

**GREEN RIVER GOLD CORP.**

**FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED**

**December 31, 2018 and 2017**

**(Unaudited – Prepared by Management)**

**NOTICE OF NO AUDITOR REVIEW**

**The accompanying unaudited financial statements have been prepared by management.**

**The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.**

**Green River Gold Corp.**  
**Statements of Financial Position**  
(Expressed in Canadian dollars)

	December 31, 2018	September 30, 2018
<b>ASSETS</b>		
Current		
Cash	3,322	174,571
Trade and other receivables (Note 4)	16,231	620
Inventory (Note 5)	225,923	-
	245,476	175,191
Fixed		
Shop equipment (Note 6)	58,332	-
	303,808	175,191
<b>LIABILITIES</b>		
Current		
Trade and other payables (Note 7)	37,987	40,391
	37,987	40,391
<b>EQUITY</b>		
Capital stock (Note 9 (b))	1,325,884	1,178,466
Reserve for warrants (Note 10)	193,947	193,947
Accumulated deficit	(1,254,010)	(1,237,613)
	265,821	134,800
	303,808	175,191

Nature of Operations and Going Concern (Note 1)  
Commitments and Contractual Obligations (Note 16)

Approved on behalf of the Board of Directors on March 1, 2019

“Perry Little” (signed)

Director

“Shawn Stockdale” (signed)

Director

The accompanying notes are an integral part of these audited financial statements

**Green River Gold Corp.**  
**Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

For the three month period ended December 31,	2018	2017
	\$	\$
Revenues		
Interest from gold loan	-	7,372
<b>Expenses</b>		
Accounting, audit and legal	8,059	87
Exploration and evaluation expenditures (Note 11)	-	8,845
Interest and bank charges	199	105
Management fees (Note 8)	-	-
Office, general and administration	206	-
Public relations, filing, transfer and regulatory fees	3,569	2,755
Travel and accomodations	4,364	
	16,397	11,792
Net loss and comprehensive loss	16,397	4,420
Loss per share - basic and diluted	0.00	0.00
Weighted average number of common shares - basic and diluted (000's)	20,009	15,745

The accompanying notes are an integral part of these audited financial statements

**Green River Gold Corp.**  
**Statement of Changes in Equity**  
(Expressed in Canadian dollars)

(As Restated – Note 17)

	Share Capital		Reserves	Accumulated deficit	Total
	Number of shares	Amount	Warrants		
Balance at October 1, 2017	15,745,749	1,054,259	139,859	(1,165,648)	28,470
Shares issued (note 9)	3,152,000	135,032	54,088	-	189,120
Share issuance costs	-	(10,825)	-	-	(10,825)
Net loss for the year	-	-	-	(71,965)	(71,965)
Balance at September 30, 2018	18,897,749	1,178,466	193,947	(1,237,613)	134,800
Shares issued (note 9)	2,557,000	109,542	43,878	-	153,420
Share issuance costs	-	(6,002)	-	-	(6,002)
Net loss for the three month period	-	-	-	(16,397)	(16,397)
Balance at December 31, 2018	21,454,749	1,282,006'	237,825	(1,254,010)	265,821

The accompanying notes are an integral part of these audited financial statements

**Green River Gold Corp.**  
**Statement of Cash Flows**  
(Expressed in Canadian Dollars)

For the three months ended December 31,	2018	2017
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(16,397)	(4,420)
Change in non-cash working capital		
Trade and other receivables	(15,611)	3,407
Gold inventory		(1,555)
Inventory	(225,923)	
Trade and other payables	(2,404)	(8,895)
Cash generated (used) in operating activities	(260,335)	(11,463)
<b>Financing activities</b>		
Proceeds on issuance of common shares (Note 9)	153,420	-
Share issuance costs	(6,002)	-
Cash generated in financing activities	147,418	-
<b>Investing activities</b>		
Investment in shop equipment	(58,332)	
Repayments from gold loan receivable	-	15,747
Cash generated (used in) investing activities	(58,332)	15,747
<b>Increase (decrease) in cash</b>	(171,249)	4,284
<b>Cash, beginning of period</b>	174,571	811
<b>Cash, end of period</b>	3,322	5,095
<b>Supplementary Information</b>		
Interest paid	199	105
Income tax paid	-	-

