



Condensed Consolidated Interim Financial Statements

For the three and nine months ended April 30, 2020 and 2019

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, 2020 and 2019 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 2020 <i>(unaudited)</i>	July 31 2019
ASSETS		
Current		
Cash and cash equivalents	\$ 37,494	\$ 124,144
Restricted cash (note 3)	5,000	5,000
Other current assets (note 4)	63,298	77,439
	<u>105,792</u>	206,583
Deposit	31,744	31,288
Mineral properties (note 5)	6,897,817	6,853,501
	<u>6,929,561</u>	7,116,277
TOTAL ASSETS	<u>\$ 7,035,353</u>	<u>\$ 7,091,372</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 74,253	\$ 52,822
Deferred flow through share premium	3,065	10,377
	<u>77,318</u>	63,199
Reclamation provision	206,883	206,883
	<u>206,883</u>	206,883
TOTAL LIABILITIES	<u>284,201</u>	270,082
EQUITY		
Share capital (note 6)	20,728,285	20,728,502
Warrant capital (note 6)	20,208	20,208
Contributed surplus	2,932,622	2,906,372
Deficit	(16,929,963)	(16,833,792)
	<u>6,751,152</u>	6,821,290
TOTAL EQUITY	<u>6,751,152</u>	6,821,290
TOTAL LIABILITIES AND EQUITY	<u>\$ 7,035,353</u>	<u>\$ 7,091,372</u>

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	
	2020	2019	2020	2019
EXPENSES				
General and administration (note 7)	\$ (28,927)	\$ (47,308)	\$ (72,880)	\$ (139,507)
Share based compensation	-	-	(26,250)	(150,500)
Impairment (note 4)	(528)	(1,122)	(6,140)	(10,726)
TOTAL EXPENSES	(29,455)	(48,430)	(105,270)	(300,733)
OTHER INCOME				
Flow through share premium	3,020	-	7,312	4,000
Interest income	348	356	1,787	1,546
TOTAL OTHER INCOME	3,368	356	9,099	5,546
NET LOSS AND COMPREHENSIVE LOSS	\$ (26,087)	\$ (48,074)	\$ (96,171)	\$ (295,187)
BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	67,086,714	63,149,047	67,086,714	62,699,271

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	2020	2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net loss	\$ (96,171)	\$ (295,187)
Items not affecting cash and cash equivalents:		
Share based compensation	26,250	150,500
Impairment	6,140	10,726
Deferred flow through share premium	(7,312)	(4,000)
Shares issued for services (note 6)	-	30,180
Changes in non-cash working capital:		
Other current assets	14,141	(11,461)
Accounts payable and accrued liabilities	(17,922)	13,026
Cash and cash equivalents used in operating activities	<u>(74,874)</u>	<u>(106,216)</u>
INVESTING ACTIVITIES:		
Deposit	(456)	(437)
Mineral properties expenditures	(11,103)	(62,339)
Cash and cash equivalents used in investing activities	<u>(11,559)</u>	<u>(62,776)</u>
FINANCING ACTIVITIES:		
Proceeds from exercise of options (note 6)	-	41,250
Costs of share issuance	(217)	(237)
Cash and cash equivalents (used in) provided by financing activities	<u>(217)</u>	<u>41,013</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(86,650)	(127,979)
Cash and cash equivalents – beginning of period	<u>124,144</u>	<u>149,920</u>
CASH AND CASH EQUIVALENTS – END OF PERIOD	\$ 37,494	\$ 21,941

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, 2020**

	Number of common shares	Share capital	Warrant capital	Contributed surplus	Deficit	Total equity
As at July 31, 2019	67,086,714	\$ 20,728,502	\$ 20,208	\$ 2,906,372	\$ (16,833,792)	\$ 6,821,290
Net loss and comprehensive loss	-	-	-	-	(96,171)	(96,171)
Share based compensation	-	-	-	26,250	-	26,250
Share issuance cost	-	(217)	-	-	-	(217)
April 30, 2020	67,086,714	\$ 20,728,285	\$ 20,208	\$ 2,932,622	\$ (16,929,963)	\$ 6,751,152

For the nine months ended April 30, 2019

	Number of common shares	Share capital	Warrant capital	Contributed surplus	Deficit	Total equity
July 31, 2018	61,992,909	\$ 20,464,514	\$ 12,180	\$ 2,769,442	\$ (16,472,187)	\$ 6,773,949
Net loss and comprehensive loss	-	-	-	-	(295,187)	(295,187)
Share based compensation	-	-	-	150,500	-	150,500
Options exercised	725,000	65,500	-	(24,250)	-	41,250
Warrants expired	-	-	(12,180)	12,180	-	-
Shares issued for services	431,138	30,180	-	-	-	30,180
Share issuance cost	-	(210)	-	-	-	(237)
April 30, 2020	63,149,047	\$ 20,559,984	\$ -	\$ 2,907,872	\$ (16,767,374)	\$ 6,700,455

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 April 30, 2020, the Company has a deficit of \$16,929,963 (July 31, 2019 - \$16,833,792) 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, 2019.

