GRIZZLY DISCOVERIES INC.

Interim Condensed Consolidated Financial Statements

For the three months ended October 31, 2016 and 2015

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, 2016 and 2015 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors.

As at	October 31 2016 (unaudited)	July 31 2016
ASSETS		
Current		
Cash and cash equivalents	**$ 50,539**	$ 91,138
Restricted cash (note 3)	**5,000**	5,000
Other current assets (note 4)	**59,930**	58,107
	115,469	154,245
Deposit	**30,146**	30,071
Mineral properties (note 5)	**8,287,208**	8,285,128
TOTAL ASSETS	**$ 8,432,823**	$ 8,469,444
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 77,633**	$ 73,119
Reclamation provision	**192,821**	192,821
TOTAL LIABILITIES	**270,454**	265,940
EQUITY		
Share capital	**19,842,144**	19,842,144
Warrant capital	**8,879**	8,879
Contributed surplus	**2,655,563**	2,655,563
Deficit	**(14,344,217)**	(14,303,082)
TOTAL EQUITY	**8,162,369**	8,203,504
TOTAL LIABILITIES AND EQUITY	**$ 8,432,823**	$ 8,469,444

Approved by the Board of Directors

Director (signed by) *"Brian Testo"*

Director (signed by) "*Doug Turnbull*"

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

For the three months ended October 31	**2016**	2015
EXPENSES		
General and administration (note 7)	**$ (29,960)**	$ (48,191)
Share based compensation	-	(2,167)
Impairment (note 5)	**(11,418)**	(768)
TOTAL EXPENSES	**(41,378)**	(51,126)
OTHER INCOME		
Interest income	**243**	176
NET LOSS AND COMPREHENSIVE LOSS	**(41,135)**	(50,950)
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding	52,407,805	48,725,268

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

For the three months ended October 31, 2016

	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	-	-	-	-	(41,135)	(41,135)
October 31, 2016	**52,407,805**	**$ 19,842,144**	**$ 8,879**	**$ 2,655,563**	**$ (14,344,217)**	**$ 8,162,369**

For the three months ended October 31, 2015

	Number of common shares	Share capital	Warrant capital	Contributed surplus	Deficit	Total equity
July 31, 2015	48,725,268	$ 19,653,042	$ -	$ 2,541,730	$ (11,111,322)	$ 11,083,450
Comprehensive loss	-	-	-	-	(50,950)	(50,950)
Share based compensation	-	-	-	2,167	-	2,167
October 31, 2015	48,725,268	$ 19,653,042	$ -	$ 2,543,897	$ (11,162,272)	$ 11,034,667

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

For the three months ended October 31	2016	2015
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net loss	**$ (41,135)**	$ (50,950)
Items not affecting cash and cash equivalents:		
Depreciation	**-**	645
Share based compensation	**-**	2,167
Impairment	**11,418**	768
Changes in non-cash working capital:		
Other current assets	**(1,307)**	1,961
Accounts payable and accrued liabilities	**(5,846)**	(3,714)
Cash and cash equivalents used in operating activities	**(36,870)**	(49,123)
INVESTING ACTIVITIES:		
Deposit	**-**	(1,880)
Mineral properties expenditures	**(3,729)**	(10,555)
Cash and cash equivalents used in investing activities	**(3,729)**	(12,435)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(40,599)**	(61,558)
Cash and cash equivalents – beginning of year	**91,138**	75,282
CASH AND CASH EQUIVALENTS – END OF YEAR	**$ 50,539**	$ 13,724

See Note 8 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 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 October 31, 2016, the Company has a deficit of $14,344,217 (July 31, 2016 - $14,303,082) 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 32") 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, 2016.

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 Board of Directors of the Company on December 29, 2016.

3. Restricted cash

The Company has restricted cash in the amount of $5,000 (July 31, 2016 - $5,000) as security for corporate credit card liabilities.

