

GRENVILLE GOLD CORP.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2016 and 2015

(Unaudited, Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

GRENVILLE GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited, in Canadian dollars)

	Notes	March 31, 2016	December 31, 2015
ASSETS			
Current Assets			
Cash		\$ 1,812	\$ 4,821
Receivables		1,700	1,074
Prepaid expenses	3	5,220	2,012
		8,732	7,907
Equipment	4	-	-
Exploration and evaluation assets	5	2,230,286	2,230,518
TOTAL ASSETS		\$ 2,239,018	\$ 2,238,425
LIABILITIES			
Current Liabilities			
Trade payables and accrued liabilities	6	\$ 133,609	\$ 121,207
Short-term loan	9	141,626	137,827
Due to related parties	8	35	35
TOTAL LIABILITIES		275,270	259,069
SHAREHOLDERS' EQUITY			
Share capital	7	9,321,065	9,321,065
Reserves	7	4,327,153	4,327,153
Deficit		(11,684,470)	(11,668,862)
TOTAL EQUITY		1,963,748	1,979,356
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 2,239,018	\$ 2,238,425
Nature and continuance of operations	1		
Subsequent events	7		

On Behalf of the Board

"Sonny Janda"
Sonny Janda, Director

"Shaun Dykes"
Shaun Dykes, Director

The accompanying notes are an integral part of these consolidated financial statements.

GRENVILLE GOLD CORP.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,

(Unaudited, in Canadian dollars)

	Note	2016	2015
Revenue			
Consulting		\$ 2,500	\$ -
		2,500	-
Expenses			
Amortization	4	-	233
Consulting		-	56,440
Filing and transfer fees		2,578	1,322
Foreign exchange (gain) loss		(5,008)	6,322
Management	8	-	4,291
Office and general		11,126	4,350
Professional fees	8	1,648	4,781
Rent	8	7,764	14,000
		18,108	91,739
Net income (loss) and comprehensive income (loss)		\$ (15,608)	\$ (91,739)
Basic and diluted loss per share		\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding			
- basic and diluted		17,020,984	17,020,984

The accompanying notes are an integral part of these consolidated financial statements.

GRENVILLE GOLD CORP.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY***(Unaudited, in Canadian dollars, except share number)*

	Issued Common Shares		Reserves		Deficit	Total
	Number	Amount	Option	Warrant		
Balance at December 31, 2014	17,020,984	\$ 9,321,065	\$ 2,872,403	\$ 1,454,750	\$ (11,229,405)	\$ 2,418,813
Net and comprehensive loss	-	-	-	-	(91,739)	(91,739)
Balance at March 31, 2015	17,020,984	9,321,065	2,872,403	1,454,750	(11,321,144)	2,327,074
Net and comprehensive loss	-	-	-	-	(347,718)	(347,718)
Balance at December 31, 2015	17,020,984	9,321,065	2,872,403	1,454,750	(11,668,862)	1,979,356
Net and comprehensive loss	-	-	-	-	(15,608)	(347,718)
Balance at March 31, 2016	17,020,984	\$ 9,321,065	\$ 2,872,403	\$ 1,454,750	\$ (11,684,470)	\$ 1,963,748

The accompanying notes are an integral part of these consolidated financial statements.

GRENVILLE GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31,

(Unaudited, in Canadian dollars)

	2016	2015
Operating activities		
Net loss for the period	\$ (15,608)	\$ (91,739)
Adjustments for non-cash items		
Amortization	-	233
Foreign exchange	232	-
Non-cash interest expense	3,799	3,860
	(11,577)	(87,646)
Changes in non-cash working capital items		
Receivables	(626)	(1,499)
Prepaid expenses	(3,208)	(73,000)
Trade payables and accrued liabilities	12,402	(18,935)
Due to related parties	-	(100,701)
Net cash flows used in operating activities	(3,009)	(281,781)
Investing activities		
Expenditures in exploration and evaluation assets	-	(47)
Net cash flows from (used in) investing activities	-	(47)
Change in cash during the period	(3,009)	(281,828)
Cash, beginning of period	4,821	577,731
Cash, end of period	\$ 1,812	\$ 295,903

The accompanying notes are an integral part of these consolidated financial statements.