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 June 29, 2020.

GRIZZLY DISCOVERIES INC.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended April 30, 2020 and 2019

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

The Company has restricted cash in the amount of \$5,000 (July 31, 2019 - \$5,000) as security for corporate credit card liabilities.

4. Other current assets

As at	April 30 2020	July 31 2019
Accounts receivable	\$ 1,578	\$ 1,604
Goods and services tax credits receivable	2,408	1,301
Mineral exploration tax credits receivable	11,489	11,489
Prepayments and deposits	47,823	63,045
	<u>\$ 63,298</u>	<u>\$ 77,439</u>

5. Mineral Properties

	Alberta Diamond Properties	Alberta Potash Properties	BC Precious Metals Properties	Total
Balance, July 31, 2018	\$ 1	\$ 1	\$ 6,801,785	\$ 6,801,787
Acquisition costs	2,641	5,353	2,498	10,492
Exploration and evaluation costs	2,410	322	49,216	51,948
Reclamation	-	6,305	-	6,305
Impairment	(5,051)	(11,980)	-	(17,031)
Balance, July 31, 2019	1	1	6,853,499	6,853,501
Acquisition costs	-	5,418	2,877	8,295
Exploration and evaluation costs	292	431	41,439	42,162
Impairment	(292)	(5,849)	-	(6,141)
Balance, April 30, 2020	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 6,897,815</u>	<u>\$ 6,897,817</u>

Option Agreement- Termination notice

On September 23, 2015, the Company and KG Exploration (Canada) Inc., a wholly owned subsidiary of Kinross Gold Corporation, entered into an option agreement (the "Kinross Option") whereby the Company granted to KG Exploration (Canada) Inc. an option to earn a 75% ownership interest in certain mineral claims ("Option Area") within the Company's Greenwood Project.

The Kinross Option required that KG Exploration (Canada) Inc. incur USD 3,000,000 in exploration expenditures on the Option Area within five years of entering the Kinross Option, including incurring USD 750,000 and drilling a minimum of 750 metres within the first two years of the Kinross Option, in order to earn a 75% interest in the Option Area.

The Option Area consists of mineral claims covering approximately 27,000 hectares of the Company's Greenwood Gold Project, and represents approximately one third of the total area of the Greenwood Project.

In December 2019, the Company received notice from KG Exploration (Canada) Inc. that it intends to terminate the option pursuant to the Kinross Option. Under the terms of the Kinross Option, KG Exploration (Canada) Inc. was required to, among other things, conduct reclamation and file sufficient expenditures, or pay in lieu, to ensure the Option Area mineral claims are in good standing for at least one year from the effective date of termination. As of April 30, 2020, KG Exploration (Canada) Inc. has completed its obligations to terminate the Kinross Option.

Impairment

The Company incurred costs of \$5,849 (2019 - \$5,676) related to its Alberta Potash properties which had been written down to a nominal carrying value of \$1 in prior years. These costs have been reported as an impairment on the consolidated statements of loss and comprehensive loss.

The Company incurred costs of \$292 (2019 - \$5,050) related to its Alberta Diamond properties which had been written down to a nominal carrying value of \$1 in prior years. These costs have been reported as an impairment on the consolidated statements of loss and comprehensive loss.

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, 2018	61,992,909		\$ 20,464,514
Shares issued in private placement	3,937,667	\$ 0.045	177,195
Shares issued on exercise of options	725,000	\$ 0.057	41,250
Contributed surplus reclassified on exercise of options	-	-	25,750
Shares issued for services	431,138	\$ 0.070	30,180
Costs of share issuance	-		(10,387)
Balance, July 31, 2019	67,086,714		20,728,502
Costs of share issuance	-		(217)
Balance, April 30, 2020	67,086,714		\$ 20,728,285

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Notes to the condensed consolidated interim financial statements

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*(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, 2018	6,298,504	\$	12,180
Warrants issued in private placement	3,937,667	\$ 0.005	19,688
Agent Warrants issued in private placement	104,100	\$ 0.005	520
Warrants expired	(2,436,000)	\$ (0.005)	(12,180)
Balance, July 31, 2019	7,904,271		20,208
Warrants expired	(1,200,000)	\$ -	-
Balance, April 30, 2020	6,704,271	\$	20,208

A summary of share purchase warrants outstanding is as follows:

As at April 30, 2020				As at July 31, 2019			
Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry	Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry
\$ -	-	-	-	\$ 0.075	1,200,000	1,200,000	0.4
\$ 0.140	2,000,004	2,000,004	1.1	\$ 0.140	2,000,004	2,000,004	1.8
\$ 0.120	612,500	612,500	0.2	\$ 0.120	612,500	612,500	1.0
\$ 0.120	50,000	50,000	0.2	\$ 0.120	50,000	50,000	1.0
\$ 0.100	3,937,667	3,937,667	1.1	\$ 0.100	3,937,667	3,937,667	1.9
\$ 0.100	104,100	104,100	1.1	\$ 0.100	104,100	104,100	1.9
\$ 0.114	6,704,271	6,704,271	1.0	\$ 0.108	7,904,271	7,904,271	1.6