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

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Green River Gold Corp. ("the Company") was incorporated on June 5, 2006 under the Canada Business Corporations Act as Minerva Minerals Limited. On June 25, 2013 the Company received approval to change its name from Minerva Minerals Limited to Greywacke Exploration Ltd. On August 25, 2017, the Company's shareholders approved a name change to Green River Gold Corp. The Company began trading under the new name and ticker symbol CCR on September 8, 2017. The Company's head office is now located at Suite 115, 6220 Fulton Road, Edmonton, Alberta T6A 3T4. The shares of the Company are listed on the Canadian Stock Exchange ("the CSE"), and commenced trading on August 13, 2007. The Company is in the business of location, acquisition, exploration and development of mineral properties with a concentration on alluvial gold properties. The Company will also seek other business opportunities related to placer gold mining, including providing financing to private companies involved in the industry.

On July 3, 2018 the company announced that it has entered into a letter of intent with 1070923 B.C. Ltd. to form a Limited Partnership pursuant to the laws of the Province of British Columbia to be named 'Green River Gold Industries LP' (Note 16). Each of the Company and 1070923 B.C. Ltd. will own 50% of the issued units of the Limited Partnership. 1070923 B.C. Ltd. will contribute manufacturing inventory and equipment from its existing business to the Limited Partnership in exchange for its Limited Partnership units and a promissory note from the Limited Partnership. The amount of the note will be determined by the final assessed value of the property being contributed. Also, on July 3, 2018, the Company announced a non-brokered private placement of a minimum of 5,000,000 units to raise gross proceeds of at least \$300,000. The total gross proceeds raised in two tranches was \$342,540. Green River Gold Corp. will contribute assets acquired with the proceeds of the recently completed non-brokered private placement in exchange for its 50% interest in the Limited Partnership. The Limited Partnership will continue the existing business of 1070923 B.C. Ltd. as it pertains to the manufacturing of mining equipment and general welding and mechanical services. As at the date of these financial statements, the two parties are still performing due diligence with full intent of completing the transaction.

**Going Concern**

The Company's ability to continue to operate and to meet its obligations as they come due is dependent upon its ability to obtain additional financing as necessary and to successfully locate and develop alluvial gold properties or related opportunities with economic potential. The ultimate outcomes of these matters cannot presently be determined because they are contingent on future events. The proposed Limited Partnership is a new venture for the Company and the related existing business has a limited operating history.

As at December 31, 2018, the Company had working capital of \$207,489 (September 30, 2018 – working capital of \$134,800), had not yet achieved profitable operations, had accumulated losses of \$1,254,010 (September 30, 2018 - \$1,237,613) and may incur further short-term losses in the development of its business, all of which create material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**1, NATURE OF OPERATIONS AND GOING CONCERN (continued)**

There can be no assurance that the Company will be successful in acquiring properties that will result in profitable mining operations or that the Company's other business ventures will be profitable. The Company's continued existence is dependent upon its ability to locate suitable properties containing economically recoverable reserves, the achievement of profitable operations from other business ventures and the ability of the Company to raise alternative financing, if necessary. The Company is also pursuing additional opportunities to profit from providing financing to private placer mining enterprises.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

**2. BASIS OF PRESENTATION**

**2.1 Statement of compliance**

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the periods ended December 31, 2018 and December 31, 2017, using the significant accounting policies outlined in Note 3.

These financial statements were authorized by the Board of Directors of the Company on March 1, 2019.

**2.2 Basis of presentation**

These financial statements have been prepared on the historical cost basis except for certain financial instruments described in Note 5 and are prepared in Canadian dollars, which is the Company's functional currency.

