

**GREEN RIVER GOLD CORP.**

**FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED**

**March 31, 2020 & 2019**

**(Unaudited -Prepared by Management)**

**NOTICE OF NO AUDITOR REVIEW**

**The accompanying unaudited interim 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.**  
**Notes to the Financial Statements**  
**For the Three Months Ended December 31, 2019 and 2018**  
(Expressed in Canadian dollars)

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

	March 31, 2020 \$	September 30, 2019 \$
<b>ASSETS</b>		
Current		
Cash	16	1,381
Trade and other receivables (Note 4)	1,364	3,242
Equipment inventory (Note 5)	304,255	304,255
Retail store inventory (Note 6)	30,115	9,817
Prepaid expenses	38,990	550
	374,740	319,245
Automotive equipment (Note 7)	29,322	32,580
Exploration and evaluation assets (Note 8)	356,761	270,388
	760,823	622,213
<b>LIABILITIES</b>		
Current		
Trade and other payables (Note 9)	115,116	86,089
Loans payable (Note 10)	143,596	50,913
Loans payable to related parties (Note 11)	37,673	47,757
Current portion of long term debt (Note 12)	2,801	3,696
	299,186	188,455
Long term debt (Note 12)	15,899	16,815
Convertible debentures (Note 13)	89,302	82,033
	404,387	287,303
<b>EQUITY</b>		
Capital stock (Note 14b)	1,511,847	1,401,132
Reserve for warrants (Note 15)	260,105	255,553
Equity portion of convertible debentures (Note 13)	28,374	28,374
Accumulated deficit	(1,443,890)	(1,350,149)
	356,436	334,910
	760,823	622,213

Approved on behalf of the Board of Directors on June 1, 2020

“Perry Little” (signed)

Director

“Shawn Stockdale” (signed)

Director

The accompanying notes are an integral part of these unaudited interim financial statements

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
**For the Three Months Ended December 31, 2019 and 2018**  
(Expressed in Canadian dollars)

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

For the periods ended March 31	Three Months		Six Months	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenues				
Retail sales (Note 6)	4,689	-	8,412	-
	-	-	-	-
Cost of goods sold	2,215	-	4,647	-
Gross profit	2,474	-	3,765	-
<b>Expenses</b>				
Accounting fees	1,206	140	2,455	385
Accretion expense	2,942	-	7,270	-
Advertising and promotion	679	15,000	1,142	-
Audit fees	8,000	19,020	16,000	21,000
Contract labour	10,794	-	19,645	-
Depreciation	1,629	-	3,258	-
Exploration and evaluation expenditures	-	19,049	-	19,049
Insurance	592	-	1,183	-
Interest and bank charges	6,256	-	11,116	1,129
Legal fees	8,100	1,420	14,738	7,254
Office, general and administration	2,430	-	8,563	206
Public relations, filing, transfer and regulatory fees	3,827	5,898	6,571	9,407
Rent	2,618	-	3,852	-
Repairs and maintenance	417	-	857	-
Telecommunications	444	-	740	-
Travel	-	-	116	4,364
	49,934	46,457	97,506	62,794
Net loss and comprehensive loss	48,728	46,457	93,741	62,794
Loss per share - basic and diluted	0.00	0.00	0.00	0.00
Weighted average number of common shares - basic and diluted (000's)	25,043	21,455	24,546	20,710

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

	Share Capital		Reserves	Equity Portion of Convertible Debentures	Accumulated deficit	Total
	Number of shares	Amount	Warrants			
Balance at October 1, 2018	18,897,749	\$ 1,178,466	\$ 193,947	-	\$ (1,237,613)	\$ 134,800
Shares issued (Note 14)	4,557,000	\$ 233,653	\$ 61,606	-	-	\$ 295,259
Share issuance costs	-	\$ (10,987)	-	-	-	\$ (10,987)
Convertible Debentures Issued (Note 13)	-	-	-	\$ 28,374	-	\$ 28,374
Net loss for the year	-	-	-	-	\$ (112,536)	\$ (112,536)
Balance at September 30, 2019	23,454,749	\$ 1,401,132	\$ 255,553	\$ 28,374	\$ (1,350,149)	\$ 334,910

	Share Capital		Reserves	Equity Portion of Convertible Debentures	Accumulated deficit	Total
	Number of shares	Amount	Warrants			
Balance at October 1, 2019	23,454,749	\$ 1,401,132	\$ 255,553	\$ 28,374	\$ (1,350,149)	\$ 334,910
Shares issued (Note 14)	1,810,000	\$ 118,948	\$ 4,552	-	\$ -	\$ 123,500
Share issuance costs	-	\$ (8,233)	-	-	-	\$ (8,233)
Net loss for the six month period	-	-	-	-	\$ (93,741)	\$ (93,741)
Balance at March 31, 2020	25,264,749	\$ 1,511,847	\$ 260,105	\$ 28,374	\$ (1,443,890)	\$ 356,436