Common share purchase options

The Company issues common share purchase options 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, 2018	5,100,000	\$ 0.07
Issued	1,850,000	\$ 0.10
Exercised	(725,000)	\$ 0.06
Expired	<u>(200,000)</u>	\$ 0.10
Outstanding stock options, July 31, 2019	6,025,000	\$ 0.08
Issued	<u>500,000</u>	\$ 0.05
Outstanding stock options, April 30, 2020	<u>6,525,000</u>	\$ 0.08

A summary of stock options outstanding is as follows:

As at April 30, 2020				As at July 31, 2019			
Exercise price	Options outstanding	Options exercisable	Years to expiry	Exercise price	Options outstanding	Options exercisable	Years to expiry
\$ 0.075	2,000,000	2,000,000	1.1	\$ 0.075	2,200,000	2,200,000	1.8
\$ 0.050	1,575,000	1,575,000	2.2	\$ 0.050	1,575,000	1,575,000	2.9
\$ 0.100	300,000	300,000	2.7	\$ 0.100	300,000	300,000	3.5
\$ 0.100	300,000	300,000	3.2	\$ 0.100	300,000	300,000	3.9
\$ 0.100	1,050,000	1,050,000	3.3	\$ 0.100	1,050,000	1,050,000	4.0
\$ 0.100	800,000	800,000	3.5	\$ 0.100	800,000	800,000	4.3
\$ 0.050	250,000	250,000	4.3	\$ -	-	-	-
\$ 0.050	250,000	250,000	4.6	\$ -	-	-	-
\$ 0.076	6,525,000	6,525,000	2.4	\$ 0.077	6,025,000	6,025,000	3.0

7. General and administrative expenses

For the	three months ended April 30		nine months ended April 30	
	2020	2019	2020	2019
Advertising and promotion	\$ 8,512	\$ 16,145	\$ 16,519	\$ 53,227
Conferences and corporate travel	3,235	5,236	3,235	12,507
Consulting fees	6,850	10,000	18,850	34,000
Office and administration	3,206	6,509	7,670	12,727
Regulatory and transfer fees	7,124	8,145	24,932	22,896
Professional fees	-	1,273	1,674	4,150
	\$ 28,927	\$ 47,308	\$ 72,880	\$ 139,507

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

During the three and nine months ended April 30, 2020, the Company received interest of \$348 and \$1,787 respectively (2019- \$356 and \$1,546 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, 2020 or 2019.

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

The following table lists non-cash transactions which were recorded in the nine months ended April 30, 2020 and 2019 and have been eliminated from the consolidated statements of cash flows.

For the nine months ended April 30	2020	2019
Mineral exploration tax credits accrued as a reduction of mineral properties	\$ -	\$ (10,846)
Increase (decrease) in accounts payable related to investing activities	\$ 26,734	\$ 7,035

9. Subsequent events

On June 24, 2020, the Company announced that it intends to complete a private placement of up to 16,000,000 Units (as defined below) at a price of \$0.05 per Unit, and up to 4,000,000 FT Units (as defined below) at a price of \$0.05 per FT Unit, for aggregate gross proceeds of up to \$1,000,000. Each Unit consists of one common share of the Company ("Common Share") and one non-transferable warrant with each Warrant entitling the holder to acquire one additional Common Share at an exercise price of \$0.075 per Common Share until the earlier of : (a) 30 days following the issuance of a news release by the Company that the trading price of the Common Shares on the TSX Venture Exchange is at or greater than \$0.10 per Common Share for 10 consecutive trading days; and (b) 24 months from the date of issuance ("Warrant"). Each FT Unit consists 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.

The Private Placement is being offered to qualified subscribers in the Provinces of Alberta, British Columbia, Ontario, and in other such jurisdictions in reliance upon exemptions from the registration and prospectus requirements of applicable securities legislation.

In connection with the Private Placement Units sold to purchasers referred to the Company by registered broker dealers, limited market dealers, or other eligible arm's length persons (individually, a "Finder") may result in a cash commission in an amount equal to 7% of the gross proceeds of the Units and FT Units sold to

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(unaudited)

such referred purchasers (“Finder fees”), to be paid out of the gross proceeds of Units to the Finder at closing. As additional consideration, the Company may issue to the Finder Common Share purchase warrants (the “Finder Warrants”) entitling the Finder to purchase an additional number of Common Shares equal to 7% of the aggregate number of Units and FT Units sold by the Finder in the Private Placement, on the same terms as the Warrants.

The Private Placement is subject to acceptance by the TSX Venture Exchange.