of the agreement. The optioner retains a 1% Net Smelter Royalty and the right to any quarriable rocks. The Company paid the first option payment of \$5,000 in cash in the three months ended October 31, 2023 and issued 50,000 common shares subsequent to October 31, 2023 upon receipt of TSX Venture Exchange approval.

6. Share capital*Private Placement (August 2023)*

On August 15, 2023, the Company closed on a private placement (the “Offering”) by the issuance of 1,771,859 Units (as defined below) at a price of \$0.07 per Unit and 5,312,500 FT Units at a price of \$0.08 per FT Unit for gross proceeds of \$549,030.

Each Unit consisted of one common share of the Company (“Common Share”) and one half of one non-transferrable warrant (“Warrant”) and each FT Unit consisted of one Common Share issued as a flow through share for the purposes of the Income Tax Act (Canada) and one half of one Warrant. Each whole Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.10 per Common Share until the earlier of: (a) 30 days following written notice by the Issuer to the Subscriber that the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange is at or greater than CA\$0.12 per Common Share for 10 consecutive trading days; and (b) August 15, 2025.

In connection with the Offering, the Company issued 400,000 Units and 400,000 Finder Warrants (non-transferrable, with the same terms and expiry date as the Warrants) to agents.

The Company has allocated the proceeds of the private placement using the relative fair value method. The proceeds to the common shares was \$375,471, to the warrants was \$120,434, and to the deferred flow through liability was \$53,125. The 400,000 commission Units have been allocated as \$21,200 to the common shares and \$6,800 to the Warrants. The 400,000 Finder Warrants were recorded at an estimated fair value of \$13,600.

At July 31, 2023, the Company had received \$84,230 from a subscriber in advance of closing.

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, 2022	137,186,227		\$ 23,138,140
Shares issued on exercise of warrants	4,048,533	\$ 0.081	326,789
Warrant capital reclassified	-		96,583
Shares issued on exercise of options	800,000	\$ 0.065	52,000
Contributed surplus reclassified	-		43,000
Shares issued as consideration for mineral property	125,000	\$ 0.096	12,000
Costs of share issuance	-		(11,236)
Balance, July 31, 2023	142,159,760		23,657,276
Shares issued in private placement	7,484,359	\$ 0.053	396,671
Costs of share issuance	-		(48,336)
Balance, October 31, 2023	149,644,119		\$ 24,005,611

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three months ended October 31, 2023 and 2022

*(unaudited)**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, 2022	29,318,629	\$	735,126
Warrants exercised	(4,048,533)	\$ 0.024	(96,583)
Warrants expired	(2,843,404)	\$ 0.025	(71,832)
Balance, July 31, 2023	22,426,692		566,711
Warrants issued in private placement	4,142,179	\$ 0.034	140,834
Balance, October 31, 2023	26,568,871	\$	707,545

A summary of share purchase warrants outstanding is as follows:

As at October 31, 2023				As at July 31, 2023			
Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry	Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry
\$ 0.075	1,750,000	1,750,000	0.2	\$ 0.075	1,750,000	1,750,000	0.4
\$ 0.075	2,760,040	2,760,040	0.4	\$ 0.075	2,760,040	2,760,040	0.6
\$ 0.080	16,498,875	16,498,875	0.5	\$ 0.080	16,498,875	16,498,875	0.7
\$ 0.120	1,417,777	1,417,777	0.6	\$ 0.120	1,417,777	1,417,777	0.9
\$ 0.100	4,142,179	4,142,179	1.8	\$ -	-	-	-
\$ 0.084	26,568,871	26,568,871	0.7	\$ 0.082	22,426,692	22,426,692	0.7

Common share purchase options

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
Outstanding stock options, July 31, 2022	7,350,000	\$ 0.08
Issued	3,550,000	\$ 0.09
Exercised	(800,000)	\$ 0.07
Expired	<u>(250,000)</u>	\$ 0.10
Outstanding stock options, July 31, 2023	9,850,000	\$ 0.09
Issued	500,000	\$ 0.09
Expired	<u>(1,150,000)</u>	\$ 0.10
Outstanding stock options, October 31, 2023	<u>9,200,000</u>	\$ 0.09

A summary of stock options outstanding is as follows:

As at October 31, 2023				As at July 31, 2023			
Exercise price	Options outstanding	Options exercisable	Years to expiry	Exercise price	Options outstanding	Options exercisable	Years to expiry
\$ -	-	-	-	\$ 0.100	750,000	750,000	0.0
\$ -	-	-	-	\$ 0.100	300,000	300,000	0.3
\$ 0.050	250,000	250,000	1.1	\$ 0.050	250,000	250,000	1.3
\$ 0.080	250,000	250,000	1.8	\$ 0.080	250,000	250,000	2.0
\$ -	-	-	-	\$ 0.075	100,000	100,000	0.2
\$ 0.060	1,470,000	1,470,000	2.2	\$ 0.060	1,470,000	1,470,000	2.5
\$ 0.090	3,180,000	3,180,000	3.6	\$ 0.090	3,180,000	3,180,000	3.9
\$ 0.110	300,000	300,000	4.4	\$ 0.110	300,000	300,000	4.5
\$ 0.090	3,250,000	3,250,000	4.8	\$ 0.090	3,250,000	3,250,000	4.7
\$ 0.090	250,000	250,000	4.8	\$ -	-	-	-
\$ 0.090	250,000	250,000	5.0	\$ -	-	-	-
\$ 0.090	9,200,000	9,200,000	3.6	\$ 0.086	9,850,000	9,850,000	3.4

During the three months ended October 31, 2023, the Company issued an aggregate of 500,000 (2022 – nil) stock options to directors, officers, and consultants at a weighted average exercise price of \$0.09 per common share and expiring no later than 5 years from the issue date. These options all vested upon issuance.

The total estimated fair value of the 500,000 common share purchase options vested during the year of \$25,000 was recorded as share based compensation expense and an increase to contributed surplus. The weighted average grant date fair value of \$0.050 per option granted was estimated using the Black Scholes option pricing model using the following weighted average grant date assumptions: grant date stock price \$0.06; risk-free rate 4.26%; expected volatility 141%; annual dividend yield 0%, and; expected life of option 5

years. The expected volatility is based on historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

9. General and administrative expenses

For the three months ended October 31	2023	2022
Advertising and promotion	\$ 45,649	\$ 31,344
Conferences and corporate travel	5,202	9,623
Consulting fees	51,000	34,250
Office and administration	9,157	10,369
Regulatory and transfer fees	8,886	8,135
Professional fees	1,500	3,335
	<hr/>	<hr/>
General and administrative expenses	\$ 121,394	\$ 97,056

10. Supplemental cash flow information

Interest and dividends received and paid

During the three months ended October 31, 2023, the Company received interest of \$4,461 (2022 - \$16,140) from deposits with its financial institution. The Company did not pay any interest or dividends, nor did it receive any dividends, in either of the years ended July 31, 2023 or 2022.

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

The following table lists non-cash transactions which were recorded in the three months ended October 31, 2023 and 2022 and have been eliminated from the consolidated statements of cash flows.

For the three months ended October 31	2023	2022
Mineral exploration tax credits accrued as a reduction of mineral properties	\$ 26,602	\$ -
Increase in accounts payable related to investing activities	\$ 322,853	\$ 517,391
Decrease in accounts payable related to financing activities	\$ 666	\$ 1,939
Units and Finder Warrants issued as share issue costs	\$ 41,600	\$ -