



Condensed Consolidated Interim Financial Statements

For the three and nine months ended April 30, 2019 and 2018

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, 2019 and 2018 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

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As at	April 30 2019 <i>(unaudited)</i>	July 31 2018
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 21,941	\$ 149,920
Restricted cash (note 3)	5,000	5,000
Other current assets (note 4)	84,596	62,289
	111,537	217,209
Deposit	31,133	30,696
Mineral properties (note 5)	6,849,589	6,801,787
	6,880,722	7,032,483
<b>TOTAL ASSETS</b>	<b>\$ 6,992,259</b>	<b>\$ 7,049,692</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 91,161	\$ 71,100
Deferred flow through share premium	-	4,000
	91,161	75,100
Reclamation provision	200,643	200,643
	200,643	200,643
<b>TOTAL LIABILITIES</b>	<b>291,804</b>	<b>275,743</b>
<b>EQUITY</b>		
Share capital (note 6)	20,559,984	20,464,514
Warrant capital (note 6)	-	12,180
Contributed surplus	2,907,872	2,769,442
Deficit	(16,767,374)	(16,472,187)
	6,700,482	6,773,949
<b>TOTAL EQUITY</b>	<b>6,700,482</b>	<b>6,773,949</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 6,992,259</b>	<b>\$ 7,049,692</b>

**SEE NOTE 9 FOR SIGNIFICANT SUBSEQUENT EVENT**

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	
	2019	2018	2019	2018
<b>EXPENSES</b>				
General and administration (note 7)	\$ (47,308)	\$ (32,052)	\$ (139,507)	\$ (71,266)
Share based compensation	-	-	(150,500)	(15,000)
Impairment (note 4)	(1,122)	(1,947)	(10,726)	(13,066)
<b>TOTAL EXPENSES</b>	<b>(48,430)</b>	<b>(33,999)</b>	<b>(300,733)</b>	<b>(99,332)</b>
<b>OTHER INCOME</b>				
Flow through share premium	-	-	4,000	-
Interest income	356	590	1,546	1,025
<b>TOTAL OTHER INCOME</b>	<b>356</b>	<b>590</b>	<b>5,546</b>	<b>1,025</b>
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (48,074)</b>	<b>\$ (33,409)</b>	<b>\$ (295,187)</b>	<b>\$ (98,307)</b>
<b>BASIC AND DILUTED LOSS PER COMMON SHARE</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
Weighted average number of common shares outstanding	<b>63,149,047</b>	58,062,394	<b>62,699,271</b>	56,561,771

*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)*

<b>For the nine months ended April 30</b>	<b>2019</b>	<b>2018</b>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES:</b>		
Net loss	\$ (295,187)	\$ (98,307)
Items not affecting cash and cash equivalents:		
Share based compensation	150,500	15,000
Impairment	10,726	13,066
Deferred flow through share premium	(4,000)	-
Shares issued for services (note 6)	30,180	-
Changes in non-cash working capital:		
Other current assets	(11,461)	(940)
Accounts payable and accrued liabilities	13,026	(29,609)
Cash and cash equivalents used in operating activities	<u>(106,216)</u>	<u>(100,790)</u>
<b>INVESTING ACTIVITIES:</b>		
Deposit	(437)	(240)
Mineral properties expenditures	(62,339)	(38,714)
Cash and cash equivalents used in investing activities	<u>(62,776)</u>	<u>(38,954)</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from exercise of options (note 6)	41,250	-
Proceeds from issuance of shares (note 6)	-	242,575
Costs of share issuance	(237)	(1,690)
Cash and cash equivalents provided by financing activities	<u>41,013</u>	<u>240,885</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(127,979)</b>	<b>101,141</b>
Cash and cash equivalents – beginning of period	<u>149,920</u>	<u>42,938</u>
<b>CASH AND CASH EQUIVALENTS – END OF PERIOD</b>	<b>\$ 21,941</b>	<b>\$ 144,079</b>

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, 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	-	(237)	-	-	-	(237)
<b>April 30, 2019</b>	<b>63,149,047</b>	<b>\$ 20,559,957</b>	<b>\$ -</b>	<b>\$ 2,907,872</b>	<b>\$ (16,767,374)</b>	<b>\$ 6,700,455</b>

**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
Net loss and comprehensive loss	-	-	-	-	(98,307)	(98,307)
Private placement financings	1,200,000	58,510	-	-	-	58,510
Warrants and options exercised	2,501,000	190,575	(2,000)	(6,000)	-	182,575
Share based compensation	-	-	-	15,000	-	15,000
<b>April 30, 2018</b>	<b>59,230,405</b>	<b>\$ 20,223,919</b>	<b>\$ 21,059</b>	<b>\$ 2,733,563</b>	<b>\$ (14,656,898)</b>	<b>\$ 8,321,643</b>

*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, 2019, the Company has a deficit of \$16,767,374 (July 31, 2018 - \$16,472,187) 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, 2018.