4. Other current assets

As at	October 31 2016	July 31 2016
Accounts receivable	$ **1,408**	$ 1,407
Goods and services tax receivable	**7,774**	4,696
Mineral exploration tax credits receivable	**5,914**	5,323
Prepayments and deposits	**44,834**	46,681
Total other current assets	**$ 59,930**	$ 58,107

The Company holds securities of publicly traded companies which it has classified as available-for-sale, carried at fair value, with unrealized gains and losses held as a component of accumulated other comprehensive loss in equity, net of deferred taxes.

5. Mineral Properties

	Alberta Diamond Properties	Alberta Potash Properties	BC Precious Metals Properties	Total
Balance, July 31, 2015	$ 1	$ 2,882,560	$ 8,269,138	$ 11,151,699
Acquisition costs	625	7,243	11,884	19,752
Exploration and evaluation costs	66,915	2,978	12,420	82,313
Reclamation	-	(37,081)	-	(37,081)
Impairment	(67,540)	(2,855,699)	(8,316)	(2,931,555)
Balance, July 31, 2016	1	1	8,285,126	8,285,128
Acquisition costs	-	-	700	700
Exploration and evaluation costs	11,078	340	1,380	12,798
Impairment	(11,078)	(340)	-	(11,418)
Balance, October 31, 2016	**$ 1**	**$ 1**	**$ 8,287,206**	**$ 8,287,208**

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. As at October 31, 2016 and July 31, 2016, there are 52,407,805 common shares issued and outstanding.

Common share purchase warrants

The company issues common share purchase warrants generally in conjunction with an offering of common shares. As at October 31, 2016 and July 31, 2016, the company has 3,682,537 common share purchase warrants issued and outstanding.

A summary of share purchase warrants outstanding is as follows:

As at October 31, 2016				As at July 31, 2016			
Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry	Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry
$ 0.10	887,857	887,857	1.1	$ 0.10	887,857	887,857	1.4
$ 0.075	2,794,680	2,794,680	1.5	$ 0.075	2,794,680	2,794,680	1.7
$ 0.086	**3,682,537**	**3,682,537**	**1.4**	**$ 0.086**	**3,682,537**	**3,682,537**	**1.6**

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. As at October 31, 2016, 3,300,000 stock options are issued and outstanding as detailed in the table below:

A summary of stock options outstanding is as follows:

As at October 31, 2016				As at July 31, 2016			
Exercise price	Options outstanding	Options exercisable	Years to expiry	Exercise price	Options outstanding	Options exercisable	Years to expiry
$ -	-	-	-	$ 0.10	1,100,000	1,100,000	0.3
$ 0.10	200,000	200,000	1.1	$ 0.10	200,000	200,000	1.3
$ 0.10	300,000	300,000	1.4	$ 0.10	300,000	300,000	1.6
$ 0.10	200,000	200,000	2.6	$ 0.10	200,000	200,000	2.8
$ 0.10	400,000	400,000	0.3	$ 0.10	400,000	400,000	0.5
$ 0.075	2,200,000	2,200,000	4.6	$ 0.075	2,200,000	2,200,000	4.8
$ 0.08	**3,300,000**	**3,300,000**	**3.5**	$ 0.09	4,400,000	4,400,000	2.8

7. General and administrative expenses

For the three months ended October 31		**2016**		2015
Advertising and promotion	**$**	**2,699**	$	1,666
Conferences and corporate travel		**66**		690
Consulting fees		**12,000**		26,225
Office and administration		**7,828**		10,661
Regulatory and transfer fees		**4,173**		7,167
Depreciation		**-**		645
Professional fees		**3,194**		1,137
General and administrative expenses	**$**	**29,960**	$	48,191

8. Supplemental cash flow information

Interest and dividends received and paid

During the three months ended October 31, 2016, the Company received interest of $243 (2015 - $115) from deposits with its financial institution and from the Canada Revenue Agency. The Company did not pay any interest or dividends, nor did it receive any dividends, in either of the periods ended October 31, 2016 or 2015.

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, 2016 and 2015 and have been eliminated from the consolidated statements of cash flows.

For the three months ended October 31		**2016**		2015
Mineral exploration tax credits accrued as a reduction of mineral properties	**$**	**(591)**	$	(2,401)
(Increase) decrease in accounts payable related to investing activities	**$**	**(10,360)**	$	-