

GRENVILLE GOLD CORP.

Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended June 30, 2018 and 2017

(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	June 30, 2018	December 31, 2017
ASSETS			
Current Assets			
Cash		\$ 24,005	\$ 441,556
Receivables		3,403	1,994
Prepaid expenses	3	595	-
		28,003	443,550
Equipment	4	2,702	-
Exploration and evaluation assets	5	1,484,384	1,499,465
TOTAL ASSETS		\$ 1,515,089	\$ 1,943,015
LIABILITIES			
Current Liabilities			
Trade payables and accrued liabilities	6	\$ 83,365	\$ 141,590
Loans and interests payable	9	10,000	157,644
TOTAL LIABILITIES		93,365	299,234
SHAREHOLDERS' EQUITY			
Share capital	7	10,191,065	10,191,065
Reserves	7	4,327,153	4,327,153
Deficit		(13,096,494)	(12,874,437)
TOTAL EQUITY		1,421,724	1,643,781
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,515,089	\$ 1,943,015

Nature and continuance of operations 1

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- AND SIX-MONTH PERIODS ENDED JUNE 30,
(Unaudited, in Canadian dollars)

	Note	Three Months Ended		Six Months Ended	
		2018	2017	2018	2017
Operating expenses					
Amortization		\$ 270	\$ -	\$ 541	\$ -
Filing and transfer fees		6,121	3,722	30,547	6,232
Foreign exchange		3,018	512	2,178	(198)
Impairment of exploration and evaluation assets		135,236	-	135,236	-
Management		16,223	13,566	20,723	15,066
Office and general		(2,518)	1,277	1,090	1,860
Professional fees		1,053	14,167	9,984	18,947
Project Investigation Costs		14,258	-	14,258	-
Rent		3,000	1,500	7,500	3,000
		176,661	34,744	222,057	44,907
Other (income) expenses					
Gain from forgiveness of debt		-	30,000	-	30,000
		-	30,000	-	30,000
Net and comprehensive loss		\$ 176,661	\$ 4,744	\$ 222,057	\$ 14,907
Basic and diluted loss per share		\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.00
Weighted average number of common shares outstanding					
- basic and diluted		26,842,902	23,195,505	26,842,902	23,195,505

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)*

	Share Capital			Reserves			Total
	Number	Amount	Received	Option	Warrant	Deficit	
Balance at December 31, 2016	23,020,984	\$ 9,681,065	\$	2,872,403	\$ 1,454,750	\$ (12,772,557)	\$ 1,235,661
Exercise of warrants	700,000		59,500	-	-	-	59,500
Net and comprehensive loss	-		-	-	-	(14,907)	(14,907)
Balance at June 30, 2017	23,720,984		9,740,565	2,872,403	1,454,750	(12,787,464)	1,280,254
Exercise of warrants	5,300,000		450,500	-	-	-	450,500
Net and comprehensive loss	-		-	-	-	(86,973)	(86,973)
Balance at December 31, 2017	29,020,984		10,191,065	2,872,403	1,454,750	(12,874,437)	1,643,781
Net and comprehensive loss	-		-	-	-	(222,057)	(222,057)
Balance at June 30, 2018	29,020,984	\$	10,191,065	\$	2,872,403	\$ (13,096,494)	\$ 1,421,724

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

GRENVILLE GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30,

(Unaudited, in Canadian dollars)

	2018	2017
Operating activities		
Net loss for the period	\$ (222,057)	\$ (10,162)
Adjustments for non-cash items		
Amortization expense	541	-
Impairment of exploration and evaluation assets	135,236	
Interests paid on short-term loan	156	-
	(86,124)	(10,162)
Changes in non-cash working capital items		
Receivables	(1,409)	281
Prepaid expenses	(595)	(1,590)
Trade payables and accrued liabilities	(58,225)	6,018
Net cash flows used in operating activities	(146,353)	(5,453)
Investing activities		
Purchase of equipment	(3,243)	-
Expenditures in exploration and evaluation assets	(120,155)	(517)
Net cash flows from (used in) investing activities	(123,398)	(517)
Financing activities		
Loan repayment	(157,800)	-
Loan borrowed	10,000	-
Proceeds from exercise of warrants	-	59,500
Net cash flows from financing activities	(147,800)	59,500
Change in cash during the period	(417,551)	53,530
Cash, beginning of period	441,556	1,663
Cash, end of period	\$ 24,005	\$ 55,193

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

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

June 30, 2018

(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 4770 – 72nd Street, Delta, British Columbia, Canada, V4K 3N3.

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 June 30, 2018, 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 August 24, 2018.