**2.3 New standards not yet adopted**

**IFRS 9 – Financial Instruments**

This standard partially replaces IAS 39 – Financial Instruments Recognition and Management. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities. The Company may, but is not required to, apply the standard retroactively. In and after the year of adoption, certain disclosures relating to financial assets will change to conform to the new categories. The Company is in the process of evaluating the impact of the new standard.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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

### **IFRS 15 - Contracts from Customers**

IFRS 15 introduces a single model for recognizing revenue from contracts with customers with the exception of certain contracts under IFRS's such as IAS 17, Leases. This standard requires revenue to be recognized in a method that depicts that transfer of promised goods or services to a customer and an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. IFRS 15 supercedes existing standards and interpretations including IAS 18, Revenue and IFRIC 13, Customer Loyalty Programs. The effective date of IFRS 15 is January 1, 2018. The Company is in the process of evaluating the impact of the new standard.

### **IFRS 16 – Leases**

In January 2016, the IASB issued a new standard on leases, IFRS 16 – Leases will require lessees to recognize assets and liabilities for most leases under a single accounting model for which all leases will be accounted for, with certain exemptions. For lessors, IFRS 16 is expected to have little change from existing accounting standards (IAS 17- Leases). IFRS 16 will be effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided the new revenue standard, IFRS 15, has been applied at the same date as IFRS 16. The Company is in the process of evaluating the impact of the new standard.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Cash**

Cash in the statement of financial position comprise cash at banks.

### **3.2 Exploration and evaluation assets**

All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into Property, Plant and Equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

### **3.3 Taxes**

Tax expense recognized net loss comprises the sum of deferred tax and current tax. Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.



**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **3.3 TAXES (Continued)**

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred income tax assets are reassessed each reporting period and are recognized to the extent it has become probable that the future taxable profits will be available to allow the asset to be recovered.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on income tax rates and income tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities. Deferred income tax assets and liabilities are presented as non-current.

#### **3.4 Share capital and warrants**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and warrants are classified as equity instruments. For compound financial instruments, the residual value method is used with the value of the warrants being calculated first using the Black-Scholes option-pricing model and the residual being allocated to share capital.

#### **3.5 Share based payments**

Options and warrants granted are accounted for using the fair value method. Under this method, the fair value of stock options and warrants granted are measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options granted or fair value recorded in warrants is transferred to share capital.

The Company uses the Black-Scholes option-pricing method to determine the fair value of these incentives taking into consideration terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest, if applicable.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

#### **3.6 Loss per share**

Basic per share amounts are calculated using the weighted average number of shares outstanding during the period. Diluted per share amounts are calculated by dividing the net loss attributable to ordinary shares by the weighted average number of ordinary shares assuming that any proceeds received on exercise of options or warrants would be used to purchase common shares at the average market price during the period. The weighted average number of shares outstanding is then adjusted by the net change.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.7 Financial instruments**

***Financial assets***

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held for trading, available-for-sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company has no financial assets classified as available for sale.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company’s trade and other receivables and the host debt portion of the gold loan receivable are classified as loans-and-receivables.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash is classified as FVTPL.

Embedded derivatives, such as the Company’s gold loan receivable (Note 5) are separated from the host contract and accounted for as derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the combined instrument is not measured at FVTPL. The gold loan is repayable in physical gold or its cash equivalent at each repayment date.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

***Financial liabilities***

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or Other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s trade and other payables are classified as other-financial-liabilities.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2018, the Company has not classified any financial liabilities as FVTPL.

#### **3.8 Impairment**

##### **Financial assets**

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

##### ***Assets carried at amortized cost***

If there is objective evidence that an impairment loss on an asset carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss on an asset decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss recognized in profit and loss when there is objective evidence (such as probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

##### ***Available-for-sale***

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

##### **Non-financial assets**

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belong.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **3.8 Impairment (Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years.

#### **3.9 Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

#### **3.10 Significant accounting judgments and estimates**

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to the valuation of the derivative liability, the valuation of deferred income tax amounts and the calculation of share based payments, and warrants. The most significant judgments relate to recognition of deferred tax assets and liabilities, determination of the commencement of commercial production and the determination of the economic viability of a project.

#### **3.11 Gold inventory**

Gold inventory, which consists of gold payments received on the Company's gold loan receivable is stated at the lower of cost and net realizable value.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.12 Revenue recognition**

Interest revenue is recorded as earned using the effective interest rate method.

