



**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED
NOVEMBER 30, 2020 AND OCTOBER 31, 2019**

(Unaudited, Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim 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.

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	November 30, 2020	May 31, 2020
		\$	\$
ASSETS			
Current			
Cash		1,158,520	164,865
Receivables		146,721	63,404
Due from related parties	10(b)	-	113,258
Prepaid expenses and deposits		24,815	14,352
		1,330,056	355,879
Non-current			
Reclamation bonds	4, 5	90,300	-
Investment in associate	4	-	506,571
Exploration and evaluation assets	4, 5	8,518,899	237,557
		9,939,255	1,100,007
LIABILITIES			
Current			
Accounts payable and accrued liabilities		827,942	234,442
Loans	4, 6	198,217	-
Due to related parties	6, 8(b)	877,583	116,038
Flow-through share premium liability	7	143,174	6,608
		2,046,916	357,088
Non-current			
Severance liability	8	880,956	-
		2,927,872	357,088
SHAREHOLDERS' EQUITY			
Share capital	9	11,340,755	5,379,133
Subscriptions received	9(b)	-	149,264
Share-based payment reserve	9(e)	1,081,212	416,589
Foreign currency translation reserve		(3,586)	(3,586)
Deficit		(5,406,998)	(5,198,481)
		7,011,383	742,919
		9,939,255	1,100,007

Approved on behalf of the Board:
Timothy A. Johnson, Director
Michael Rowley, Director

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three and Six Months Ended November 30, 2020 and October 31, 2019
(Unaudited - Expressed in Canadian Dollars)

		Three months ended		Six months ended	
	Note	November 30, 2020	October 31, 2019	November 30, 2020	October 31, 2019
		\$	\$	\$	\$
EXPENSES					
Consulting and management fees	10(a)	76,424	47,692	120,540	188,370
Corporate advisory fees		34,771	19,209	75,106	59,074
Exploration expenditures	5	658,497	276,279	915,802	333,463
Investor relations		22,307	21,799	36,690	42,017
Office and administration		3,349	11,474	7,095	21,691
Professional fees		66,960	97,678	76,335	131,085
Share-based payment expense	9(e),10(a)	45,597	63,279	94,427	171,138
Transfer agent, regulatory and filing fees		40,834	969	43,281	7,536
Travel and accommodation		456	1,194	2,807	1,743
		(949,195)	(539,573)	(1,372,083)	(956,117)
Other Items					
Other income		84,080	40,627	90,688	40,627
Gain on investment in associate	4	1,102,985	-	1,072,878	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		237,870	(498,946)	(208,517)	(915,490)
Basic and diluted loss per share					
Basic		0.00	(0.01)	(0.00)	(0.03)
Diluted		0.00	(0.01)	(0.00)	(0.03)
Weighted average number of shares outstanding					
Basic		67,825,289	34,504,598	63,391,969	32,202,809
Diluted		72,902,447	34,504,598	63,391,969	32,202,809

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Note	Common shares number	Share Capital \$	Share-based Payments reserve \$	Subscriptions received \$	Foreign Currency Translation Reserve \$	Deficit \$	Total \$
Balance, July 31, 2019		29,901,025	4,286,390	193,072	-	(3,586)	(4,032,204)	443,672
Private placements, net of issue costs		5,882,345	422,705	73,845	-	-	-	496,550
Flow-through share premium liability	7	-	(14,390)	-	-	-	-	(14,390)
Shares issued for investment in associate	4	10,529,663	684,428	-	-	-	-	684,428
Subscriptions received, net of issue costs	9(b)	-	-	-	149,264	-	-	149,264
Share-based payment expense		-	-	149,672	-	-	-	149,672
Net loss and comprehensive loss		-	-	-	-	-	(1,166,277)	(1,166,277)
Balance, May 31, 2020		46,313,033	5,379,133	416,589	149,264	(3,586)	(5,198,481)	742,919
Private placements, net of issue costs	9(b)	25,228,868	2,447,039	195,036	(149,264)	-	-	2,492,811
Flow-through share premium liability		-	(227,254)	-	-	-	-	(227,254)
Shares issued for acquisition		24,893,918	3,734,088	-	-	-	-	3,734,088
Shares issued on exercise of options		1,000	249	(99)	-	-	-	150
Shares issued on exercise of warrants		100,000	7,500	-	-	-	-	7,500
Options acquired on acquisition		-	-	259,203	-	-	-	259,203
Warrants acquired on acquisition		-	-	116,056	-	-	-	116,056
Share-based payment expense	9(e)	-	-	94,427	-	-	-	94,427
Net loss and comprehensive loss		-	-	-	-	-	(208,517)	(208,517)
Balance, November 30, 2020		96,536,819	11,340,755	1,081,212	-	(3,586)	(5,406,998)	7,011,383