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2016

(Unaudited, expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Grenville Gold Corp. (the “Company”) was incorporated under the laws of the province of Ontario by articles of incorporation effective November 17, 1994. On June 19, 2009, the Company completed a continuance of business from Ontario to British Columbia. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “GVG”, the Berlin and Frankfurt stock exchanges in Germany under the symbol “F91Q”, and a pink sheet listing (“OTCPP”) in the United States under the symbol “GVLGF”.

The head office, principal address and records office of the Company are 8338 – 120th Street, Surrey, British Columbia, Canada, V3W 3N4.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at March 31, 2016, the Company had not advanced its property to commercial production and is not able to finance day-to-day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. Should the Company be unable to continue as going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 25, 2016.

2. BASIS OF PRESENTATION**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended December 31, 2015, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

March 31, 2016

*(Unaudited, expressed in Canadian dollars)***2. BASIS OF PRESENTATION (Continued)****Basis of Measurement**

The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of Incorporation	Percentage Owned	
		March 31, 2016	December 31, 2015
Grenville Silveria Ltd.	Canada	100%	100%
Grenville Espanola Holdings Ltd.	Canada	100%	100%
Minera Grenville S.A.C.	Peru	100%	100%
Minera Espanola S.A.C.	Peru	100%	100%
Upper Canyon Minerals Peru S.A.C.	Peru	100%	100%
Inversiones Mineras Alexander S.A.C.	Peru	100%	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation

Significant Estimates and Assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2016

(Unaudited, expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

Significant Estimates and Assumptions (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods the recoverability and measurement of exploration and evaluation assets, and provisions for restoration and environmental obligations.

Significant Judgments

The preparation of these financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed consolidated interim financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification of expenditures as exploration and evaluation expenditures or operating expenses.

3. PREPAID EXPENSES

Prepaid expense balances represent advances paid to suppliers for services to be rendered in the next 12 months.

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

March 31, 2016

*(Unaudited, expressed in Canadian dollars)***4. EQUIPMENT**

Cost:	
At December 31, 2014 and 2015 and March 31, 2016	\$ 53,882
Amortization:	
At December 31, 2014	\$ 53,624
Charge for the year	258
At December 31, 2015	53,882
Charge for the period	-
At March 31, 2016	\$ 53,882
Net book value:	
At December 31, 2015	\$ -
At March 31, 2016	\$ -

5. EXPLORATION AND EVALUATION ASSETS

	Balance December 31, 2014		Additions (Impairment)	Balance December 31 2015		Additions	Balance March 31 2016	
Silveria								
Acquisition	\$	1,671,385	\$ -	\$	1,671,385	-	\$	1,671,385
Exploration costs		2,021,320	24,244		2,045,564	(232)		2,045,332
Impairment		(2,761,564)	-		(2,761,564)	-		(2,761,564)
		931,141	24,244		955,385	(232)		955,153
Espanola								
Acquisition		457,502	-		457,502	-		457,502
Exploration costs		657,327	78,109		735,436	-		735,436
		1,114,829	78,109		1,192,938	-		1,192,938
Josefina								
Acquisition		86,663	-		86,663	-		86,663
Exploration costs		19,657	741		20,398	-		20,398
Impairment			(107,061)		(107,061)	-		(107,061)
		106,320	(106,320)		-	-		-
Silver Mountain								
Acquisition		39,631	-		39,631	-		39,631
Exploration costs		21,699	20,865		42,564	-		42,564
		61,330	20,865		82,195	-		82,195
Total	\$	2,213,620	\$ 16,898	\$	2,230,518	\$ (232)	\$	2,230,286

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

March 31, 2016

(Unaudited, expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (Continued)**Silveria Property**

The Company owns 100% of the Silveria property which consists of 195 claims in the San Mateo Mining District in the province of Huarochiri, Peru.