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**Green River Gold Corp.**  
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**For the Three Months Ended December 31, 2019 and 2018**  
(Expressed in Canadian dollars)

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

	\$	\$
<b>Operating activities</b>		
Net loss and comprehensive loss for the period	(93,741)	(62,794)
Items not affecting cash		
Change in non-cash working capital		
Trade and other receivables	1,878	(13,456)
Equipment inventory	-	(284,255)
Retail store inventory	(20,298)	-
Prepaid expenses	(38,440)	-
Trade and other payables	29,026	13,397
Loan payable	-	
Loans payable to related parties	-	
Depreciation expense	3,258	-
Accretion expense	7,270	-
Cash generated (used) in operating activities	(111,047)	(347,108)
<b>Financing activities</b>		
Proceeds from loans payable	92,683	12,063
Proceeds (repayments) from loans from related parties	(10,084)	19,125
Proceeds on issuance of common shares (Note 14)	104,300	153,420
Share issuance costs	(8,233)	(9,257)
Repayment of long term debt	(1,811)	-
Cash generated in financing activities	176,855	175,351
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(67,173)	-
Cash generated (used in) investing activities	(67,173)	-
Increase (decrease) in cash	(1,365)	(171,757)
Cash, beginning of period	1,381	174,571
Cash, end of period	16	3,322
<b>Supplementary Information</b>		
Interest paid	11,116	1,129
Income tax paid	-	-

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**Green River Gold Corp.**  
**Notes to the Financial Statements**  
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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 including alluvial gold properties. The Company is also looking for opportunities to provide services to the placer mining industry.

On August 15, 2019, the Company completed the acquisition of over 8,200 hectares of mineral rights and 640 hectares of placer rights situated 12 kilometres southwest of Barkerville in the Cariboo Mining District of British Columbia. The Company has continued to acquire additional placer rights and mineral rights in close proximity to the existing claims since that date. Details of the property acquisitions can be found in Note 8 to these financial statements.

The Company intends to rent its placer claims to other placer miners for a monthly cash rent during the placer mining season. The Company will also be exploring its mineral claims.

On August 12, 2019, the Company announced that it had rented office and retail space in Quesnel B.C. The location gives the Company office space in the middle of the Cariboo Mining District as well as retail space. The Company opened the retail store in September, 2019. The store sells smaller mining equipment and supplies to the local mining community and also serves as a point of contact for selling the Company's larger equipment. The store also sells equipment and supplies online.

**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.

As at March 31, 2020, the Company had working capital of \$74,659 (September 30, 2019 – working capital of \$148,290), had not yet achieved profitable operations, had accumulated losses of \$1,443,890 (September 30, 2019 \$1,350,149) and may incur further short-term losses in the development of its business, all of which create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
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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. There is also no assurance that the Company will be successful in renting its placer claims on a profitable basis. 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.

These unaudited interim 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 unaudited interim 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 March 31, 2020 and 2019, using the significant accounting policies outlined in Note 3.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future years affected.

These unaudited interim financial statements were authorized by the Board of Directors of the Company on June 1, 2020.

### **2.2 Basis of presentation**

These unaudited interim financial statements have been prepared on the historical cost basis and are prepared in Canadian dollars, which is the Company's functional currency.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
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**2.3 New standards adopted**  
IFRS 9 – Financial Instruments

For the year ended September 30, 2019, the Company adopted IFRS 9 - Financial Instruments which replaced IAS 39 – Financial Instruments Recognition and Management. There were no retrospective adjustments necessary. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

The following table summarizes the changes in the classification of the Company’s financial instruments upon adoption of IFRS 9. The adoption of the new classification did not result in any changes in the measurement or carrying amount of the financial instruments.

<b>Financial Instrument</b>	<b>Classification under IAS 39</b>	<b>Classification under IFRS 9</b>
Cash	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Trade and other payables	Other liabilities	Amortized cost
Loans payable	Other liabilities	Amortized cost
Loans payable to related parties	Other liabilities	Amortized cost
Long term debt	Other liabilities	Amortized cost
Convertible debentures	Other liabilities	Amortized cost

IFRS 15 - Contracts from Customers

For the year ended September 30, 2019, the Company adopted IFRS 15. The new standard had no effect on the financial statements. IFRS 15 provides a comprehensive five-step recognition model for all contracts with customers.