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Cash Flows

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

Note	Three months ended		Six months ended	
	November 30, 2020	October 31, 2019	November 30, 2020	October 31, 2019
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net income (loss) for the period	237,870	(498,946)	(208,517)	(915,490)
Items not involving cash:				
Other income	(84,080)	(40,627)	(90,688)	(40,627)
Interest expense	-	-	-	(5,790)
Gain on investment in associate	4 (1,102,985)	-	(1,072,878)	-
Share-based payment expense	45,597	63,279	94,427	171,138
	(903,598)	(476,294)	(1,277,656)	(790,769)
Net change in non-cash working capital items	12 180,842	45,851	(30,245)	216,869
Cash used in operating activities	(722,756)	(430,443)	(1,307,901)	(573,900)
INVESTING ACTIVITY				
Acquisition of exploration and evaluation assets	-	-	-	(336)
Acquisition transaction costs	(201,688)	-	(201,688)	-
Acquisition of cash	2,783	-	2,783	-
Cash used in investing activities	(198,905)	-	(198,905)	(336)
FINANCING ACTIVITIES				
Proceeds received from private placements	9(b) 1,997,607	500,000	2,557,593	525,000
Share issue costs	9(b) (31,853)	(3,450)	(64,782)	(3,450)
Proceeds from exercise of warrants	7,500	-	7,500	-
Proceeds from exercise of options	150	-	150	-
Cash provided by financing activities	1,973,404	496,550	2,500,461	521,550
CHANGE IN CASH	1,051,743	66,107	993,655	(52,686)
Cash, beginning of period	106,777	109,106	164,865	227,899
CASH, END OF PERIOD	1,158,520	175,213	1,158,520	175,213

Supplemental cash flow information 10

GRANITE CREEK COPPER LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND ABILITY TO CONTINUE AS GOING CONCERN

Granite Creek Copper Ltd. (the "Company") was incorporated on May 10, 2007 under the British Columbia Business Corporations Act. The Company's principal business activities include the acquisition, exploration and development of mineral properties. The address of the Company's corporate office and its principal place of business is Suite 904, 409 Granville Street, Vancouver, BC, V6C 1T2. The Company is a reporting issuer and trades on the TSX Venture Exchange in Canada under the symbol "GCX".

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

The Company incurred a net loss of \$208,517 during the six months ended November 30, 2020, and as of that date, had an accumulated deficit of \$5,406,998 (May 31, 2020: \$5,198,481) and working capital deficiency of \$716,860 (May 31, 2020: working capital deficiency of \$1,209).

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and the exercise of warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. There remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The outbreak of the corona virus and the worldwide COVID-19 pandemic may also impact the Company's ability to continue as a going concern (Note 12). These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

On June 11, 2020, the Company's Board of Directors approved a resolution to change the Company's year end from July 31 to May 31. Accordingly, these condensed interim consolidated financial statements are prepared as at November 30, 2020 and May 31, 2020 and for the three and six months ended November 30, 2020 and October 31, 2019.

Statement of compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2020, which have been prepared in accordance with IFRS.

The Board of Directors approved these condensed interim consolidated financial statements on January 29, 2021.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Granite Creek (Barbados) Limited and Granite Creek (Mali) Sarl. As of, and for the six months ended November 30, 2020 and the six months ended October 31, 2019 the wholly-owned subsidiaries Granite Creek (Barbados) Limited and Granite Creek (Mali) Sarl were inactive.