Gold sales are recorded at the time that the gold is delivered, the price is established and consideration is expected to be received.

**3.13 Inventory**

Equipment inventory, which is equipment acquired or manufactured for resale, is stated at the lower of cost and net realizable value.

**3.14 Fixed assets**

Fixed assets consist of shop equipment. The assets are recorded at cost. The Company's depreciation policy is to depreciate the shop equipment at 20% per year over a four year period, leaving a residual value of 20% of the original cost of the asset.

**4. TRADE AND OTHER RECEIVABLES**

The Company's trade and other receivables arise from goods and services tax ("GST") due from the Canadian government. These are broken down as follows:

	As at,	
	December 31, 2018	September 30, 2018
GST receivable	\$16,231	\$620
<hr/>		
Total trade and other receivables	\$16,321	\$620

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At December 31, 2018, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**5. INVENTORY**

Inventory consists of mining equipment purchased or manufactured for resale. During the three months ended December 31, 2018, the Company acquired \$225,923 of mining equipment from 1960146 Alberta Ltd. Perry Little and Shawn Stockdale are the Directors and Officers of 1960146 Alberta Ltd and also Directors and Officers of Green River Gold Corp. The items acquired were acquired at the same prices paid for those assets by 1960146 Alberta Ltd. It is the intention of the Company to contribute the inventory to the Green River Gold Industries LP at the same price paid by the Company. At the date of these financial statements, the Green River Gold Industries LP transaction has not been finalized.

Inventory is stated at the lower of cost and net realizable value.

**6. FIXED ASSETS – SHOP EQUIPMENT**

Shop equipment consists of equipment to be used in the Company’s manufacturing operations. During the three months ended December 31, 2018, the Company acquired \$58,332 of shop equipment. Of this amount, \$14,000 was acquired from an unrelated third party vendor and \$44,332 was acquired from 1960146 Alberta Ltd. Perry Little and Shawn Stockdale are the Directors and Officers of 1960146 Alberta Ltd. and also Directors and Officers of Green River Gold Corp. The items acquired from 1960146 Alberta Ltd. were acquired at the same prices paid for those assets by 1960146 Alberta Ltd. It is the intention of the Company to contribute the shop equipment to the Green River Gold Industries LP at the same price paid by the Company. At the date of these financial statements, the Green River Gold Industries LP transaction has not been finalized.

Fixed assets are recorded at cost. The Company’s depreciation policy is to depreciate shop equipment at 20% per year on a straight-line basis over a four year period, leaving a residual value of 20% of the original cost. No depreciation is recorded in the fiscal quarter of acquisition or disposal of a fixed asset.

**7. TRADE AND OTHER PAYABLES**

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	As at,	
	December 31,	September 30,
	<u>2018</u>	<u>2018</u>
	\$	\$
Less than 3 months	<u>37,987</u>	<u>40,391</u>

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
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**8, RELATED PARTY TRANSACTIONS**

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other services to Green River Gold Corp. All transactions are conducted in the normal course of operations. During the three months ended December 31, 2018, the Company incurred management fee expenses of \$Nil (2017 - \$Nil) to shareholders or directors of the Company, for providing officers, directors. and investor relation services to the Company.

As described above in Note 1 to these financial statements, on July 3, 2018, the Company signed a Letter of Intent regarding the formation of a Limited Partnership with 1070923 B.C. Ltd. Two of the directors and officers of the Company, Pearson John (Perry) Little and Shawn Stockdale are also the directors and officers of 1070923 B.C. Ltd.

During the three months ended December 31, 2018, the Company acquired inventory and shop equipment with a total cost of \$270,255 from 1960146 Alberta Ltd. Two of the directors and officers of the Company, Pearson John (Perry) Little and Shawn Stockdale are also the directors and officers of 1960146 Alberta Ltd. The assets were acquired at the same prices paid for those assets by 1960146 Alberta Ltd. It is the intention of the Company to contribute the inventory and shop equipment to the Green River Gold Industries LP at the same prices paid by the Company. See Notes 5 and 6 above for additional details. At the date of these financial statements, the Green River Gold Industries LP transaction has not been finalized.