**2.3.1 New standards not yet adopted**  
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.

**Green River Gold Corp.**  
**Notes to the Financial Statements**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.2 Exploration and evaluation assets**

All exploration and evaluation expenditures including the costs of acquiring mining claims are initially capitalized until exploration has been completed and the results have been evaluated. The costs are accumulated in cost centres by mining property pending determination of technical feasibility and commercial viability. The technical feasibility and commercial viability of a property is considered to be determined when proved or probable reserves are determined to exist. If proved and/or probable reserves are found, the exploration costs and the acquisition costs of the associated claims are transferred to property and equipment.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Any impairment recognized during a period is charged as additional depreciation expense.

Exploration and evaluation assets are assessed for impairment at each reporting period as well as when they are transferred to property and equipment, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The recoverable amount is calculated using the greater of its value in use and its fair value less costs to sell. These are defined below.

Value in use is determined as the net present value of the estimated present value of the future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only take into account approved future development costs.

Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecast of commodity prices and expected production volumes. The latter takes into account mineral recovery results and includes expectations about proved and probable reserves.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of an asset in an arm's length transaction between knowledgeable and willing parties. Factors considered in this determination include but are not limited to Company specific Board authorizing financial transactions, recent transactions regarding industry peers, and other publicly available information.

Impairment losses recognized in prior years are assessed at each reporting date if facts and circumstances indicate that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

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.

**Green River Gold Corp.**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.3 Taxes**

Tax expense recognized in 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.

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.

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

The Company uses the Black-Scholes option-pricing model 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. Fully diluted loss per share is not reported when the effect would be anti-dilutive.

**3.7 Financial instruments**

**(a) Recognition and initial measurement**

Financial instruments are initially measured at fair value, net of transaction costs, other than financial instruments not classified as FVTPL. On initial recognition, financial assets are classified in the following measurement categories: amortized cost, FVTPL, or fair value through other comprehensive income (“FVOCI”). The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified in the following measurement categories: fair value through profit or loss, or amortized cost.

**(b) Classification and subsequent measurement**

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing the financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

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

<b>Classification</b>	<b>Subsequent Measurement</b>
<b>Financial Assets:</b>	
Amortized cost	Amortized cost, using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
FVTPL	Net gains and losses, including interest or dividend income are recognized in profit or loss.
FVOCI	Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit and loss.

<b>Classification</b>	<b>Subsequent Measurement</b>
<b>Financial Liabilities:</b>	
Amortized cost	Amortized cost, using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
FVTPL	Net gains and losses, including interest expense are recognized in profit or loss. These financial liabilities are held for trading, derivatives or designated as derivative on initial measurement.

Modifications to financial liabilities measured at amortized cost occur when the cash flows are modified without resulting in derecognition. The carrying value of the liability is adjusted to the present value of the modified cash flows, discounted at the financial liability’s original effective interest rate, with a resulting gain or loss recognized in other comprehensive income.

**3.8 Impairment**

**Financial assets impairment**

The Company recognizes an allowance for expected credit losses (ECL’s) on financial assets based on a 12-month ECL or lifetime ECL. ECL’s are probability-weighted estimates of credit losses, which are measured at the present value of the difference between the cash flow due to the Company and the cash flow that the Company expects to receive. ECL’s are discounted at the effective interest rate of the financial assets.

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

Financial assets considered to have low credit risk have an impairment provision recognized during the period limited to 12-month ECL's. When credit risk has increased significantly subsequent to initial measurement, the allowance is based on the lifetime ECL.

**Non-financial assets impairment**

For non-financial assets such as property and equipment, intangible assets and goodwill, the recoverable amount is the higher of an asset's or cash-generating units (CGUs) value in use or its fair value less costs of disposal. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. To assess value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

To determine fair value less costs of disposal, an appropriate valuation model is used. The results of these valuation techniques are corroborated with arm's length transactions of comparable companies. When impairment has occurred, the cumulative loss is recognized in the consolidated statement of comprehensive loss.

Impairment losses, other than goodwill impairment losses, may be reversed in subsequent periods, if the tests yield results greater than the carrying amount at the end of the period. Impairment losses may only be reversed to the extent they bring the carrying value up to the original cost, net of any amortization that would have been reported had no impairment been recognized in prior periods.

**3.9 Significant accounting judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and use judgement regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgements made by management in the preparation of these financial statements are as follows:

**Exploration or Development**

The Company is required to apply judgement when designating a project as exploration or evaluation or development, including assessments of geological and technical characteristics and other factors related to each project.

**Exploration and Evaluation Projects**

The accounting for exploration and evaluation projects requires management to make judgements as to whether exploratory projects have discovered economically recoverable quantities of gold or other minerals, which requires the quantity and realizable value of such minerals to be estimated. Previous estimates are sometimes revised as new information becomes available. Where it is determined that an exploratory project did not discover economically recoverable gold or other minerals, the impairment is charged as additional depreciation.

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

If gold or other minerals are encountered, but further appraisal activity is required, the exploratory costs remain capitalized as long as sufficient progress is being made in assessing whether the recovery of gold or other minerals is economically viable.