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

On November 27, 2020 the Company acquired 100% of the outstanding common shares of Copper North Mining Corp (“Copper North”) and its wholly owned subsidiary Carmacks Mining Corp (“Carmacks Mining”). The operating results of Copper North and Carmacks Mining were recognized in the interim consolidated statement of loss beginning on that date (Note 4).

A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. All intercompany balances and transactions have been eliminated upon consolidation.

3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the ten months ended May 31, 2020.

4. ACQUISITION OF COPPER NORTH MINING CORP.

On December 5, 2019, the Company acquired 26,146,233 common shares of Copper North in exchange for 10,529,663 common shares of the Company. At that date, the Company owned 30% of the outstanding shares of Copper North and accounted for the investment using the equity method of accounting.

On August 31, 2020, the Company entered into a definitive arrangement agreement (the “Arrangement”) with Copper North pursuant to which the Company acquired all of the outstanding Copper North common shares not already owned by the Company.

Under the terms of the Arrangement, Copper North shareholders received one common share of the Company for every two and one-half Copper North Shares (“Exchange Ratio”). All outstanding warrants and options of Copper North were exchanged (or deemed to be exchanged) for warrants and options, respectively, of the Company at the Exchange Ratio, with appropriate adjustments to the exercise price, but shall not otherwise be amended, including with respect to vesting and expiry. The transaction was completed on November 27, 2020 for an additional consideration of 24,893,984 common shares of the Company.

As at November 27, 2020, the Company discontinued the equity method of accounting. The Company’s investment in associate as at November 27, 2020, prior to the acquisition, and the changes for the six months then ended are as follows:

Investment in Associate	\$
Initial recognition	684,428
Share of loss in equity accounted investee	(177,857)
Balance, May 31, 2020	506,571
Share of loss in equity accounted investee	(188,281)
Balance, November 27, 2020	318,290
Gain on net increase in value of investment in associate	1,261,159
Discontinuance of equity method	(1,579,449)
November 27, 2020	-

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

The following is a summary of Copper North's financial information on a 100% basis as at November 27, 2020. Copper North's consolidated financial statements are prepared in accordance with IFRS.

	November 27, 2020
	\$
Total current assets	40,191
Total non-current assets	17,233,627
Total current liabilities	(1,640,394)
Total non-current liabilities	(880,957)
Net asset value	14,752,467
Net Loss from June 1, 2020 to November 27, 2020	(633,646)
Proportionate share of net loss (30% ownership)	(188,281)

The acquisition of Copper North did not meet the definition of a business under IFRS 3 *Business Combinations* and has been accounted for as an asset acquisition in these interim condensed financial statements. On the acquisition date, November 27, 2020, the Company has allocated the purchase price of the acquisition to the assets and liabilities acquired as follows:

Purchase Price

Discontinuance of equity method	1,579,449
Common shares issued	3,734,088
Options issued ⁽¹⁾	259,203
Warrants issued ⁽²⁾	116,056
Transaction costs	201,688
	\$ 5,890,484

Net assets acquired

Current assets	40,191
Reclamation bonds	90,300
Exploration and evaluation assets	8,281,342
Current liabilities	(1,640,393)
Non-current liabilities	(880,956)
Total	\$ 5,890,484

⁽¹⁾The Company issued 2,344,000 options on acquisition. Black-Scholes option pricing model with the following weighted average assumptions: exercise price - \$0.22; risk-free rate - 0.38%; expected life - 1.44 years; expected volatility - 117%; and expected dividends - nil

⁽²⁾The Company issued 2,798,996 warrants on acquisition. Black-Scholes option pricing model with the following weighted average assumptions: exercise price - \$0.32; risk-free rate - 0.26%; expected life - 1.48 years; expected volatility - 73%; and expected dividends - nil

5. EXPLORATION AND EVALUATION ASSETS

Carmacks North (previously named Stu Project)

In January 2019, the Company acquired an undivided 100% interest in the Carmacks North (formerly Stu Project) in Yukon Territory, Canada from arms-length vendors (the "Vendors"). In consideration, the Company issued an aggregate of 3,000,000 units (each, a "Transaction Unit") valued at \$225,000 and granted a 3% net smelter return royalty to the Vendors on any future production on the Stu Property (the "Royalty"). The Company has the option to purchase up to two-thirds of the Royalty from the Vendors. The agreement also provides that the Company will make annual advance Royalty payments of \$30,000 to the Vendors beginning in May 2022, and in each subsequent year thereafter, until the commencement of any commercial production on Carmacks North.

