



Condensed Consolidated Interim Financial Statements

For the three and nine months ended April 30, 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 nine months ended April 30, 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	April 30 2018 <i>(unaudited)</i>	July 31 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 144,079	\$ 42,938
Restricted cash (note 3)	5,000	5,000
Other current assets (note 4)	58,433	52,675
	<u>207,512</u>	100,613
Deposit	30,543	30,303
Mineral properties (note 5)	8,312,995	8,296,168
	<u>8,312,995</u>	<u>8,296,168</u>
TOTAL ASSETS	\$ 8,551,050	\$ 8,427,084
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 38,242	\$ 71,854
Reclamation provision	191,165	191,165
	<u>191,165</u>	<u>191,165</u>
TOTAL LIABILITIES	229,407	263,019
EQUITY		
Share capital (note 6)	20,223,919	19,975,034
Warrant capital (note 6)	21,059	23,059
Contributed surplus	2,733,563	2,724,563
Deficit	(14,656,898)	(14,558,591)
	<u>8,321,643</u>	<u>8,164,065</u>
TOTAL EQUITY	8,321,643	8,164,065
TOTAL LIABILITIES AND EQUITY	\$ 8,551,050	\$ 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 April 30		nine months ended April 30	
	2018	2017	2018	2017
EXPENSES				
General and administration (note 7)	\$ (32,052)	\$ (45,513)	\$ (71,266)	\$ (100,747)
Share based compensation	-	-	(15,000)	-
Impairment (note 4)	(1,947)	(7,694)	(13,066)	(31,030)
TOTAL EXPENSES	(33,999)	(53,207)	(99,332)	(131,757)
OTHER INCOME				
Interest income	590	153	1,025	511
NET LOSS AND COMPREHENSIVE LOSS	\$ (33,409)	\$ (53,054)	\$ (98,307)	\$ (131,246)
BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	58,062,394	53,457,998	56,561,771	52,751,437

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 nine months ended April 30	2018	2017
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net loss	\$ (98,307)	\$ (131,246)
Items not affecting cash and cash equivalents:		
Share based compensation	15,000	14,204
Impairment	13,066	31,010
Changes in non-cash working capital:		
Other current assets	(940)	1,070
Deposits	-	(186)
Accounts payable and accrued liabilities	(29,609)	(17,016)
Cash and cash equivalents used in operating activities	<u>(100,790)</u>	<u>(102,164)</u>
INVESTING ACTIVITIES:		
Deposit	(240)	-
Mineral properties expenditures	(38,714)	(42,251)
Cash and cash equivalents used in investing activities	<u>(38,954)</u>	<u>(42,251)</u>
FINANCING ACTIVITIES:		
Proceeds from issuance of shares (note 6)	242,575	125,240
Proceeds from issuance of warrants (note 6)	-	13,800
Costs of share issuance	(1,690)	(7,961)
Cash and cash equivalents provided by financing activities	<u>240,885</u>	<u>131,079</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	101,141	(13,336)
Cash and cash equivalents – beginning of period	<u>42,938</u>	<u>91,138</u>
CASH AND CASH EQUIVALENTS – END OF PERIOD	\$ 144,079	\$ 77,802

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 nine months ended April 30, 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	-	-	-	-	(98,307)	(98,307)
Private placement financings	1,200,000	58,310	-	-	-	58,310
Warrants and options exercised	2,501,000	190,575	(2,000)	(6,000)	-	182,575
Share based compensation	-	-	-	15,000	-	15,000
April 30, 2018	59,230,405	\$ 20,223,919	\$ 21,059	\$ 2,733,563	\$ (14,656,898)	\$ 8,321,643

For the nine months ended April 30, 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	-	-	-	-	(131,246)	(131,246)
Private placement financings	2,760,000	116,899	14,180	-	-	131,079
Share based payments	180,800	8,904	-	-	-	8,904
April 30, 2017	55,348,605	\$ 19,967,647	\$ 23,059	\$ 2,655,563	\$ (14,434,328)	\$ 8,212,241

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 April 30, 2018, the Company has a deficit of \$14,656,898 (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 June 29, 2018.

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended April 30, 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	April 30 2018	July 31 2017
Accounts receivable	\$ 1,388	\$ 1,388
Goods and services tax credits receivable	4,767	2,176
Mineral exploration tax credits receivable	7,767	2,949
Prepayments and deposits	44,511	46,162
	<u>\$ 58,433</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	(12,100)	(4,149)	(13,190)	(29,439)
Balance, July 31, 2017	1	1	8,296,166	8,296,168
Acquisition costs	1,969	6,731	12,111	20,811
Exploration and evaluation costs	2,083	63	4,989	7,135
Impairment	(4,052)	(6,794)	(273)	(11,119)
Balance, April 30, 2018	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 8,312,993</u>	<u>\$ 8,312,995</u>