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 28, 2019.

## GRIZZLY DISCOVERIES INC.

## Notes to the condensed consolidated interim financial statements

For the three and nine months ended April 30, 2019 and 2018

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

The Company has restricted cash in the amount of \$5,000 (July 31, 2018 - \$5,000) as security for corporate credit card liabilities.

**4. Other current assets**

As at	April 30 2019	July 31 2018
Accounts receivable	\$ 1,536	\$ 1,388
Goods and services tax credits receivable	2,126	7,556
Mineral exploration tax credits receivable	18,041	10,144
Prepayments and deposits	<u>62,893</u>	<u>43,201</u>
	<u>\$ 84,596</u>	<u>\$ 62,289</u>

**5. Mineral Properties**

	Alberta Diamond Properties	Alberta Potash Properties	BC Precious Metals Properties	Total
Balance, July 31, 2017	\$ 1	\$ 1	\$ 8,296,166	\$ 8,296,168
Acquisition costs	1,969	7,387	185,855	195,211
Exploration and evaluation costs	2,099	1,338	16,793	20,230
Reclamation	-	9,478	-	9,478
Impairment	<u>(4,068)</u>	<u>(18,203)</u>	<u>(1,697,029)</u>	<u>(1,719,300)</u>
Balance, July 31, 2018	1	1	6,801,785	6,801,787
Acquisition costs	2,641	5,418	2,498	10,557
Exploration and evaluation costs	2,409	258	45,304	47,971
Impairment	<u>(5,050)</u>	<u>(5,676)</u>	<u>-</u>	<u>(10,726)</u>
<b>Balance, April 30, 2019</b>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 6,849,587</u>	<u>\$ 6,849,589</u>

*Impairment*

The Company incurred costs of \$5,050 (year ended July 31, 2019 - \$4,068) related to its Alberta Diamonds 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 \$5,676 (year ended July 31, 2018 - \$18,203) related to its Alberta Potash properties which had been written down to a nominal carrying value of \$1 in a prior year. 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, 2017	55,529,405		\$ 19,975,034
Issuance of shares in private placements:	1,962,500	\$ 0.062	121,000
Share issued on exercise of warrants	2,301,000	\$ 0.075	172,575
Warrant capital reclassified on exercise of warrants	-	-	2,000
Shares issued on exercise of options	200,000	\$ 0.050	10,000
Contributed surplus reclassified on exercise of options	-	-	6,000
Shares issued as consideration for mineral properties	2,000,004	\$ 0.090	180,000
Costs of share issuance	-		(2,095)
Balance, July 31, 2018	61,992,909		20,464,514
Shares issued on exercise of options	725,500	\$ 0.057	41,250
Contributed surplus reclassified on exercise of options	-	-	24,250
Shares issued for services	431,138	\$ 0.070	30,180
Costs of share issuance	-		(237)
<b>Balance, April 30, 2019</b>	<b>63,149,047</b>		<b>\$ 20,559,957</b>

*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, 2017	6,518,537		\$ 23,059
Issuance of warrants in private placements	1,862,500	\$ -	-
Warrants issued as consideration for mineral properties	2,000,004	\$ -	-
Warrants expired	(1,781,537)	\$ (0.005)	(8,879)
Warrants exercised	(2,301,000)	\$ (0.001)	(2,000)
Balance, July 31, 2018	6,298,504		12,180
Warrants expired	(2,436,000)	\$ (0.005)	(12,180)
<b>Balance, April 30, 2019</b>	<b>3,862,504</b>		<b>\$ -</b>

## GRIZZLY DISCOVERIES INC.

## Notes to the condensed consolidated interim financial statements

For the three and nine months ended April 30, 2019 and 2018

(unaudited)

A summary of share purchase warrants outstanding is as follows:

As at April 30, 2019				As at July 31, 2018			
Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry	Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry
\$ -	-	-	-	\$ 0.075	2,400,000	2,400,000	0.7
\$ -	-	-	-	\$ 0.075	36,000	36,000	0.7
\$ 0.075	1,200,000	1,200,000	0.6	\$ 0.075	1,200,000	1,200,000	1.4
\$ 0.14	2,000,004	2,000,004	2.1	\$ 0.14	2,000,004	2,000,004	2.8
\$ 0.12	612,500	612,500	1.2	\$ 0.12	612,500	612,500	2.0
\$ 0.12	50,000	50,000	1.2	\$ 0.12	50,000	50,000	2.0
<b>\$ 0.12</b>	<b>6,298,504</b>	<b>6,298,504</b>	<b>1.5</b>	<b>\$ 0.10</b>	<b>6,298,504</b>	<b>6,298,504</b>	<b>1.7</b>