The concept of “sufficient progress” is a judgemental area, and it is possible to have exploratory costs remain capitalized for several years while additional exploratory activities are carried out or the Company seeks government, regulatory or partner approval for development plans. E&E assets are subject to ongoing technical, commercial and management review to confirm the continued intent to establish the technical feasibility and commercial viability of the discovery. When management is making this assessment, changes to project economics, expected quantities of gold and other minerals, expected production techniques, drilling results, estimated capital expenditures and production costs, results of other operations in the region and access to infrastructure and potential infrastructure expansions are important factors. Where it is determined that an exploratory project is not economically viable, the costs are written off as E&E expense.

**Decommissioning Obligations**

Estimates of asset retirement costs are based on assumptions regarding the methods, timing, economic environment and regulatory standards that are expected to exist at the time assets are retired. Management adjusts estimated amounts periodically as assumptions are updated to incorporate new information. Actual payments to settle the obligations may differ materially from amounts estimated.

**Share-Based Payments**

The Company estimates the grant date value of stock options and warrants awarded using the Black-Scholes model. The inputs used to determine the estimated value of the options and warrants are based on assumptions regarding share price volatility, the expected life of the options, expected forfeiture rates and future interest rates. By their nature, these inputs are subject to measurement uncertainty and require management to exercise judgement in determining which assumptions are the most appropriate.

**Income Taxes**

Accounting for income taxes is a complex process requiring management to interpret frequently changing laws and regulations and make judgements and estimates related to the application of tax law, the timing of temporary difference reversals and the likelihood of realizing deferred tax assets. All tax filings are subject to subsequent government audits and potential reassessment. These interpretations and judgements, and changes related to them, impact current and deferred tax provisions, the carrying value of deferred income tax assets and liabilities and could have a material impact on earnings.

**3.10 Revenue Recognition**

Revenue is recognized from contracts with customers, when and as performance obligations are satisfied by the transfer of control of the goods and services to the customer, which may be at a point in time or over time. Revenue is measured based on the consideration the Company expects to be entitled to in exchange for providing goods and services, excluding discounts, duty and taxes collected from customers that are reimbursed to government authorities. Non-cash consideration is included in the amount of revenue recognized and measured at fair value. Costs incurred directly to obtain or fulfill a contract are capitalized and included in gross revenue over the life of the contract. Contract modifications are accounted for prospectively or as a cumulative catch-up adjustment, depending on the nature of the change.

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

Retail sales of mining equipment and supplies are recorded at the time that the product is picked up at the store and payment is received.

**3.11 Inventory**

Inventory consists of finished goods and is measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and any related selling costs. When circumstances that previously caused inventory to be written down below cost no longer exist or when there is clear evidence of an increase in selling prices, the amount of the write down previously recorded is reversed. Provisions are made for obsolete, unusable and/or unsaleable inventory.

**3.12 Segmented information**

The Company operates two lines of business, the retail division and mining division.

The Retail division is the business associated with the rented retail space in Quesnel B.C., which was acquired in August 2019. The store caters to the needs of the hundreds of smaller placer mining operations and hobby miners in the area. The Company opened the retail store in September 2019 and also sells mining equipment and supplies online

The Mining division is the business associated with exploration of over 8,200 hectares of mineral rights and 640 hectares of placer rights situated 12 kilometres southwest of Barkerville in the Cariboo Mining District of British Columbia, which were acquired in August 2019. The Mining division also intends to rent its placer claims to other placer miners.en

Segment loss is measured as net loss before consideration of income taxes. The Company does not identify or allocate working capital by reportable segment. In addition, there are no inter-segment revenues.

	March 31, 2020		
	Retail	Mining	Total
Revenue	\$ 8,412	\$ -	\$ 8,412
Interest expense	-	11,116	11,116
Net loss	-	93,741	93,741
Automotive equipment	-	29,322	29,322
Exploration and evaluation assets	-	356,761	356,761

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**4. TRADE AND OTHER RECEIVABLES**

The Company's trade and other receivables arise from goods and services tax ("GST") due from the Canadian government:

	As at,	
	March 31, 2020	September 30, 2019
GST receivable	\$1,364	\$3,242

At March 31, 2020, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

**5. EQUIPMENT INVENTORY**

Equipment inventory consists of gold mining and related equipment that is held for resale.

**6. RETAIL STORE INVENTORY**

The retail store inventory consists of gold mining supplies and smaller gold mining equipment. The retail operation began in the middle of September 2019. Sales during the six months ended March 31, 2020 totaled \$8,412 with the related cost of sales being \$4,647.

