

Fox River Resources Corporation

Condensed Interim Consolidated Financial Statements

For the three and nine months ended July 31, 2019

(unaudited)

(presented in Canadian dollars)

Notice of non-review of condensed interim financial statements

In accordance with National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators, notice is given that the condensed interim consolidated financial statements for the nine month period ended July 31, 2019 have not been reviewed by the Company's auditors.

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Financial Position
(unaudited)

As at	Jul. 31, 2019	Oct. 31, 2018
Assets		
Current assets		
Cash and cash equivalents (note 3a)	\$ 914,667	\$ 1,136,298
Accounts receivable	7,067	5,233
Prepaid expenses	13,309	5,609
Marketable securities (note 8)	55,648	-
	990,691	1,147,140
Non-current assets		
Restricted cash (note 3a)	5,000	5,000
Total assets	\$ 995,691	\$ 1,152,140
Liabilities		
Accounts payable and accrued liabilities	\$ 2,827	\$ 25,953
	2,827	25,953
Shareholders' equity		
Share capital (note 4)	1,271,643	1,271,643
Share based payment reserve (note 5)	96,580	96,580
Deficit	(375,359)	(242,036)
	992,864	1,126,187
Total liabilities and shareholders' equity	\$ 995,691	\$ 1,152,140

Events after the reporting period (note 14)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)
(unaudited)

	Three months ended Jul. 31, 2019	Three months ended Jul. 31, 2018	Nine months ended Jul. 31, 2019	Nine months ended Jul. 31, 2018
Expenses				
Consulting fees (note 10)	\$ 25,500	\$ 25,500	\$ 76,500	\$ 56,500
Administration	9,462	8,702	30,227	27,801
Exploration & evaluation expenditures (note 9 & 10)	9,585	9,101	29,520	31,649
Shareholder information	3,341	3,345	25,097	23,970
Professional fees	475	513	2,019	4,817
(Loss) from operations	(48,363)	(47,161)	(163,363)	(144,737)
Interest income	4,440	3,923	14,518	5,973
Unrealized gain (loss) on marketable securities	15,522	-	15,522	-
Gain on sale of land (note 7)	-	-	-	559,699
Transaction costs on sale of land (note 7)	-	-	-	(57,142)
Net income (loss) and comprehensive income (loss)	\$ (28,401)	\$ (43,238)	\$ (133,323)	\$ 363,793
Basic and fully diluted income (loss) per share (note 6)	\$ (0.001)	\$ (0.001)	\$ (0.003)	\$ 0.009

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Cash Flows
(unaudited)

For the nine months ended,	Jul. 31, 2019	Jul. 31, 2018
Cash flows from operating activities		
Net income (loss)	\$ (133,323)	\$ 363,793
Gain on sale of land	-	(559,699)
Unrealized gain (loss) on marketable securities	(15,522)	-
Changes in non-cash working capital items		
Accounts receivable	(1,834)	(1,263)
Prepaid expenses	(7,700)	(2,861)
Accounts payable and accrued liabilities	(23,126)	(17,870)
	(181,505)	(217,900)
Cash flows from investing activities		
Purchase of marketable securities	(40,126)	-
Sale of land (note 7)	-	1,000,000
	(40,126)	1,000,000
Net change in cash and cash equivalents	(221,631)	782,100
Cash and cash equivalents, beginning of period	1,136,298	388,749
Cash and cash equivalents, end of period	\$ 914,667	\$ 1,170,849

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Fox River Resources Corporation
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(unaudited)

	Number of shares	Share capital	Share based payment reserve	Deficit	Total
Balance, October 31, 2017	41,278,527	\$ 1,271,643	\$ 96,580	\$ (539,317)	\$ 828,906
Net income and comprehensive income for the period	-	-	-	363,793	363,793
Balance, July 31, 2018	41,278,527	\$ 1,271,643	\$ 96,580	\$ (175,524)	\$ 1,192,699
Net loss and comprehensive loss for the period	-	-	-	(66,512)	(66,512)
Balance, October 31, 2018	41,278,527	\$ 1,271,643	\$ 96,580	\$ (242,036)	\$ 1,126,187
Net loss and comprehensive loss for the period	-	-	-	(133,323)	(133,323)
Balance, July 31, 2019	41,278,527	\$ 1,271,643	\$ 96,580	\$ (375,359)	\$ 992,864

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Fox River Resources Corporation
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended July 31, 2019
(unaudited)

1. REPORTING ENTITY

Fox River Resources Corporation ("Fox River" or the "Company") was incorporated pursuant to the Canada Business Corporations Act under the name "9508309 Canada Inc." on November 12, 2015. Articles of amendment were subsequently filed on December 7, 2015 to change the name of the Company to "Fox River Resources Corporation". The registered office of the Company is located at 350 Bay Street, Suite 700, Toronto, Ontario M5H 2S6. The Company has one wholly-owned subsidiary: Baltic Resources Inc. ("Baltic").

