



Condensed Consolidated Interim Financial Statements

For the three and six months ended January 31, 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 six months ended January 31, 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	January 31 2019 <i>(unaudited)</i>	July 31 2018
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 50,756	\$ 149,920
Restricted cash (note 3)	5,000	5,000
Other current assets (note 4)	93,666	62,289
	149,422	217,209
Deposit	30,980	30,696
Mineral properties (note 5)	6,842,548	6,801,787
	149,422	217,209
	30,980	30,696
	6,842,548	6,801,787
<b>TOTAL ASSETS</b>	<b>\$ 7,022,950</b>	<b>\$ 7,049,692</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 73,751	\$ 71,100
Deferred flow through share premium	-	4,000
	73,751	75,100
Reclamation provision	200,643	200,643
	200,643	200,643
<b>TOTAL LIABILITIES</b>	<b>274,394</b>	<b>275,743</b>
<b>EQUITY</b>		
Share capital (note 6)	20,559,984	20,464,514
Warrant capital (note 6)	12,180	12,180
Contributed surplus	2,895,692	2,769,442
Deficit	(16,719,300)	(16,472,187)
	6,748,556	6,773,949
<b>TOTAL EQUITY</b>	<b>6,748,556</b>	<b>6,773,949</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 7,022,950</b>	<b>\$ 7,049,692</b>

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	
	2019	2018	2019	2018
<b>EXPENSES</b>				
General and administration (note 7)	\$ (31,677)	\$ (23,193)	\$ (92,199)	\$ (39,214)
Share based compensation	-	(15,000)	(150,500)	(15,000)
Impairment (note 4)	(4,340)	(8,171)	(9,604)	(11,119)
<b>TOTAL EXPENSES</b>	<b>(36,017)</b>	<b>(46,364)</b>	<b>(252,303)</b>	<b>(65,333)</b>
<b>OTHER INCOME</b>				
Flow through share premium	-	-	4,000	-
Interest income	529	177	1,190	435
<b>TOTAL OTHER INCOME</b>	<b>529</b>	<b>177</b>	<b>5,190</b>	<b>435</b>
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (35,488)</b>	<b>\$ (46,187)</b>	<b>\$ (247,113)</b>	<b>\$ (64,898)</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>62,844,439</b>	56,142,448	<b>62,481,717</b>	55,835,925

*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 six months ended January 31</b>	<b>2019</b>	<b>2018</b>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES:</b>		
Net loss	\$ (247,113)	\$ (64,898)
Items not affecting cash and cash equivalents:		
Share based compensation	150,500	15,000
Impairment	9,604	11,119
Deferred flow through share premium	(4,000)	-
Shares issued for services (note 6)	30,180	-
Changes in non-cash working capital:		
Other current assets	(23,324)	(638)
Accounts payable and accrued liabilities	(14,036)	(19,431)
Cash and cash equivalents used in operating activities	<u>(98,189)</u>	<u>(58,848)</u>
<b>INVESTING ACTIVITIES:</b>		
Deposit	(284)	(88)
Mineral properties expenditures	(41,731)	(9,331)
Cash and cash equivalents used in investing activities	<u>(42,015)</u>	<u>(9,419)</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from exercise of options (note 6)	41,250	-
Proceeds from issuance of shares (note 6)	-	60,000
Costs of share issuance	(210)	(1,490)
Cash and cash equivalents provided by financing activities	<u>41,040</u>	<u>58,510</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(99,164)</b>	<b>(9,757)</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>\$ 50,756</b>	<b>\$ 33,181</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 six months ended January 31, 2019**

	<b>Number of common shares</b>	<b>Share capital</b>	<b>Warrant capital</b>	<b>Contributed surplus</b>	<b>Deficit</b>	<b>Total equity</b>
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	-	-	-	-	(247,113)	(247,113)
Share based compensation	-	-	-	150,500	-	150,500
Options exercised	725,000	65,500	-	(24,250)	-	41,250
Shares issued for services	431,138	30,180	-	-	-	30,180
Share issuance cost	-	(210)	-	-	-	(210)
<b>January 31, 2019</b>	<b>63,149,047</b>	<b>\$ 20,559,984</b>	<b>\$ 12,180</b>	<b>\$ 2,895,692</b>	<b>\$ 16,719,300</b>	<b>\$ 6,748,556</b>

**For the six months ended January 31, 2018**

	<b>Number of common shares</b>	<b>Share capital</b>	<b>Warrant capital</b>	<b>Contributed surplus</b>	<b>Deficit</b>	<b>Total equity</b>
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	-	-	-	-	(64,898)	(64,898)
Private placement financings	1,200,000	58,510	-	-	-	58,510
Share based payments	-	-	-	15,000	-	15,000
<b>January 31, 2018</b>	<b>56,729,405</b>	<b>\$ 20,033,544</b>	<b>\$ 23,059</b>	<b>\$ 2,739,563</b>	<b>\$ 14,623,489</b>	<b>\$ 8,172,677</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 January 31, 2019, the Company has a deficit of \$16,719,300 (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 March 29, 2019.