**9. SHARE CAPITAL**

(a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value.

(b) Changes in issued capital stock to December 31, 2018 were as follows:

	Number of Shares	Amount \$
Balance, September 30, 2016	10,440,499	788,997
.Shares issued in settlement of debt	5,305,250	265,262
Balance, September 30, 2017	15,745,749	1,054,259
Shares issued, net of issuance costs	3,152,000	124,207
Balance, September 30, 2018	18,897,749	1,178,466
<u>Shares issued, net of issuance costs</u>	<u>2,557,000</u>	<u>103,540</u>
<u>Balance, December 31, 2018</u>	<u>21,454,749</u>	<u>1,282,006</u>

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**9. SHARE CAPITAL (Continued)**

On July 14, 2017 the Company issued 5,305,250 shares in settlement of \$318,552 of trade payables (inclusive of interest). The shares were issued at a deemed price of \$0.06 per share. At the time, the shares were trading at \$0.05, leading to a \$53,290 gain on settlement of debt in 2017. Of the total shares issued, 1,250,000 shares were issued to Shawn Stockdale who is a director and officer of the Company.

On September 26, 2018 the Company issued 3,152,000 units at a price of \$0.06 per unit for gross proceeds of \$189,120. After the related share issuance costs of \$10,825, the net proceeds were \$178,295. Each unit consists of one Common Share of the Company and one half of one Common Share purchase warrant. Each full warrant will be exercisable to acquire one Common Share for a period of 12 months following the closing of the offering. The value of the warrants issued was calculated as \$54,088 using the Black-Scholes pricing model as described more fully in Note 10 below.

On November 22, 2018 the Company issued 2,557,000 units at a price of \$0.06 per unit for gross proceeds of \$153,420. After the related share issuance costs of \$6,002, the net proceeds were \$147,418. Each unit consists of one Common Share of the Company and one half of one Common Share purchase warrant. Each full warrant will be exercisable to acquire one Common Share for a period of 12 months following the closing of the offering. The value of the warrants issued was calculated as \$43,878 using the Black-Scholes pricing model as described more fully in Note 10 below.

(c) Stock options

During the 2007 year, a stock option plan was approved by the directors and shareholders of the Company. The plan provides that the aggregate number of shares reserved for issuance is to be 10% of the total number of issued and outstanding common shares of the Company from time to time. These options vest immediately when issued, unless otherwise stated.

As at December 31, 2018, the Company had 1,574,575 (2017 – 1,574,575) options available for issuance under the plan.

As at December 31, 2018 and 2017, there were no stock options issued and outstanding under this plan.

(d) Warrants

A summary of the outstanding warrants is as follows:

	December 31, 2018		September 30, 2018	
	Warrants	Exercise Price	Warrants	Exercise Price
Outstanding, beginning of period	1,576,000	\$ 0.10	-	-
Warrants granted	1,278,500	0.10	1,576,000	0.10
Outstanding and exercisable, end of period	2,854,500	\$ 0.10	1,576,000	\$ 0.10



**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**10. RESERVE FOR WARRANTS**

Reserve for warrants is comprised of the following:

	December 31, 2018	September 30, 2018
Balance, beginning of period	\$ 193,947	\$ 139,859
Warrants granted	43,878	54,088
Balance, end of period	\$ 237,825	\$ 193,947

On September 26, 2018 the Company issued 1,576,000 common share purchase warrants as part of the first tranche of a financing. Each warrant entitled the holder to purchase one common share of the Company at a price of \$0.10 for a period of 12 months and vested immediately. In accordance with the Company's accounting policy regarding unit bifurcation, the Corporation calculated the unit fair value of these warrants at \$54,088. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 190.50%, and a risk-free interest rate of 2.19%.

On November 22, 2018, the Company issued 1,278,500 common share purchase warrants as part of the second and final tranche of a financing. Each warrant entitled the holder to purchase on common share of the Company at a price of \$0.10 for a period of 12 months and vested immediately. In accordance with the Company's accounting policy regarding unit bifurcation, the Corporation calculated the unit fair value of these warrants at \$43,878. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 190.50%, and a risk-free interest rate of 2.19%.