The Company's business plan includes acquiring, exploring, evaluating and developing mineral and natural resources properties such as its wholly-owned Martison Phosphate Project.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") on the basis of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information required for full annual financial statements as required by IFRS. These condensed interim consolidated financial statements are presented in Canadian dollars and should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2018.

These condensed interim consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The Board of Directors approved the condensed interim consolidated financial statements and authorized their issuance on September 26, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in the most recently completed audited consolidated financial statements for the year ended October 31, 2018.

(a) Cash and cash equivalents

Cash and cash equivalents include money market instruments and Guaranteed Investment Certificates ("GICs") which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

	July 31, 2019	October 31, 2018
Cash	\$ 61,189	\$ 125,263
Money market instruments & GICs	853,478	1,011,035
Cash and cash equivalents	\$ 914,667	\$ 1,136,298

Restricted cash consists of GIC collateral of \$5,000 for a corporate credit card.

Fox River Resources Corporation
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended July 31, 2019
(unaudited)

(b) Changes in accounting policies

The Company adopted the following standard during the nine months ended July 31, 2019.

IFRS 9 Financial Instruments uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date for the application of IFRS 9 was November 1, 2018. The Company's adoption of IFRS 9 did not have a material impact upon the condensed interim consolidated financial statements.

(c) Future accounting pronouncements

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This list is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

In January 2016, the IASB issued a new International Financial Reporting Standard (IFRS) on lease accounting which was incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2016. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lease assets and liabilities are initially recognized on a present value basis and subsequently, similarly to other non-financial assets and financial liabilities, respectively. The lessor accounting requirements are substantially unchanged and, accordingly, continue to require classification and measurement as either operating or finance leases. The new standard also introduces detailed disclosure requirements for both the lessee and lessor. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company has reviewed the standard in detail and determined that the impact on the Company's financial statements will not be material.

4. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares with no par value and an unlimited number of non-voting special shares. As at July 31, 2019, the Company had 41,278,527 common shares issued and outstanding.

The Company did not issue any common shares during the nine months ended July 31, 2019.

	Number of Shares	Consideration
Balance, October 31, 2018 and July 31, 2019	41,278,527	\$ 1,271,643

Fox River Resources Corporation
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended July 31, 2019
(unaudited)

5. SHARE BASED PAYMENTS

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of five years with vesting requirements at the discretion of the Board of Directors.

The Company did not issue any share options during the nine months ended July 31, 2019.

	Options	Exercise price
Balance, October 31, 2018 and July 31, 2019	2,200,000	\$ 0.05

As at July 31, 2019, the following share options were outstanding and exercisable:

Expiry date	Options	Exercise price
April 1, 2021	2,200,000	\$ 0.05
Options Outstanding and Exercisable	2,200,000	\$ 0.05

6. INCOME (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted income (loss) per share:

	Three months ended Jul. 31, 2019	Three months ended Jul. 31, 2018	Nine months ended Jul. 31, 2019	Nine months ended Jul. 31, 2018
Net income (loss)	\$ (28,401)	\$ (43,238)	\$ (133,323)	\$ 363,793
Weighted-average common shares outstanding:				
Basic	41,278,527	41,278,527	41,278,527	41,278,527
Diluted	41,278,527	41,278,527	41,278,527	41,645,194
Basic income (loss) per common share	\$ (0.001)	\$ (0.001)	\$ (0.003)	\$ 0.009
Diluted income (loss) per common share	\$ (0.001)	\$ (0.001)	\$ (0.003)	\$ 0.009

7. LAND

On March 20, 2018, the Company sold the 71 acres of land the Company owned in the City of Brandon, Manitoba for gross proceeds of \$1,000,000. Prior to its sale, the land was carried at a book value of \$440,301. Accordingly, upon the closing of the sale, the Company recognized a gain of \$559,699. In connection with the sale, the Company incurred transaction costs totaling \$57,142, including real estate broker fees of \$50,000, and legal fees of \$7,142.

