

**GRENVILLE GOLD CORP.**

**Condensed Consolidated Interim Financial Statements**

**For the Three and Nine Months Ended September 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	September 30, 2018	December 31, 2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 4,368	\$ 441,556
Receivables		4,039	1,994
Prepaid expenses	3	499,329	-
		507,736	443,550
Equipment	4	2,432	-
Exploration and evaluation assets	5	1,501,250	1,499,465
<b>TOTAL ASSETS</b>		<b>\$ 2,011,418</b>	<b>\$ 1,943,015</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables and accrued liabilities	6	\$ 130,849	\$ 141,590
Loans and interests payable	9	513,358	157,644
<b>TOTAL LIABILITIES</b>		<b>644,207</b>	<b>299,234</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	10,191,065	10,191,065
Reserves	7	4,327,153	4,327,153
Deficit		(13,151,007)	(12,874,437)
<b>TOTAL EQUITY</b>		<b>1,367,211</b>	<b>1,643,781</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 2,011,418</b>	<b>\$ 1,943,015</b>
Nature and continuance of operations	1		
Subsequent events	11		

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30,

*(Unaudited, in Canadian dollars)*

	Three Months Ended		Nine Months Ended	
	2018	2017	2018	2017
<b>Revenue</b>				
Consulting	\$ 9,524	\$ -	\$ 9,524	\$ -
	9,524	-	9,524	-
<b>Operating expenses</b>				
Amortization	\$ 270	-	\$ 811	-
Filing and transfer fees	1,558	2,113	32,104	8,346
Foreign exchange	(1,120)	48,158	1,058	26,143
Impairment of exploration and evaluation assets	-	-	135,236	-
Management and consulting	41,998	3,000	62,721	18,066
Office and general	3,862	4,227	4,952	6,087
Professional fees	17,363	8,236	27,347	27,182
Project Investigation Costs	106	-	14,365	-
Rent	-	3,000	7,500	6,000
	64,037	68,734	286,094	91,824
<b>Other (income) expenses</b>				
Gain from forgiveness of debt	-	-	-	30,000
	-	-	-	30,000
<b>Net and comprehensive loss</b>	\$ (54,513)	\$ (68,734)	\$ (276,570)	\$ (61,824)
<b>Basic and diluted loss per share</b>	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>				
- basic and diluted	28,178,792	23,491,940	28,178,792	23,371,943

*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	-	-	-	-	(61,824)	(61,824)
Balance at September 30, 2017	23,720,984	9,740,565	2,872,403	1,454,750	(12,834,381)	1,233,337
Exercise of warrants	5,300,000	450,500	-	-	-	450,500
Net and comprehensive loss	-	-	-	-	(40,056)	(40,056)
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	-	-	-	-	(276,570)	(276,570)
Balance at September 30, 2018	29,020,984	\$ 10,191,065	\$ 2,872,403	\$ 1,454,750	\$ (13,151,007)	\$ 1,367,211

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

**GRENVILLE GOLD CORP.**

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,

*(Unaudited, in Canadian dollars)*

	2018	2017
<b>Operating activities</b>		
Net loss for the period	\$ (276,570)	\$ (61,824)
Adjustments for non-cash items		
Amortization expense	811	-
Impairment of exploration and evaluation assets	135,236	-
Interests paid on short-term loan	13,514	3,863
	<u>(127,009)</u>	<u>(57,961)</u>
Changes in non-cash working capital items		
Receivables	(2,045)	229
Prepaid expenses	(499,329)	1,542
Trade payables and accrued liabilities	(10,741)	(20,704)
	<u>(639,124)</u>	<u>(76,894)</u>
<b>Investing activities</b>		
Purchase of equipment	(3,243)	-
Expenditures in exploration and evaluation assets	(137,021)	(118,362)
	<u>(140,264)</u>	<u>(118,362)</u>
<b>Financing activities</b>		
Loan repayment	(157,800)	-
Loan borrowed	500,000	150,000
Proceeds from exercise of warrants	-	59,500
	<u>342,200</u>	<u>209,500</u>
Change in cash during the period	(437,188)	14,244
Cash, beginning of period	441,556	1,663
Cash, end of period	\$ 4,368	\$ 15,907

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

**GRENVILLE GOLD CORP.**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2018

*(Unaudited, expressed in Canadian dollars)*

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**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. Prior to October 16, 2018, the Company was listed on the TSX Venture Exchange (“TSX-V”) under the symbol “GVG”, the Company has since delisted from the TSX-V and is now listed on the Canadian Securities Exchange (“CSE”) under the symbol “GVG” as well as on 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”. Also see Note 11.