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

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Each Transaction Unit was comprised of one common share and one common share purchase warrant, with each warrant exercisable into one additional common share at an exercise price of \$0.15 per share, with an expiry date of January 16, 2022.

The Company incurred exploration expenses on the Carmacks North Property as follows:

	Three months ended		Six months ended	
	November 30, 2020	October 31, 2019	November 30, 2020	October 31, 2019
	\$	\$	\$	\$
Analysis	39,682	28,660	52,803	28,660
Camp	8,894	-	47,629	-
Consulting	157,919	138,385	317,738	138,423
Drilling	417,389	-	417,389	-
Equipment and communication	25,587	-	43,924	-
Helicopter and fuel	3,009	19,637	28,928	38,234
Line cutting	-	46,583	-	46,583
Other	6,017	8,621	7,391	12,875
Salaries and benefits	-	34,393	-	68,688
	658,497	276,279	915,802	333,463

Carmacks Project

The Company acquired 100% of the Carmacks Project, an oxide copper, gold, and silver deposit located in Yukon, Canada, through its acquisition of Copper North (Note 4).

At November 30, 2020, \$1.7 million has been paid in advance royalty payments. The Company is required to make an advance royalty payment of \$100,000 in any year in which the average daily copper price reported by the London Metal Exchange is US\$1.10 per pound or greater. Any production from the Carmacks Project is subject to either a 15% net profits interest or a 3% net smelter return royalty, at the Company's election. If the Company elects to pay the net smelter return royalty, it has the right to purchase the royalty for \$2.5 million, less any advance royalty payments made to that date.

The Company holds a Guaranteed Investment Certificate in the amount of \$80,300 in safekeeping for the Yukon Government. This amount represents the estimated reclamation cost for the work performed to date on the property.

No exploration expenses were incurred on the Carmacks project from November 27 – November 30, 2020.

Other

The Company acquired a deposit of \$10,000 held by the Government of British Columbia to cover reclamation costs for the work performed on a previously held property when it acquired Copper North (Note 4).

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Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended November 30, 2020 and October 31, 2019
(Unaudited - Expressed in Canadian Dollars)

6. LOANS

The Company acquired loans through the acquisition of Copper North (Note 4).

On September 12, 2019 Copper North entered into a grid promissory note which would permit the Company to borrow up to a maximum of \$395,000 and bear interest at the rate of 10% per annum compounding annually. The Lender provided an initial advance of \$220,000 to the Company under the Loan. Since the initial advance Copper North repaid \$47,806 and accrued interest of \$26,013, for a balance as at November 30, 2020 of \$198,207.

Copper North entered into a promissory note for \$100,000 on February 5, 2020. The promissory note shall bear interest at the rate of 5% per annum. The balance as at November 30, 2020 is \$104,096. (Note 10)

7. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	\$
Balance, July 31, 2019	-
Flow-through share premium on the issuance of flow-through common shares (Note 7)	14,390
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(7,782)</u>
Balance, May 31, 2020	6,608
Flow-through share premium on the issuance of flow-through common shares (Note 7)	227,254
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(90,688)</u>
Balance, November 30, 2020	<u>143,174</u>

8. SEVERANCE LIABILITY

The Company acquired a severance liability through the acquisition of Copper North (Note 4).

On June 16, 2020 Copper North reached a Settlement Agreement with the departing CEO which resolves all his outstanding claims for unpaid wages, severance, and unpaid expenses. The settlement amount of \$880,957 will be due and payable in five years with provisions for earlier payment or shares-for-debt settlement under certain conditions and subject to approvals as may be required.

9. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Share issuance details

Six months ended November 30, 2020

- On October 29, 2020 the Company closed three private placements (in multiple tranches) by issuing a total of 6,278,587 flow-through ("FT") units, 2,289,382 non-FT units and 2,050,833 FT shares for aggregate gross proceeds of \$1,988,220.

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

The 6,278,587 FT units were issued at \$0.205 per unit for gross proceeds of \$1,287,110. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one common non-flow-through share of the Company at an exercise price of \$0.25 for a period of 24 months following the closing date. The Company allocated \$160,085 of the gross proceeds to warrant reserve using the Black-Scholes option pricing model with the following weighted average assumptions: share price - \$0.015; exercise price - \$0.25; risk-free rate - 0.21%; expected life - 2.0 years; expected volatility - 89%; and expected dividends - nil. A total of \$185,237 was allocated to flow-through share premium liability using the residual value method.

The 2,289,382 non-FT units were issued at \$0.145 per unit for gross proceeds of \$331,960. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one common non-flow-through share of the Company at an exercise price of \$0.25 for a period of 24 months following the closing date. The Company allocated \$4,460 to warrant reserve using the residual value method.

The 2,050,833 FT shares were issued at \$0.18 per share for total gross proceeds of \$369,150. The Company allocated \$42,017 of the gross proceeds to flow-through share premium liability.

In connection with the three private placements, the Company issued 410,066 finders' units. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one common non-flow-through share of the Company at an exercise price of \$0.25 for a period of 24 months following the closing date. The shares were issued at a value of \$57,409 and a value of \$9,387 was attributed to the 205,033 finders warrants using the Black-Scholes pricing model using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.14; exercise price - \$0.25; risk-free rate - 0.21%; expected life - 2.0 years; expected volatility - 90%; and expected dividends - nil. The Company also incurred cash share issuance costs of \$22,466.

On June 18, 2020, the Company closed a private placement which consisted of a total of 14,200,000 units at a price of \$0.05 per unit for gross proceeds of \$710,000. Each unit was comprised of one common share of the Company and one-half of one share purchase warrant with each whole warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.075 for a period of 36 months. The Company had received subscriptions of \$149,264, net of issue costs at May 31, 2020.

In connection with the private placement, the Company issued 554,400 brokers warrants. The value of \$21,104 attributed to the brokers warrants issued was estimated using the Black-Scholes pricing model, with the following weighted average assumptions: share price - \$0.070; exercise price - \$0.075; risk-free rate - 0.32%; expected life - 3.0 years; expected volatility - 89%; and expected dividends - nil. The Company also incurred cash share issuance costs of \$33,679.

- The Company issued 1,000 common shares pursuant to the exercise of options with a weighted average exercise price of \$0.15 per share. The weighted average share price on the date of exercise was \$0.14.
- The Company issued 100,000 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.075 per share. The weighted average share price on the date of exercise was \$0.17.

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

Six Months Ended October 31, 2019

- On August 8, 2019, the Company completed a non-brokered private placement for gross proceeds of \$500,000 through the issuance of 5,882,352 units of the Company at a price of \$0.085 per unit. Each unit consisted of one common share of the Company on a flow-through basis and one-half non-flow-through share purchase warrant, with each full warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.20 per share with an expiry date of August 8, 2022. Share issue costs totaled \$3,450.

On January 16, 2019, the Company completed a non-brokered private placement by issuing 24,000,000 units at a price of \$0.075 per unit for gross proceeds of \$1,800,000. At April 30, 2019, \$76,994 of the private placement proceeds had not been received and were recorded as share subscriptions receivable on the condensed consolidated interim statement of financial position. During the six months ended October 31, 2019 the Company received 25,000 of the outstanding proceeds. The remaining outstanding proceeds of \$51,994 were received subsequent to October 31, 2019.