**11. EXPLORATION AND EVALUATION EXPENDITURES**

The Company incurred exploration expenditures of \$8,845 during the three month period ended December 31, 2017.

The expenses were incurred digging test pits on two alluvial gold properties that were of interest to the Company. The decision has been made to not pursue the acquisition of either of the two properties. There were no exploration expenditures in the three months ended December 31, 2018.

**12. CAPITAL MANAGEMENT**

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of mineral properties or other investments. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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## **12. CAPITAL MANAGEMENT (Continued)**

To enable the Company to carry out any planned exploration or other investment and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and other investments and seek to acquire an interest in additional properties and other investments if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended December 31, 2018. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be equity, which is comprised of share capital, reserve accounts, and accumulated deficit, which as at December 31, 2018 totaled \$265,821 (September 30, 2018 - \$134,800).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration and other investment activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of mineral deposits and other investments. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and short-term guarantee deposits, all held with a major Canadian financial institution.

## **13. FINANCIAL INSTRUMENTS**

### **Fair Value Hierarchy**

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

*Level 1* - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

*Level 2* - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

*Level 3* - valuation techniques using inputs for the asset or liability that are not based on observable market data.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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### **13. FINANCIAL INSTRUMENTS (Continued)**

#### **Fair Value**

The Company has designated its cash and the derivative portion of the gold loan receivable as FVTPL, which is measured at fair value. These fair value measurements are based on Level 1 measurements. Trade and other receivables are classified for accounting purposes as loans-and-receivables, which are measured at amortized cost which approximates fair value. Trade and other payables are classified for accounting purposes as other-financial-liabilities, which are measured at amortized cost which also approximates fair value. As at December 31, 2018, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### **Credit Risk**

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations.

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions.

#### **Interest Rate Risk**

The Company is not exposed to significant interest rate risk due to the short-term nature of its financial instruments.

#### **Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2018, the Company had current assets of \$245,476 (September 30, 2018 - \$175,191) and current liabilities of \$37,987 (September 30, 2018 - \$40,391). The Company's financial liabilities and receivables are all subject to normal trade terms. The Company had current working capital of \$207,489 as of December 31, 2018 (September 30, 2018 - \$134,800).

### **14. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

The Company currently has no significant commitments or contractual obligations.

The Company's current Chief Executive Officer and Chief Financial Officer were paid a total of \$6,000 and \$4,000 respectively for their services over the period from May 17, 2017 to September 30, 2017 as specifically approved by the Board of Directors. No management fees were paid to any Officers or Directors in the year ended September 30, 2018 or in the three months ended December 31, 2018. There is currently no management service agreement with the new management team.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

**15. INCOME TAXES**

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective rates for the years ended September 30, 2018 and 2017 is as follows:

	<b>2018</b>	<b>2017</b>
Combined statutory income tax rate	27.0%	27.0%
Recovery of income taxes computed at statutory rates	(19,000)	(5,000)
Share issuance costs	(4,000)	(3,000)
Tax benefits of losses and temporary differences not recognized	23,000	8,000
<b>Income tax provision</b>	<b>-</b>	<b>-</b>

The Canadian statutory income tax rate of 27% (2017 – 27%) is comprised of the federal income tax rate at approximately 15.0% (2017 – 15%) and the provincial income tax rate of approximately 12% (2017 – 12%). The primary differences which give rise to the deferred tax recoveries at September 30, 2018 and 2017 are as follows:

<b>Deferred tax assets</b>	<b>2018</b>	<b>2017</b>
Share issue costs and other	4,000	3,000
Exploration and evaluation expenditures	70,000	73,000
Non-capital losses carried forward	302,000	281,000
	376,000	357,000
Less: tax benefits not recognized	(376,000)	(357,000)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>

The unamortized balance, for income tax purposes, of the share issuance fees and transaction costs amounts to \$15,978 (2017 – \$10,978) and will be deducted in Canada over the next 4 (2017 – 3 years).

The Company has available for carry forward non-capital losses of \$1,118,338 (2017 – \$1,047,067) to offset future taxable income over the next 8 to 20 years.