Fox River Resources Corporation
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended July 31, 2019
(unaudited)

8. MARKETABLE SECURITIES

The Company held the following marketable securities as at July 31, 2019:

Company	Security	Cost	Unrealized Gain/Loss	Jul. 31, 2019 Fair Value
Chibougamau Independent Mines Inc.	300,800 common shares	\$ 40,126	\$ 15,522	\$ 55,648

9. EXPLORATION AND EVALUATION EXPENDITURES

The Company owns a 100% interest in the Martison Phosphate Project (the "Project"), which is located about 70 kilometers northeast of the town of Hearst, Ontario. The Project mining leases and claims cover a contiguous area of approximately 8,256 ha. The Company's interest in the Project is subject to a net sales returns ("NSR") royalty of 1% for all phosphate concentrate sold, a royalty of \$0.40 per tonne of phosphate concentrate produced subject to escalation based on phosphoric acid prices, and an NSR royalty of 2% for all non-phosphate-related products sold. The Company has a one-time right to acquire the 1% NSR royalty prior to commencement of commercial production for \$3,000,000.

The following table sets forth the items under exploration and evaluation expenditures:

	Three months ended Jul. 31, 2019	Three months ended Jul. 31, 2018	Nine months ended Jul. 31, 2019	Nine months ended Jul. 31, 2018
Leases and property taxes ¹	\$ 4,185	\$ 3,701	\$ 11,159	\$ 15,449
Storage and rent	5,400	5,400	16,200	16,200
Technical and consulting	-	-	2,161	-
Exploration and evaluation expenditures	\$ 9,585	\$ 9,101	\$ 29,520	\$ 31,649

¹Includes property taxes paid on Martison mining leases and land in Brandon, Manitoba prior to the closing of the land sale on March 20, 2018.

10. RELATED PARTY TRANSACTIONS

(a) Director and executive compensation

Director and executive compensation for the periods ended July 31, 2019 and 2018 consisted of the following:

	Three months ended Jul. 31, 2019	Three months ended Jul. 31, 2018	Nine months ended Jul. 31, 2019	Nine months ended Jul. 31, 2018
Cash compensation	\$ 25,500	\$ 25,500	\$ 76,500	\$ 56,500
Total	\$ 25,500	\$ 25,500	\$ 76,500	\$ 56,500

Fox River Resources Corporation
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended July 31, 2019
(unaudited)

10. RELATED PARTY TRANSACTIONS (continued)

(b) Director and executive transactions

The aggregate value of transactions and outstanding balances relating to entities over which directors and executive management have control or significant influence were as follows:

	Note	Transaction value		Balance outstanding	
		9 mo. ended Jul. 31, 2019	9 mo. ended Jul. 31, 2018	Jul. 31, 2019	Jul. 31, 2018
Consulting fees	(i)	\$ 76,500	\$ 56,500	\$ -	\$ -
Exploration and evaluation expenditures	(ii)	16,200	16,200	-	-
Total		\$ 92,700	\$ 72,700	\$ -	\$ -

- (i) The Company pays consulting fees of \$5,000 per month to Stephen Case, the Chief Executive Officer and a Director, and \$3,500 per month to Fraser Laschinger, the Chief Financial Officer.
- (ii) The Company pays rent of \$1,800 per month for the storage of drill core and supplies to D&S McKinnon Holdings Limited, a corporation controlled by a relative of Gordon McKinnon, a Director of the Company.

11. COMMITMENTS AND CONTINGENCIES

(a) Mining leases

The Company has three 21-year mining leases with the Province of Ontario which grant the Company surface and mining rights to the Project. One of the mining leases commenced on August 1, 2002 and the remaining two on May 1, 2011. The aggregate annual payment for the three leases is estimated to be approximately \$13,000.

12. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholder's equity, which amounted to \$ 992,864 on July 31, 2019. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. Neither the Company nor its subsidiary is subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended July 31, 2019.

Fox River Resources Corporation
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended July 31, 2019
(unaudited)

13. FINANCIAL RISK FACTORS

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

(a) Credit risk

The Company's credit risk is primarily attributable to accounts receivable which consist primarily of Harmonized Sales Tax receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. As at July 31, 2019, the Company had cash and cash equivalents of \$ 914,667 to settle current liabilities of \$ 2,827 .

(c) Interest rate risk

The Company has cash balances and no interest-bearing debt. Interest rate risk is remote.

(d) Market price risk

The Company is indirectly exposed to price risk with respect to the price of phosphate products. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

14. EVENTS AFTER THE REPORTING PERIOD

On August 1, 2019, the Company announced the passing of Gordon McKinnon, a member of the Board of Directors.

On August 20, 2019, Elizabeth Leonard was appointed to the Company's Board of Directors. Concurrent with the appointment, Ms. Leonard was granted 500,000 share options exercisable at \$0.07 per share for a period of five years.