c) Stock options

The Company has a fixed Long-Term Performance Incentive Plan whereby the Board can grant, subject to regulatory terms and approval, various awards including stock options, to its officers, directors, employees and service providers. The Company may grant certain awards to directors, officers, employees and consultants, including stock options, to a maximum of 13,000,000 common shares. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price \$
Balance, July 31, 2019	3,650,000	0.15
Balance, May 31, 2020	3,650,000	0.15
Granted	3,150,000	0.10
Exercised	(1,000)	0.15
Acquired on acquisition (Note 4)	2,344,000	0.15
Balance, November 30, 2020	9,143,000	0.13
Exercisable, November 30, 2020	5,993,000	0.15

The following stock options were outstanding as at November 30, 2020:

Outstanding	Exercisable	Weighted average exercise price \$	Expiry date	Weighted average remaining life (in years)
44,000	44,000	0.50	August 2, 2021	0.67
20,000	20,000	0.25	February 7, 2022	1.19
80,000	80,000	0.21	September 27, 2022	1.82
2,899,000	2,899,000	0.15	February 1, 2024	3.17
750,000	750,000	0.15	May 15, 2024	3.46
3,150,000	-	0.10	June 19, 2025	4.55
2,200,000	2,200,000	0.14	August 21, 2025	4.73
9,143,000	5,993,000	0.13		4.02

GRANITE CREEK COPPER LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended November 30, 2020 and October 31, 2019
(Unaudited - Expressed in Canadian Dollars)

d) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		\$
Balance, July 31, 2019	27,000,000	0.19
Issued	2,941,175	0.20
Balance, May 31, 2020	29,941,175	0.19
Issued	12,143,417	0.14
Exercised	(100,000)	0.075
Acquired on acquisition (Note 4)	2,798,996	0.34
Balance, November 30, 2020	44,783,588	0.19

The following share purchase warrants were outstanding as at November 30, 2020:

Outstanding	Weighted average Exercise price	Expiry date	Weighted average remaining life (in years)
	\$		
222,000	1.25	December 8, 2020	0.02
133,360	1.25	December 29, 2020	0.08
1,643,636	0.25	December 21, 2021	1.06
24,000,000	0.20	January 16, 2022	1.13
3,000,000	0.15	January 16, 2022	1.13
2,941,175	0.20	August 21, 2022	1.72
3,139,293	0.25	October 6, 2022	1.85
698,691	0.25	October 13, 2022	1.87
651,033	0.25	October 29, 2022	1.91
3,999,800	0.075	June 5, 2023	2.51
3,554,600	0.075	June 18, 2023	2.55
800,000	0.125	August 7, 2023	2.68
44,783,588	0.19		1.49

Subsequent to November 30, 2020 a total of 355,360 warrants with an exercise price of \$1.25 expired unexercised.

e) Share-based payment expense and reserve

The share-based payments expense for the stock options that vested during the six months ended November 30, 2020 was \$94,427 and for the six months ended October 31, 2019 was \$171,138.

The Company granted 3,150,000 incentive stock options to directors, officers and consultants of the Company. The fair value of the stock options granted during the six months ended November 30, 2020 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	0.33%
Expected life in years	5.0
Expected volatility	82%
Expected dividends	Nil

Expected volatility is based on historical price volatility to the extent of the expected life of the option.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

10. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel are the Directors and Executive Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and are reviewed and approved by the Company's Board. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the three and six months ended November 30, 2020 and the three and six months ended October 31, 2019:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company. Timothy Johnson, President and CEO of the Company, and another director of the Company, are minority shareholders and key management personnel of TruePoint. Charges from TruePoint are for exploration, management and office administration expenses;
- 1111040 BC Ltd., a private company controlled by the President and CEO of the Company; and
- MVR Consulting Inc., a private company controlled by Michael Rowley, Director.

Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

a) Related Party Transactions

The Company's related party transactions for the periods were as follows:

	Three months ended		Six months ended	
	November 30, 2020	October 31, 2019	November 30, 2020	October 31, 2019
	\$	\$	\$	\$
Consulting and management fees ⁽¹⁾	34,764	35,000	63,436	138,363
Share-based payments ⁽²⁾	11,394	16,903	23,908	53,766
Exploration and administrative support costs ⁽³⁾	708,288	326,669	1,010,801	451,202
	754,446	378,572	1,098,145	643,331

¹ Consulting fees for the three and six months ended November 30, 2020 and October 31, 2019 consisted of fees earned by key management personnel including the CEO and CFO.