Impairment

In the nine months ended April 30, 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 nine months ended April 30, 2018, the Company incurred costs totaling \$4,068 (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 nine months ended April 30, 2018, the Company incurred costs totaling \$8,726 (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 nine months ended April 30, 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, 2017	55,529,405		\$ 19,975,034
Issuance of shares in private placements:			
December 15, 2017	1,200,000	\$ 0.050	60,000
Shares issued on exercise of warrants	2,301,000	\$ 0.075	172,575
Shares issued on exercise of options	200,000	\$ 0.050	10,000
Reclassification of warrant capital	-	-	2,000
Reclassification of contributed surplus	-	-	6,000
Costs of share issuance	-		(1,690)
			<hr/>
Balance, April 30, 2018	59,230,405		\$ 20,223,919

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, 2017	6,518,537		\$ 23,059
Issuance of warrants in private placements:			
December 15, 2017	1,200,000	\$ -	-
Warrants exercised	(2,301,000)	\$ (0.001)	(2,000)
Expiry of warrants	(1,781,537)	\$ -	-
			<hr/>
Balance, April 30, 2018	3,636,000		\$ 21,059

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended April 30, 2018 and 2017

(unaudited)

A summary of share purchase warrants outstanding is as follows:

As at April 30, 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	0.7
\$ 0.075	2,400,000	2,400,000	0.9	\$ 0.075	2,760,000	2,760,000	1.7
\$ 0.075	36,000	36,000	0.9	\$ 0.075	76,000	76,000	1.7
\$ 0.075	1,200,000	1,200,000	1.6	\$ -	-	-	-
\$ 0.075	3,636,000	3,636,000	1.1	\$ 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
Exercised	(200,000)	\$ 0.05
Expired	<u>(500,000)</u>	\$ 0.10
Outstanding stock options, April 30, 2018	<u>4,800,000</u>	\$ 0.07

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended April 30, 2018 and 2017

(unaudited)

A summary of stock options outstanding is as follows:

As at April 30, 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	0.6
\$ 0.10	200,000	200,000	1.1	\$ 0.10	200,000	200,000	2.8
\$ 0.075	2,200,000	2,200,000	3.1	\$ 0.075	2,200,000	2,200,000	3.8
\$ 0.05	2,100,000	2,100,000	4.2	\$ 0.05	2,300,000	2,300,000	4.9
\$ 0.10	300,000	300,000	4.7	\$ -	-	-	-
\$ 0.07	4,800,000	4,800,000	3.6	\$ 0.07	5,200,000	5,200,000	3.9

7. General and administrative expenses

For the	three months ended April 30		nine months ended April 30	
	2018	2017	2018	2017
Advertising and promotion	\$ 6,155	\$ 18,230	\$ 3,440	\$ 21,619
Conferences and corporate travel	5,393	7,310	5,783	7,876
Consulting fees	12,000	12,000	36,000	36,000
Office and administration	2,991	3,344	10,551	16,240
Regulatory and transfer fees	3,917	3,506	11,901	13,534
Professional fees	1,596	1,123	3,591	5,478
	\$ 32,052	\$ 45,513	\$ 71,266	\$ 100,747

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

During the three and nine months ended April 30, 2018, the Company received interest of \$590 and \$1,025 respectively (2017- \$153 and \$511 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 April 30, 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 April 30, 2018 and 2017 and have been eliminated from the consolidated statements of cash flows.

For the nine months ended April 30	2018	2017
Mineral exploration tax credits accrued as a reduction of mineral properties	\$ (4,818)	\$ (2,795)
Change in non-cash working capital related to investing activities	\$ (4,003)	\$ (170)
Non-cash share based payments included in accounts payable and accrued liabilities	\$ -	\$ 5,300
Finders warrants issued as compensation	\$ -	\$ (380)

9. Subsequent Events

Acquisition – Robocop Property

On May 25, 2018, the Company completed the acquisition of the Robocop Property consisting of five mineral claims in southeastern BC, pursuant to a Letter of Intent announced March 27, 2018, and a definitive agreement dated May 11, 2018 (“Robocop Agreement”).

Pursuant to the terms of the Robocop Agreement, the Company acquired a 100% interest in the claims underlying the Robocop Property, subject to a 3% net smelter royalty (“NSR”), by issuing to the arm’s length vendors 2,000,004 units of the Company (“Units”) with each Unit consisting of one common share of Grizzly and one transferrable share purchase warrant. Each warrant will entitle the holder to acquire one further common share of GZD at an exercise price of \$0.14 for a period of 3 years from the date of issuance.

The Robocop Property, covering 9,891 acres, is located in southeastern British Columbia, approximately 45 kilometres (km) south of Fernie and 70 km southeast of Cranbrook, and immediately north of the Canada-USA border. The property is located east of Grizzly’s Greenwood Property in southeastern British Columbia.

The Robocop Property carries a 3% NSR in favour of certain of the vendors, and, under the terms of the Robocop Agreement, the Company has the right to purchase up to 2% of the NSR (down to 1% NSR) within two years after the delivery of a positive Feasibility Study for the Property, for the amount of \$1,500,000.

The Purchase Agreement and the issuance of shares thereunder was approved by the TSX Venture Exchange.