The head office, principal address and records office of the Company are 4770 – 72<sup>nd</sup> 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 September 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 November 26, 2018.

**GRENVILLE GOLD CORP.**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2018

*(Unaudited, expressed in Canadian dollars)***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”).

**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	
		September 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



**GRENVILLE GOLD CORP.**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2018

*(Unaudited, expressed in Canadian dollars)*

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**2. BASIS OF PRESENTATION (Continued)****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.

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

September 30, 2018

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

<b>Cost:</b>	
At December 31, 2017	\$ -
Addition for the period	3,243
At June 30, 2018	\$ 3,243
<b>Amortization:</b>	
At December 31, 2017	\$ -
Charge for the period	811
At June 30, 2018	\$ 811
<b>Net book value:</b>	
At December 31, 2017	\$ -
At June 30, 2018	\$ 2,432

**5. EXPLORATION AND EVALUATION ASSETS**

	Balance December 31, 2016		Balance December 31, 2017		Balance September 30 2018	
		Additions (Impairment)		Additions (Impairment)		
<b>Silveria</b>						
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)	
	-	-	-	-	-	
<b>Espanola</b>						
Acquisition	457,502	94,298	551,800	137,021	\$ 688,821	
Exploration costs	809,324	3,105	812,429	-	\$ 812,429	
	1,266,826	97,403	1,364,229	137,021	\$ 1,501,250	
<b>Josefina</b>						
Acquisition	86,663	-	86,663	-	\$ 86,663	
Exploration costs	20,398	-	20,398	-	\$ 20,398	
Impairment	(107,061)	-	(107,061)	-	\$ (107,061)	
	-	-	-	-	-	
<b>Silver Mountain</b>						
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)	-	
<b>Total</b>	<b>\$ 1,373,202</b>	<b>\$ 126,263</b>	<b>\$ 1,499,465</b>	<b>\$ 1,785</b>	<b>\$ 1,501,250</b>	

**GRENVILLE GOLD CORP.**

## NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

September 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. In June 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 nine months ended September 30, 2018.

**6. TRADE PAYABLES AND ACCRUED LIABILITIES**

	September 30, 2018	December 31, 2017
Trade payables	\$ 118,354	\$ 139,595
Accrued liabilities	12,495	1,995
	<u>\$ 130,849</u>	<u>\$ 141,590</u>

Accounts payable and accrued liabilities comprise primarily of trade payables incurred in the normal course of business. Included in accounts payable are amounts total \$15,750 (December 31, 2017 - \$nil) due to related parties. Also see Note 8.

**GRENVILLE GOLD CORP.**

## NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL STATEMENTS

September 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 September 30, 2018 and December 31, 2017, there was no outstanding option.

**Warrants**

Warrants transactions as at September 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 September 30, 2018	-	\$ -

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

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

September 30, 2018

*(Unaudited, expressed in Canadian dollars)*

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**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 nine-month periods ended September 30, 2018 and 2017, the Company paid consulting fees \$15,000 (September 30, 2017 - \$nil) and \$15,000 (September 30, 2017 - \$nil) to a company owned by the CEO, respectively.

**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 August 28, 2018, the Company borrowed \$13,167 from an unrelated party at an interest rate of 10% per annum. This loan was repayable on demand.

Subsequent to September 30, 2018, the Company issued a convertible debenture to an unrelated party for a principal amount of \$500,000; the funds were received prior to the nine months ended September 30, 2018. See Note 11.

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

September 30, 2018

*(Unaudited, expressed in Canadian dollars)*

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**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**

On October 16, 2018, the Company issued a convertible debenture with a principal of \$500,000 to an unrelated party. This convertible debenture is convertible into common shares of the Company at a conversion price of \$0.09 per share at the option of the holder. This convertible debenture is unsecured, will mature one year from issuance, and carry an interest rate of 8% per annum.

On October 16, 2018, the Company's shares commenced trading on the Canadian Securities Exchange under the symbol "GVG", and on October 26, 2018, the Company's shares were voluntarily delisted from trading on the TSX Venture Exchange.

On November 14, 2018, the Company closed a non-brokered private placement offering of 10,000,000 units at \$0.10 per unit for an aggregate proceeds of \$1,000,000; each unit comprises of one common share and one common share purchase warrant, exercisable for six months after closing at \$0.10, subject to a 30-day accelerated expiry upon announcement by the Company that its shares have traded at \$0.50 or more for ten consecutive trading days.