² Share-based payments expense is a non-cash item that consisted of the fair value of stock options that were granted to key management personnel.

³ Transactions with TruePoint for the six months ended November 30, 2020 consisted of exploration expenditures (\$916,827), consulting fees (\$837), investor relations and corporate development fees (\$92,049) and other/office fees (\$1,088).

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

b) Related Party Balances

The Company's related party receivable/payable balances consisted of the following:

	November 30, 2020	May 31, 2020
	\$	\$
Current assets – Due from related party		
TruePoint, net ⁽¹⁾	-	112,504
Tim Johnson	-	754
	-	113,258
Current liabilities – Due to related parties		
TruePoint, net ⁽¹⁾	634,553	-
TruePoint, Copper North promissory note	104,096	-
Tim Johnson	3,201	-
1111040 BC Ltd	8,400	88,600
Loy Chunpongtong	17,333	-
John Cummings	110,000	-
Other	-	27,438
	877,583	116,038

¹ This amount was the net of cash advances made to TruePoint, partially offset by charges from TruePoint

Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

c) Insider Participation in Private Placements

A summary of insider participation in the Company's private placements for the six months ended November 30, 2020 was as follows:

October 2020 Private Placement	Number of Units	Price	Proceeds
		\$	\$
Timothy Johnson	120,000	0.18	21,600
Rebecca Moriarty	14,900	0.145	2,161
Michael Rowley	42,000	0.18	7,560
	176,900		31,321

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash, accounts receivable, accounts payable and accrued liabilities and due to related parties are classified as amortized cost.

As at November 30, 2020 the Company believes the carrying values of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since May 31, 2020.

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Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended November 30, 2020 and October 31, 2019

(Unaudited - Expressed in Canadian Dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the period consisted of the following:

	Three months ended		Six months ended	
	November 30, 2020	October 31, 2019	November 30, 2020	October 31, 2019
	\$	\$	\$	\$
Receivable	(50,855)	(15,443)	(66,808)	(27,593)
Due to / from related parties	781,386	5,230	770,707	412,753
Prepaid expenses	4,716	(40,144)	10,436	(266,519)
GST payable	-	-	-	3,492
Accounts payable and accrued liabilities	(554,405)	96,208	(744,580)	94,736
	180,842	45,851	(30,245)	216,869

13. COMMITMENT

As a result of the issuance of FT shares in October 2020, the Company had a commitment to incur \$1,656,260 on qualifying Canadian exploration expenditures. At November 30, 2020, the Company had incurred \$612,792 of those qualifying expenditures.

In December 2020, in recognition of the impacts of COVID-19, the Canadian government drafted a legislative proposal to give Companies an additional twelve month period to incur eligible expenditures for flow-through agreements entered into before 2021. As a result, the qualifying expenditures for the issuance of FT in October 2020 are due to be incurred prior to December 31, 2022.

As a result of the issuance of FT shares on August 8, 2019, the Company had a commitment to incur \$500,000 on qualifying Canadian exploration expenditures on or before December 31, 2021 (before the drafted legislation discussed above). At November 30, 2020, the Company had incurred the full \$500,000 and none of the commitment was remaining.

14. CORONA VIRUS (COVID 19) PANDEMIC

Outbreak of the corona virus and the worldwide COVID-19 pandemic may result in impacts to the Company's on-going exploration plans and activities in 2020. The Company is focused on the health and well-being of its workers and the communities in which we work and has implemented preventative measures accordingly. The Company will continue to monitor advice and regulations from the World Health Organization, governments and local communities, and adjust measures as appropriate.

The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected that are difficult to quantify. Regional disease outbreaks represent a threat to hiring and maintaining skilled workers, and could be a major health-care challenge for its workforce. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and ultimately that the Company could see its workforce productivity reduced or incur increased medical costs as a result of these health risks.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital.

There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity, thereby limiting access to additional capital.