**7. AUTOMOTIVE EQUIPMENT**

Automotive equipment consists of one vehicle purchased late in the 2019 fiscal year for \$32,580. The vehicle is depreciated at 20% per year on a straight-line basis over four years, leaving a residual value of 20% of the original purchase price at the end of four years. No depreciation is recorded in the quarter of acquisition or the quarter of disposal.

Automotive Equipment at original cost	\$32,580
Accumulated Depreciation	\$ (3,258)
Carrying value of Automotive Equipment	<u>\$ 29,322</u>

**8. EXPLORATION AND EVALUATION ASSETS**

On August 23, 2019, the Company announced that it had completed the acquisition of over 8,200 hectares of mineral rights and 640 hectares of placer rights situated 12 kilometres southwest of Barkerville in the Cariboo Mining District of British Columbia. The claims, known as the Fontaine claims were acquired from an unrelated third party.

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**8. EXPLORATION AND EVALUATION ASSETS (Continued)**

Several hardrock and placer Minfiles are recognized at the properties, ranging from showing, developed prospects and past producers and encompass at least four placer gold producing creeks. The total purchase price, including staking costs, was \$260,888. The Company paid for the properties with a combination of \$119,049 in cash and 2,000,000 units of the Company at a deemed value of \$0.06 per unit. 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 of the Company for a period of 24 months following the issue date at an exercise price of \$0.15 per Common Share. The value of the warrants issued was calculated at \$31,839 using the Black-Scholes option-pricing model. The Common Shares were trading at \$0.055 at the time that the 2,000,000 units were issued, resulting in an addition to share capital of \$110,000. The total of cash and non-cash consideration for the property was \$260,888. During the remainder of the 2019 fiscal year, the Company spent an additional \$9,500 on planning and early stage exploration on the properties.

On March 3, 2020 the Company issued 320,000 units at a deemed price of \$0.06 per unit in payment for placer mining claims on the Little Swift River and Sovereign Creek. Each unit consists of one Common Share of the Company and one half of one Common Share purchase warrant. Each full warrant is exercisable to acquire one Common Share at a price of \$0.10 for a period of 24 months following the closing of the offering. The value of the warrants were calculated as \$4,552 using the Black-Scholes pricing model as described more fully in Note 15 below. The remaining \$14,648 was added to share capital.

The Little Swift River project consists of 15 contiguous claim cells totalling 292.27 hectares located 7 kilometres from the Company's Fontaine project. Permit applications have been submitted for a limited production run to determine the economic viability of a large scale operation.

The Sovereign Project consists of 2 contiguous claims totalling 38.96 hectares located 3 kilometres from the Fontaine Placer Gold Project. Permits have been submitted to test the property with 9 test pits and 4 auger drill sites to determine the gold values in the 13 predetermined target areas identified.

On March 23, 2020, the Company staked an additional 603.75 hectares of placer claims contiguous to the existing claims on the Little Swift River for a total cost of \$4,090.

On March 24, 2020, the Company added to its Fontaine Placer Gold property with the acquisition of and additional 38.97 hectares of claims for \$10,000 cash.

During the six months ended March 31, 2020 , the Company spent an additional \$53,083 on planning and exploration activities.

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**9. 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,	
	March 31, <u>2020</u>	Sept.30, <u>2019</u>
	\$	\$
Less than 3 months	92,719	79,316
Greater than 3 months	<u>22,397</u>	<u>6,773</u>
Total Trade and Other Payables	<u>115,116</u>	<u>86,089</u>

**10. LOANS PAYABLE**

During the year ended September 30, 2019, the Company arranged four short term loans from private individuals who are shareholders of the Company. Additional loans from private individuals who are shareholders of the Company were obtained in the six months ended March 31, 2020.

Short term loan at 8% annualized interest rate -secured by specific equipment inventory	\$15,000
Short term loans at 6% annualized interest rate -unsecured	\$24,500
Short term loan at 6% annualized interest rate -secured by specific equipment inventory	\$ 10,000
Accrued interest to September 30, 2019	<u>\$ 1,413</u>
Short term loans outstanding at September 30, 2019	\$50,913
Short term loan at 6% annualized interest rate -unsecured	\$15,000
Short term loan at 8% annualized interest rate -secured by specific equipment inventory	\$10,000
Accrued interest to December 31, 2019	<u>\$ 909</u>
Short term loans outstanding at December 31, 2019	\$76,822
Short term loans at 6% annualized interest rate -unsecured	\$45,000
Short term loan at 20% annualized interest rate -secured by specific retail inventory	\$20,000
Accrued interest to March 31, 2020	<u>\$ 1,774</u>
Short term loans outstanding at March 31, 2020	<u>\$143,596</u>

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**11. LOANS PAYABLE TO RELATED PARTIES**

	As at March 31, 2020	As at September 30, 2019
Loans payable to Directors and Officers	\$ 80,443	\$ 30,100
Loans payable (receivable) to 1070923 B.C. Ltd.	<u>\$ (42,970)</u>	<u>\$ 17,657</u>
	<u>\$ 37,673</u>	<u>\$ 47,757</u>

During the past year, Directors and Officers of the Company have paid expenses on behalf of the Company and advanced funds to the Company. These short term advances are non-interest bearing and are unsecured. They have no specific terms of repayment.