*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, 2017	5,200,000	\$ 0.07
Granted	600,000	\$ 0.10
Exercised	(200,000)	\$ 0.05
Expired	(500,000)	\$ 0.10
Outstanding stock options, July 31, 2018	5,100,000	\$ 0.07
Issued	1,850,000	\$ 0.10
Exercised	(725,000)	\$ 0.06
<b>Outstanding stock options, April 30, 2019</b>	<b>6,225,000</b>	<b>\$ 0.08</b>

A summary of stock options outstanding is as follows:

As at April 30, 2019				As at July 31, 2018			
Exercise price	Options outstanding	Options exercisable	Years to expiry	Exercise price	Options outstanding	Options exercisable	Years to expiry
\$ 0.10	200,000	200,000	0.1	\$ 0.10	200,000	200,000	0.8
\$ 0.075	2,000,000	2,000,000	2.1	\$ 0.075	2,200,000	2,200,000	2.8
\$ 0.05	1,575,000	1,575,000	3.2	\$ 0.05	2,300,000	2,300,000	3.9
\$ 0.10	300,000	300,000	3.7	\$ 0.10	300,000	300,000	4.5
\$ 0.10	300,000	300,000	4.2	\$ 0.10	300,000	300,000	4.9
\$ 0.10	1,050,000	1,050,000	4.3	\$ -	-	-	-
\$ 0.10	800,000	800,000	4.5	\$ -	-	-	-
<b>\$ 0.08</b>	<b>6,225,000</b>	<b>6,225,000</b>	<b>3.2</b>	<b>\$ 0.07</b>	<b>5,100,000</b>	<b>5,100,000</b>	<b>3.4</b>

**7. General and administrative expenses**

For the	three months ended April 30		nine months ended April 30	
	2019	2018	2019	2018
Advertising and promotion	\$ 16,145	\$ 6,155	\$ 53,227	\$ 3,440
Conferences and corporate travel	5,236	5,393	12,507	5,783
Consulting fees	10,000	12,000	34,000	36,000
Office and administration	6,509	2,991	12,727	10,551
Regulatory and transfer fees	8,145	3,917	22,896	11,901
Professional fees	1,273	1,596	4,150	3,591
	<u>\$ 47,308</u>	<u>\$ 32,052</u>	<u>\$ 139,507</u>	<u>\$ 71,266</u>

*Shares issued for services*

In the year ended July 31, 2017, the Company issued an aggregate 361,600 common shares valued at \$17,176 to AGORA Internet Relations Corp. pursuant to an agreement entered into on February 23, 2017.

In January 2019, the Company issued an aggregate 431,138 common shares recorded at a price of \$0.07 per common share totalling \$30,180 as an increase to share capital on the condensed consolidated interim statement of financial position and an advertising expense included in general and administrative expenses on the consolidated statement of loss for the nine months ended April 30, 2019. The 431,138 common shares issued were subject to a restricted trading period expiring May 5, 2019 in accordance with the policies of the TSX Venture Exchange.

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

During the three and nine months ended April 30, 2019, the Company received interest of \$356 and \$1,546 respectively (2018- \$590 and \$1,025 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, 2019 or 2018.

*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, 2019 and 2018 and have been eliminated from the consolidated statements of cash flows.

For the nine months ended April 30	2019	2018
Mineral exploration tax credits accrued as a reduction of mineral properties	\$ (10,846)	\$ (4,818)
Increase (decrease) in accounts payable related to investing activities	\$ 7,035	\$ (4,003)

**9. Subsequent events**

On June 20, 2019, the Company closed a private placement of 2,900,000 units ("Units") at a price of \$0.05 per Unit, and 1,037,667 units including flow-through shares ("FT Unit") at a price of \$0.06 per FT Unit for aggregate gross proceeds of \$207,260. Each Unit consists of one common share of the Company ("Common Share") and one non-transferable warrant ("Warrant"). Each FT Unit consists of one Common Share issued as a flow through share pursuant to the Income Tax Act (Canada), and one Warrant. Each non-transferable 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 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 \$0.16 per Common Share for 10 consecutive trading days; and (b) June 20, 2021.

In connection with the private placement, the Company paid cash commissions of \$5,526 and issued 104,000 Agent Warrants (with terms identical to the Warrants) to a registered dealer. The Company intends to use the proceeds from the Units for general working capital, and the proceeds from the Units and FT Units on exploration of its Greenwood and Robocop mineral projects in British Columbia.

The Common Shares and any Common Shares issued on exercise of the Warrants will be subject to restrictions on trading until October 21, 2019 in accordance with the policies of the TSX Venture Exchange.