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, 2017, 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

June 30, 2018

*(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	
		June 30, 2018	December 31, 2017
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

June 30, 2018

(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;
- the classification of financial instruments; and
- the determination of the functional currency of the parent company and its subsidiaries.

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

June 30, 2018

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

Cost:	
At December 31, 2017	\$ -
Addition for the period	3,243
At June 30, 2018	\$ 3,243

Amortization:	
At December 31, 2017	\$ -
Charge for the period	541
At June 30, 2018	\$ 541

Net book value:	
At December 31, 2017	\$ -
At June 30, 2018	\$ 2,702

5. EXPLORATION AND EVALUATION ASSETS

	Balance December 31, 2016	Additions (Impairment)	Balance December 31, 2017	Additions (Impairment)	Balance June 30 2018
Silveria					
Acquisition	\$ 1,671,385	\$ -	\$ 1,671,385	\$ -	\$ 1,671,385
Exploration costs	2,064,883	-	2,064,883	-	2,064,883
Impairment	(3,736,268)	-	(3,736,268)	-	(3,736,268)
	-	-	-	-	-
Espanola					
Acquisition	457,502	94,298	551,800	120,155	\$ 671,955
Exploration costs	809,324	3,105	812,429	-	\$ 812,429
	1,266,826	97,403	1,364,229	120,155	1,484,384
Josefina					
Acquisition	86,663	-	86,663	-	\$ 86,663
Exploration costs	20,398	-	20,398	-	\$ 20,398
Impairment	(107,061)	-	(107,061)	-	\$ (107,061)
	-	-	-	-	-
Silver Mountain					
Acquisition	39,631	28,860	68,491	-	\$ 68,491
Exploration costs	66,745	-	66,745	-	\$ 66,745
Impairment	-	-	-	(135,236)	\$ (135,236)
	106,376	28,860	135,236	(135,236)	-
Total	\$ 1,373,202	\$ 126,263	\$ 1,499,465	\$ (15,081)	\$ 1,484,384

GRENVILLE GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS**

June 30, 2018

(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. As a result of uncertainty arising in connection with the status of the Company's right to explore the mineral claims underlying the Silveria property, management assessed the Silveria Property as impaired and recorded an impairment charge of \$974,704 for the year ended December 31, 2016.

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 6 claims located in the Huarochiri province of Lima, Peru. As at June 30, 2018, the Company decided not to renew its interests in these properties and allowed the claims to lapse. Management recorded an impairment charge of \$135,236 for the six months ended June 30, 2018.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

	June 30, 2018	December 31, 2017
Trade payables	\$ 81,370	\$ 139,595
Accrued liabilities	1,995	1,995
	<u>\$ 83,365</u>	<u>\$ 141,590</u>

GRENVILLE GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

June 30, 2018

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

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

During the year ended December 31, 2016, the Company closed a private placement financing consisting of 6,000,000 units at a price of \$0.06 per unit for proceeds of \$360,000. Each unit consists of one common share and one common share purchase warrant, which entitles the holder to purchase one additional common share of the Company at a price of \$0.085 per share for a period of three years.

During the year ended December 31, 2017, the 6,000,000 warrants issued in the 2016 private placement were exercised for gross proceeds of \$510,000.

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.

As at June 30, 2018 and December 31, 2017, there was no outstanding option.

Warrants

Warrants transactions as at June 30, 2018 and December 31, 2017 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding at December 31, 2015	-	\$ -
Warrants issued	6,000,000	0.085
Warrants outstanding at December 31, 2016	6,000,000	\$ 0.085
Warrants exercised	(6,000,000)	0.085
Warrants outstanding at December 31, 2017 and June 30, 2018	-	\$ -

As at June 30, 2018 and December 31, 2017, there was no warrant outstanding.

GRENVILLE GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS**

June 30, 2018

(Unaudited, expressed in Canadian dollars)

7. SHARE CAPITAL (Continued)**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.

8. RELATED PARTY TRANSACTIONS

The Company considers key management to be directors or senior officers of the Company. During the three- and six-month periods ended June 30, 2018 and 2017, the Company did not incur any transactions with key management or companies controlled by key management of the Company.

9. SHORT-TERM LOAN

On June 28, 2017, the Company entered into a loan agreement to borrow \$150,000 at an interest rate of 10% per annum. This loan was repayable on demand. In January 2018, the Company repaid the loan in full, including \$7,800 in interests.

On June 28, 2018, the Company borrowed \$10,000 from an unrelated party. This loan was unsecured, non-interest bearing and repayable on demand.

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.