Short term advances from (to) 1070923 B.C. Ltd. are non-interest bearing and are unsecured. They have no specific terms of repayment. Perry Little and Shawn Stockdale are mutual directors of 1070923 B.C. Ltd. and Green River Gold Corp.

**12. LONG TERM DEBT**

In the fourth quarter of 2019, the Company purchased a vehicle for \$32,580. The purchase was financed partially through a five year loan of \$20,580 at an interest rate of 6.99% per year. The loan is repayable with sixty blended monthly payments of \$418 beginning August 15, 2019.

	As at March 31, 2020	As at September 30, 2019
Current portion of long term debt	\$ 2,801	\$ 3,696
Non-current portion of long term debt	\$ 15,899	\$ 16,815
Total long term debt	<u>\$ 18,700</u>	<u>\$ 20,511</u>

The required payments over the next five fiscal years are as follows:

2020	\$ 2,801
2021	3,963
2022	4,249
2023	4,556
2024	<u>4,047</u>
	<u>\$19,616</u>

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**13. CONVERTIBLE DEBENTURES**

In the fourth quarter of 2019, the Company issued unsecured convertible debentures with a face value of \$127,000 to unrelated third parties by means of a non-brokered private placement. The debentures have a three year term, carry an 8% interest rate, and are convertible into shares of Green River Gold Corp. at a price of \$0.10 per share any time prior to maturity. Interest is paid quarterly with 2% paid at the end of each calendar quarter. The debentures were issued in two tranches with \$86,000 issued on July 4, 2019 and \$41,000 issued on August 12, 2019 and each tranche is repayable in full three years from its issuance date.

Total issuance costs for the two tranches were \$16,593 for net proceeds of \$110,407. Based on a discount rate of 20%, \$28,374 of the net proceeds were allocated to Equity Portion of Convertible Debentures and the remaining \$82,033 was allocated to the debt portion of the Convertible Debentures.

Accretion expense of \$7,270 has been recorded for the six months ended March 31, 2020 and will continue until maturity unless the debentures are converted to shares prior to maturity.

**14. 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 March 31, 2020 were as follows:

	Number of Shares	Amount \$
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
Shares issued, net of issuance costs	4,557,000	222,666
Balance, September 30, 2019	23,454,749	1,401,132
Shares issued, net of issuance costs	1,810,000	110,715
Balance, March 31, 2020	25,264,749	1,511,847

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**14. SHARE CAPITAL (Continued)**

On September 26, 2018 the Company closed the first tranche of a unit offering, issuing 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 at a price of \$0.10 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 option-pricing model as described more fully in Note 15 below.

On November 22, 2018, the Company closed the second and final tranche of the unit offering, issuing 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 \$10,987, the net proceeds were \$142,433. 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 at a price of \$0.10 for a period of 12 months following the closing of the offering. The value of the warrants issued was calculated as \$29,767 using the Black-Scholes option-pricing model as described more fully in Note 15 below.

On August 16, 2019, the Company issued 2,000,000 units at a deemed price of \$0.06 per unit in partial payment for the Fontaine claims described in Note 8. to these financial statements. The closing price of the shares on August 16, 2019 was \$0.055. 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 at a price of \$0.15 for a period of 24 months following the closing of the offering. The value of the warrants was calculated as \$31,839 using the Black-Scholes pricing model as described more fully in Note 15 below. Based on the closing price of \$0.055 when the 2,000,000 units were issued, \$110,000 was added to share capital. The total non-cash consideration paid toward the purchase price was \$141,839.

In November and December of 2019, the Company issued 1,490,000 flow-through Common Shares at a deemed price of \$0.07 per share. The gross proceeds raised were \$104,300. After the related share issuance costs of \$8,233 the net proceeds raised were \$96,067.

On March 3, 2020 the Company issued 320,000 units at a deemed price of \$0.06 per unit in payment for placer mining claims on the Little Swift River and Sovereign Creek. Each unit consists of one Common Share of the Company and one half of one Common Share purchase warrant. Each full warrant is exercisable to acquire one Common Share at a price of \$0.10 for a period of 24 months following the closing of the offering. The value of the warrants were calculated as \$4,552 using the Black-Scholes pricing model as described more fully in Note 15 below. The remaining \$14,648 was added to share capital.