Espanola Property

The Company owns 100% of the Espanola property which consists of 17 claims in the San Mateo Mining District in the province of Canete, Peru.

Josephina and Silver Mountain Properties

The Company owns 100% interests in the Josephina and Silver Mountain concessions which consist of 14 claims located in the Huarochiri province of Lima, Peru.

During the year ended December 31, 2015, management determined that the carrying value of the Josephina property exceed its fair value and recorded an impairment charge of \$107,061.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

		March 31, 2016		December 31, 2015
Trade payables	\$	126,609	\$	114,207
Accrued liabilities		7,000		7,000
	\$	133,609	\$	121,207

7. SHARE CAPITAL

Authorized share capital: An unlimited number of common shares without par value
An unlimited number of preferred shares without par value

On October 10, 2014, the Company consolidated its share capital one new for five old shares. All shares and per share numbers have been restated retroactively to reflect the share consolidation.

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

March 31, 2016

*(Unaudited, expressed in Canadian dollars)***7. SHARE CAPITAL (Continued)**

On November 20, 2014, the Company closed a non-brokered private placement of 12,000,000 units at a price of \$0.05 per unit for gross proceeds of \$600,000. Each unit consists of one common share and one share-purchase warrant exercisable at \$0.06 to purchase one additional common share for a one-year period. A fair value of \$222,754 was allocated to these warrants.

The fair value of the warrants issued was estimated using the Black-Scholes option pricing model with the following assumptions:

	November 20, 2014
Expected life	1 year
Risk-free interest rate	1.35%
Volatility	177%
Dividend yield	0%

Stock Options

The Company has a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of options. The term of the stock options granted is fixed by the Board of Directors and is not to exceed five years. The exercise prices of the stock options granted may not be less than the minimum then specified by the rules of the TSX-V. Vesting periods are determined by the Board.

Stock option transactions as at March 31, 2016 and December 31, 2015 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding at December 31, 2014, 2015 and March 31, 2016	180,000	\$ 2.50

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

March 31, 2016

*(Unaudited, expressed in Canadian dollars)***7. SHARE CAPITAL (Continued)**

At March 31, 2016 and December 31, 2015, the outstanding and exercisable options were as follows:

Number of Options	Exercise Price	Expiry Date
180,000	\$2.50	April 20, 2016*

* Subsequent to March 31, 2016, these options expired unexercised.

The weighted average life remaining of options outstanding as at March 31, 2016 is 0.05 years (December 31, 2015 – 0.30 years).

Warrants

Warrants transactions as at March 31, 2016 and December 31, 2015 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding at December 31, 2014	13,800,000	\$ 0.09
Warrants expired	(13,800,000)	0.09
Warrants outstanding at December 31, 2015 and March 31, 2016	-	-

Stock Option Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant Reserve

The warrant reserve records the fair value of warrants issued until such time that they are exercised, at which time the corresponding amount will be transferred to share capital.

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

March 31, 2016

(Unaudited, expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2016, the Company incurred accounting fees of \$nil (2015 - \$1,440) to a company owned by the former CFO.

During the three months ended March 31, 2015, the Company incurred rent expense of \$9,000.00 (2015 - \$14,000) to a company with parties having significant influence over the Company.

As at March 31, 2016, \$35 (December 31, 2015 - \$35) was owing to a company where the CEO is a director.

9. SHORT-TERM LOAN

On June 25, 2014, the Company arranged for unsecured short-term bridge financing with an unrelated, non-financial lender in the principal amount of \$119,675 bearing interest at a rate of 4% per annum until December 24, 2014 and prime + 10% subsequently. The loan was repayable in full on December 24, 2014; however, remains outstanding at March 31, 2016.

10. SEGMENTED INFORMATION

The Company has just one operating segment, the exploration and evaluation of mineral properties. All of the Company's equipment and exploration and evaluation assets are located in Peru.

11. SUBSEQUENT EVENTS

See Note 7.