In addition, as at September 30, 2018, the Company had Cumulative Canadian Development Expenses and Canadian Exploration Expenses totaling approximately \$261,162 (2017 – \$271,463), which are deductible against future year's taxable income and have no expiry date.

The Company has not recognized the potential tax benefit of these tax losses and deductions, as the ability of the Company to realize that benefit is uncertain.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**16. EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events after the reporting period.

**17. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS**

The financial statements for 2017 have been restated to correct two material errors.

The first error was a failure to recognize a gain on the settlement of debt when the Company issued 5,305,250 shares in settlement of \$318,552 of outstanding debt. The shares were issued at a deemed price of \$0.06. At the time that the shares were issued, the Company's shares were trading at \$0.05.

As a result, the Company should have recognized a gain on the settlement of debt totalling \$53,290 based on the difference between the \$0.06 deemed price of the shares and the lower actual trading price of \$0.05.

The restated 2017 financial statements reflect the correction of this error. A new line item on the Statement of Loss, gain on settlement of debt has been added, in the amount of \$53,290, and share capital at September 30, 2017 has been reduced by \$53,290. The correction reduces the Net Loss for the Year by \$53,290.

The second error related to an incorrect accounting policy being applied to the Company's gold loan receivable in 2017. On the original 2017 financial statements, the gold loan receivable was classified as an available for sale asset, and a fair value adjustment to the gold loan in the amount of \$19,924 was recorded as other comprehensive income. IAS 39 does not allow the gold loan, which is a compound instrument, to be classified as available for sale. The Company has corrected the error by accounting for the compound instrument whereby the host gold loan instrument has been accounted for at amortized cost and the gold linked derivative has been accounted for at FVTPL.

The restated 2017 financial statements reflect the correction of this error. The gold loan has been separated into its component parts and presented as gold loan receivable of \$45,882 and derivative liability of \$2,000. Interest from the gold loan in 2017 totalling \$30,800 has been presented separately from the derivative fair value adjustment of \$2,384 on the Statement of Loss. The other comprehensive income-fair value adjustment to gold loan which totalled \$19,924 has been removed from the restated 2017 financial statements. The error correction reduces the net Net Loss for the Year by \$7,974.

The following table highlights the changes in the restated 2017 financial statements:

Statement of Financial Position:

	As originally stated	As restated	Change
Gold loan receivable	\$55,832	\$45,882	\$(9,950)
Derivative liability	-	2,000	2,000
Capital stock	1,107,549	1,054,259	(53,290)
Accumulated deficit	(1,206,988)	(1,165,648)	41,340

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the three months ended December 31, 2018 and 2017**  
(Expressed in Canadian dollars)

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**17. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS (Continued)**

Statement of Loss and Comprehensive Loss:

	As originally stated	As restated	Change
Interest from gold loan	\$20,342	\$30,700	\$10,358
Derivative fair value adjustment	-	(2,384)	(2,384)
Gain on debt settlement	-	53,290	53,290
Net loss	81,302	20,038	(61,264)
Other comprehensive income	19,924	-	(19,924)
Net loss and comprehensive loss	61,378	20,038	(41,340)

Statement of Changes in Equity:

	As originally stated	As restated	Change
Shares issued for debt	\$318,522	\$265,262	\$(53,260)
Net loss	(81,302)	(20,038)	61,264
Other comprehensive income	19,924	-	(19,924)

Statement of Cash Flows:

	As originally stated	As restated	Change
Total comprehensive loss	\$(61,378)	\$(81,302)	\$19,924
Non-cash items			
Accretion of gold loan receivable	-	(30,700)	(30,700)
Loss on derivative fair value adjustment	-	2,384	2,384
Gain on debt settlement	-	(53,290)	(53,290)
Change in non-cash working capital			
Gold loan receivable	(55,832)	-	(55,832)
Advance of gold loan receivable	-	(50,000)	(50,000)
Repayments from gold loan receivable	-	34,434	34,434

The changes above resulted in a decrease in the Company's cash used in operations of \$15,566 with a corresponding increase in its cash used in investing activities for the year ended September 30, 2017.