(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 March 31, 2020 the Company had 2,526,475 (September 30, 2019 – 2,345,474) options available for issuance under the plan. As mentioned below, no options have actually been issued.

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**14. SHARE CAPITAL (Continued)**

Despite the availability of options for issuance, no stock options have been issued since current management took over in May 2017. As a result, there were no stock options issued and outstanding as of March 31, 2020 or September 30, 2019.

A summary of the options issued and outstanding is as follows:

	March 31, 2020		September 30, 2019	
	Options	Exercise Price	Options	Exercise Price
Issued and outstanding, beginning of year	-	-	-	-
Options granted	-	-	-	-
Options expired	-	-	-	-
Issued and outstanding, end of year	-	-	-	-

**15. RESERVE FOR WARRANTS**

Reserve for warrants is comprised of the following:

	March 31, 2020		September 30, 2019	
	Warrants	Exercise Price	Warrants	Exercise Price
Outstanding, beginning of period	2,278,500		1,576,000	\$0.10
Warrants granted-expiry date Nov.22, 2019	-	-	1,278,500	\$0.10
Warrants granted-expiry date Aug.16, 2021	-	-	1,000,000	\$0.15
Warrants granted-expiry date March 3, 2022	160,000	\$0.10		
Warrants expired	(1,278,500)	\$0.10	(1,576,000)	\$0.10
Outstanding, end of period	1,160,000		2,278,500	

On September 26, 2018 the Company issued 1,576,000 common share purchase warrants as part 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 Company 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%. These warrants expired on September 26, 2019.

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**15. RESERVE FOR WARRANTS (Continued)**

On November 22, 2018 the Company issued 1,278,500 common share purchase warrants as part 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 \$29,767. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 170.00%, and a risk-free interest rate of 1.58%. These warrants expired subsequent to the end of the fiscal year on November 22, 2019.

On August 16, 2019, the Company issued 2,000,000 units at a deemed price of \$0.06 per unit in partial payment for the Fontaine claims described in Note 8. to these financial statements. Each warrant will be exercisable to acquire one common share at a price of \$0.15 for a period of 24 months following the closing of the offering. In accordance with the Company's accounting policy regarding unit bifurcation, the Corporation calculated the unit fair value of these warrants at \$31,839. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 141.58%, and a risk-free interest rate of 1.34%.

On March 3, 2020, the Company issued 160,000 warrants and 320,000 common shares as payment for placer mining claims on the Little Swift River and Sovereign Creek. Each warrant will be exercisable to acquire one common share at a price of \$0.10 for a period of 24 months from the date of issue. In accordance with the Company's policy regarding unit bifurcation, the Company calculated the unit value of these warrants at \$4,552. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 141.58%, and a risk-free interest rate of 0.97%.

**16. RELATED PARTY TRANSACTIONS**

As at March 31, 2020 the Company owes \$80,443 (Note 11) to Directors and Officers of the Company. The short term advances are non-interest bearing and are unsecured. They have no specific terms of repayment.

As at March 31, 2020 the Company owes \$42,970 to 1070923 B.C. Ltd. as disclosed in Note 11 to these financial statements. These short term advances to 1070923 B.C. Ltd. are non-interest bearing and are unsecured. Perry Little and Shawn Stockdale are mutual Directors and Officers of 1070923 B.C. Ltd. and Green River Gold Corp.

The Company paid \$70,729 to 1070923 B.C. Ltd. for contract labour provided by 1070923 B.C. Ltd. employees during the six months ended March 31, 2020. The services provided consisted of mining consulting and research and report preparation as well as administration and retail store set up and management. Of this amount, \$51,084 was capitalized as Exploration and Evaluation assets, while the remainder of \$19,645 is included as Contract Labour on the Statement of Loss.

There was no compensation paid to any of the Company's Directors or Officers during the six months ended March 31, 2020. There is currently no management contract in effect.

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## **17. 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. 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, 2019. 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, Equity Portion of Convertible Debentures and accumulated deficit, which as at March 31, 2020 totaled \$356,436 (September 30, 2019 - \$334,910).

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.

## **18. FINANCIAL INSTRUMENTS**

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.

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**18. FINANCIAL INSTRUMENTS (Continued)**

**Interest Rate Risk**

The Company's borrowings are at fixed interest rates and therefore the Company is exposed to potential interest rate risk. If market interest rates fluctuate, the fair value of the borrowings will fluctuate.

**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 March 31, 2020 the Company had current assets of \$374,740 (September 30, 2019 - \$319,245) and current liabilities of \$300,081 (September 30, 2019 - \$188,455). The Company's financial liabilities and receivables are all subject to normal trade terms. The Company had current working capital of \$74,659 as of March 31, 2020 (September 30, 2019 - \$130,790).

**19. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

The Company's retail and office location in Quesnel, B.C. is rented on a month-to-month rental contract. Monthly rental is \$1,100 plus GST.