## GRIZZLY DISCOVERIES INC.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended January 31, 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	January 31 2019	July 31 2018
Accounts receivable	\$ 1,388	\$ 1,388
Goods and services tax credits receivable	10,060	7,556
Mineral exploration tax credits receivable	15,249	10,144
Prepayments and deposits	<u>66,969</u>	<u>43,201</u>
	<u>\$ 93,666</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	1,973	10,032
Exploration and evaluation costs	1,287	258	38,788	40,333
Impairment	<u>(3,928)</u>	<u>(5,676)</u>	<u>-</u>	<u>(9,604)</u>
<b>Balance, January 31, 2019</b>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 6,842,546</u>	<u>\$ 6,842,548</u>

*Impairment*

The Company incurred costs of \$3,924 (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:

	<b>Number of Shares</b>	<b>Weighted average issue price</b>	<b>Amount</b>
Balance, July 31, 2017	55,529,405		\$ 19,975,034
Issuance of shares in private placements:			
December, 2017	1,200,000	\$ 0.050	60,000
July, 2018	762,500	\$ 0.080	61,000
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	-		(210)
<b>Balance, January 31, 2019</b>	<b>63,149,047</b>		<b>\$ 20,559,984</b>

*Common share purchase warrants*

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

	<b>Number of Warrants</b>	<b>Weighted average issue price</b>	<b>Amount</b>
Balance, July 31, 2017	6,518,537		\$ 23,059
Issuance of warrants in private placements:			
December, 2017	1,200,000	\$ -	-
July, 2018	662,500	\$ -	-
Warrants issued as consideration for mineral properties (note 6)	2,000,004	\$ -	-
Warrants expired	(1,781,537)	\$ (0.005)	(8,879)
Warrants exercised	(2,301,000)	\$ (0.001)	(2,000)
<b>Balance, July 31, 2018 and January 31, 2019</b>	<b>6,298,504</b>		<b>\$ 12,180</b>

## GRIZZLY DISCOVERIES INC.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended January 31, 2019 and 2018

*(unaudited)*

A summary of share purchase warrants outstanding is as follows:

As at January 31, 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	0.2	\$ 0.075	2,400,000	2,400,000	0.7
\$ 0.075	36,000	36,000	0.2	\$ 0.075	36,000	36,000	0.7
\$ 0.075	1,200,000	1,200,000	0.9	\$ 0.075	1,200,000	1,200,000	1.4
\$ 0.140	2,000,004	2,000,004	2.3	\$ 0.140	2,000,004	2,000,004	2.8
\$ 0.120	612,500	612,500	1.5	\$ 0.120	612,500	612,500	2.0
\$ 0.120	50,000	50,000	1.5	\$ 0.120	50,000	50,000	2.0
<b>\$ 0.101</b>	<b>6,298,504</b>	<b>6,298,504</b>	<b>1.1</b>	<b>\$ 0.101</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	<u>(500,000)</u>	\$ 0.10
Outstanding stock options, July 31, 2018	5,100,000	\$ 0.07
Issued	1,850,000	\$ 0.10
Exercised	<u>(725,000)</u>	\$ 0.06
<b>Outstanding stock options, January 31, 2019</b>	<b><u>6,225,000</u></b>	<b>\$ 0.08</b>

## GRIZZLY DISCOVERIES INC.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended January 31, 2019 and 2018

*(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	200,000	200,000	0.8
\$ 0.075	2,200,000	2,200,000	2.3	\$ 0.075	2,200,000	2,200,000	2.8
\$ 0.05	2,300,000	2,300,000	3.4	\$ 0.05	2,300,000	2,300,000	3.9
\$ 0.10	300,000	300,000	4.0	\$ 0.10	300,000	300,000	4.5
\$ 0.10	300,000	300,000	4.4	\$ 0.10	300,000	300,000	4.9
\$ 0.10	1,050,000	1,050,000	4.5	\$ -	-	-	-
\$ 0.10	800,000	800,000	4.8	\$ -	-	-	-
<b>\$ 0.08</b>	<b>6,225,000</b>	<b>6,225,000</b>	<b>3.4</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 January 31		six months ended January 31	
	2019	2018	2019	2018
Advertising and promotion	\$ 1,042	\$ 1,538	\$ 37,082	\$ 2,715
Conferences and corporate travel	3,610	-	7,271	390
Consulting fees	12,000	12,000	24,000	24,000
Office and administration	2,647	5,018	6,218	7,560
Regulatory and transfer fees	10,604	5,157	14,751	7,984
Professional fees	1,774	520	2,877	1,995
	<b>\$ 31,677</b>	<b>\$ 23,193</b>	<b>\$ 92,199</b>	<b>\$ 39,214</b>

*Shares issuable 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. At July 31, 2017, the Company had accrued an additional \$5,300 related to the next share payment required under the Agreement subsequent to July 31, 2017 in the consolidated interim financial statements, as an increase to accounts payable and general and administrative expense.

During the year ended July 31, 2018, the agreement with Agora was understood by management to have been cancelled by mutual agreement, the shares accrued for at July 31, 2017 were not issued, and the Company assessed that it had no liability to issue the shares and the accrued liability recorded at July 31, 2017 was reversed.

During the six months ended January 31, 2019, the Company agreed to issue the remaining shares issuable under the original agreement dated 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 three and six months ended January 31, 2019. The 431,138 common shares issued are 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 six months ended January 31, 2019, the Company received interest of \$529 and \$1,190 respectively (2018- \$177 and \$435 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, 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 six months ended January 31, 2019 and 2018 and have been eliminated from the consolidated statements of cash flows.

<b>For the six months ended January 31</b>	<b>2019</b>	<b>2018</b>
Mineral exploration tax credits accrued as a reduction of mineral properties	\$ (8,053)	\$ (2,137)
Increase (decrease) in accounts payable related to investing activities	\$ 16,687	\$ 8,641