The Company is required to meet certain spending commitments to keep its placer and mineral claims in good standing.

The minimum required annual exploration and development expenditures to keep the properties in good standing over the next five years are as follows:

	Mineral Claims	Placer Claims	Total
2020	\$ 41,072	-	\$ 41,072
2021	\$ 41,072	\$ 779	\$ 41,851
2022	\$ 82,144	\$26,490	\$108,634
2023	\$ 82,144	\$26,490	\$108,634
2024	\$123,072	\$39,347	\$162,419
<u>Total</u>	<u>\$369,504</u>	<u>\$93,106</u>	<u>\$462,610</u>

On March 27, 2020, the Chief Gold Commissioner gave a blanket extension for all mineral and placer claims in B.C. to December 31, 2021. Any claims that would have expired prior to that date have been extended to December 31, 2021 as a result of COVID-19.

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**20. INCOME TAXES**

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to income (loss) before income taxes. The principle reasons for differences between such “expected” income tax expense and the amount actually recorded are as follows:

	<u>2019</u>	<u>2018</u>
Net income (loss)	\$ (112,536)	\$ (73,965)
Statutory rate	<u>26.75%</u>	<u>27.00%</u>
Expected tax provision	(30,103)	(19,971)
Permanent differences	810	(298)
Share issuance costs	(6,343)	-
Change in unrecognized DIT assets	(24,070)	20,269
<u>Change in tax rate</u>	<u>59,706</u>	<u>-</u>
<u>Tax provision</u>	<u>-</u>	<u>-</u>

The Canadian statutory income tax rate of 26.75% (2018 – 27%) is comprised of the federal income tax rate at approximately 15.0% (2018 – 15%) and the provincial income tax rate of approximately 11.75% (2018 – 12%). The deferred combined statutory tax rate is expected to be 23% for 2022 and subsequent years (2018 – 27%).

Deferred tax assets (liabilities) have been recognized as follows:

	<u>2019</u>	<u>2018</u>
Automotive equipment	\$(3,698)	\$ -
Non-capital losses	3,698	-
<u>Total</u>	<u>\$ -</u>	<u>\$ -</u>

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	<u>2019</u>	<u>2018</u>
Share issuance and financing costs	\$ 7,410	\$ 4,314
Exploration and evaluation expenditures	\$ 60,443	\$ 72,902
Non-capital losses	\$282,563	\$301,951
<u>Total</u>	<u>\$350,416</u>	<u>\$379,167</u>

The Company has non-capital losses for income tax purposes in Canada of approximately \$1,262,613 which are available to be applied against future years’ taxable income over the next 7 to 20 years.

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**21. EVENTS AFTER THE REPORTING PERIOD**

On January 23, 2020, the Company announced a private placement of up to \$1,000,000. The financing will consist of two parts:

(1) up to \$500,000 of units consisting of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share at a price of \$0.10 for a period of two years following the date of the financing.

(2) up to \$500,000 of 8% convertible unsecured debentures with a term of three years from the date of issuance, convertible into common shares of the Company at a price of \$0.10 per common share.

The Company has engaged an independent Canadian investment banking firm to assist with obtaining the financing. Pursuant to this engagement, the Company has paid a non-refundable work fee of \$33,900. The Company has agreed to pay a cash commission of 8% of the total proceeds raised by the investment bank, along with broker warrants. The work fee is deductible from any commissions payable on the financing.

The first closing of the equity portion of the financing occurred on May 1, 2020. A total of 2,790,000 units were issued for gross proceeds of \$167,400.

On April 21, 2020, the Company announced that it has acquired the placer rights to 135.87 hectares along the Willow River. The claims are located approximately 12km by road from the town of Wells, B.C. The Company issued 330,000 units at a deemed value of \$0.06 to acquire the placer rights. Each unit consists of one Common Share of the Company and one half of one Common Share purchase warrant. Each full warrant is exercisable to purchase one Common Share of the Company at a price of \$0.10 for a period of 24 months following the issuance date. The Company also acquired the mining equipment already located on the property for \$20,000 cash.

On May 7, 2020 the Company announced that it has acquired placer mining claims on the Swift River for \$8,000 cash and 500,000 units of the Company. The units were issued at a deemed price of \$0.06. Each unit consists of one Common Share of the Company and one half of one Common Share purchase warrant. Each full warrant is exercisable to purchase one Common Share of the Company at a price of \$0.10 for a period of 24 months following the issuance date.

On May 20, 2020, the Company announced that it has staked an additional 720.6 hectares of mineral rights expanding the 100% owned Fontaine Lode Gold Project to 8,920 hectares. The Company also announced that it has commenced its 2020 exploration on the Fontaine Lode Gold Project.