GRANITE CREEK COPPER

(Formerly Granite Creek Gold Ltd.)

For the Six Months Ended January 31, 2019

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim 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.

(Formerly Granite Creek Gold Ltd.)

Condensed Consolidated Interim Statements of Financial Position

As at January 31, 2019 and July 31, 2018

(Unaudited - expressed in Canadian Dollars)

	Note	January 31, 2019	July 31, 2018
		$	$
ASSETS			
CURRENT			
Cash		568,625	11,736
		568,625	11,736
NON-CURRENT			
Exploration and Evaluation Assets	3	225,000	-
Due from Related Parties	6	63,502	-
Security Deposit		1,480	1,480
		858,607	13,216
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		117,830	204,082
GST Payable		1,988	3,492
Due to Related Parties	6	61,601	209,847
Loans Payable	4	185,356	279,565
Total Liabilities		366,775	696,986
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share Capital	5	4,292,494	2,267,494
Share subscriptions receivable	5	(365,147)	-
Stock Options Reserve		12,416	12,416
Foreign Currency Translation Reserve		(3,586)	(3,586)
Deficit		(3,444,345)	(2,960,094)
		491,832	(683,770)
		858,607	13,216

Nature of Business and Ability to Continue as a Going Concern (Note 1)
Subsequent Event (Note 10)

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Approved on behalf of the Board:

"Timothy A. Johnson"	***"Michael Rowley"***
Timothy A. Johnson, Director	Michael Rowley, Director

GRANITE CREEK COPPER LTD.

(Formerly Granite Creek Gold Ltd.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)

For the Six Months Ended January 31, 2019

(Unaudited - expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Share Subscriptions Receivable	Stock Option Reserve	Foreign Currency Translation Reserve	Deficit	Total Shareholders' Equity (Deficiency)
		$	$	$	$	$	$
Balance, July 31, 2017	2,901,025	2,267,494	-	160,704	(3,586)	(2,831,891)	(407,279)
Net Comprehensive Loss	-	-	-	-	-	(93,149)	(93,149)
Balance, January 31, 2018	2,901,025	2,267,494	-	160,704	(3,586)	(2,925,040)	(500,428)
Net Comprehensive Loss	-	-	-	-	-	(80,550)	(80,550)
Balance, July 31, 2018	2,901,025	2,267,494	-	12,416	(3,586)	(2,960,094)	(683,770)
Shares issued pursuant property acquisition	3,000,000	225,000	-	-	-	-	225,000
Shares issued pursuant to private placement	24,000,000	1,800,000	(365,147)	-	-	-	1,434,853
Net Comprehensive Loss	-	-	-	-	-	(484,251)	(484,251)
Balance, January 31, 2019	29,901,025	4,292,494	(365,147)	12,416	(3,586)	(3,444,345)	491,832

The accompanying notes form an integral part of these condensed consolidated interim financial statements

GRANITE CREEK COPPER LTD.

(Formerly Granite Creek Gold Ltd.)

Condensed Consolidated Interim Statements of Comprehensive Loss

For the Three and Six Months Ended January 31, 2019 and 2018

(Unaudited - expressed in Canadian Dollars)

	Note	For the Three Months Ended January 31 2019	For the Three Months Ended January 31 2018	For the Six Months Ended January 31 2019	For the Six Months Ended January 31 2018
		$	$	$	$
EXPENSES					
Exploration and evaluation expenditures	3	39,475	-	39,475	-
Professional Fees		36,939	2,056	62,121	4,556
Consulting		187,837	-	194,837	-
Management Fees	6	16,747	29,000	61,102	61,000
Office		3,930	15,694	9,727	16,173
Filing fees		24,021	-	24,021	-
Salaries and benefits		64,502	-	64,502	-
Rent (recovery)		(500)	5,001	5,201	9,625
Promotional		9,395	-	9,395	-
Transfer Fees		2,745	1,923	7,338	3,503
Utilities		-	-	742	-
LOSS BEFORE OTHER ITEMS		385,091	53,674	478,461	94,857
Interest Expense	4	2,895	-	5,790	-
Rental Income	6	-	-	-	(1,708)
NET LOSS FOR THE PERIOD		387,986	53,674	484,251	93,149
OTHER COMPREHENSIVE LOSS					
Gain on Reversal of Intercompany Debt		-	(943)	-	(10,551)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		387,986	52,731	484,251	82,598
Basic and Diluted Loss per Share		0.051	0.018	0.092	0.028
Weighted Average Number of Common Shares		7,596,677	2,901,025	5,248,851	2,901,025

The accompanying notes form an integral part of these condensed consolidated interim financial statements

GRANITE CREEK COPPER LTD.

(Formerly Granite Creek Gold Ltd.)

Condensed Consolidated Interim Statements of Cash Flows

For the Six Months Ended January 31, 2019 and 2018

(Unaudited - expressed in Canadian Dollars)

	Note	2019	2018
		$	$
OPERATING ACTIVITIES			
Net loss for the period		(484,251)	(82,598)
Items not involving cash:			
Accrued interest		5,790	2,862
		(478,461)	(79,736)
Net change in non-cash working capital (Note 9)		(87,756)	28,383
CASH USED IN OPERATING ACTIVITIES		(566,217)	(51,353)
FINANCING ACTIVITIES			
Proceeds received from private placement	5(b)(i)	1,434,853	-
Repayment of loans		(99,999)	-
Receipt (repayment) of related party balances		(211,748)	59,777
CASH PROVIDED BY FINANCING ACTIVITIES		1,123,106	59,777
INCREASE IN CASH		556,889	8,424
Cash, beginning of period		11,736	3,630
CASH, END OF PERIOD		568,625	12,054

Supplemental Cash Flow Information (Note 9)

The accompanying notes form an integral part of these condensed consolidated interim financial statements

NOTE 1 – NATURE OF BUSINESS AND ABILITY TO CONTINUE AS A 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 1209, 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". On October 18, 2018, the Company changed its name from Granite Creek Gold Ltd. to Granite Creek Copper Ltd.

These condensed consolidated interim 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.

As at January 31, 2019, the Company has an accumulated deficit of $3,444,345 and working capital of $201,850; accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations. The current cash resources are not adequate to pay the Company's accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with IFRS as issued by the IASB.

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2018 which include the accounting policies used in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on April 1, 2019.

b) Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss which are stated at their fair value.

(Unaudited - expressed in Canadian Dollars)

NOTE 2 – BASIS OF PRESENTATION (continued)

c) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Entity	Country of Incorporation	Holding	Functional Currency
Granite Creek Copper Ltd.	Canada	Parent Company	Canadian Dollar
Granite Creek (Barbados) Limited	Barbados	100%	Canadian Dollar
Granite Creek (Mali) Sarl	Mali	100%	CFA Franc

As of January 31, 2019, the wholly-owned subsidiaries are inactive.

NOTE 3 – MINERAL PROPERTY ACQUISITION

The Company entered into an agreement (the "**Agreement**") with arm's length vendors (the "**Vendors**"), under which the Company acquired an undivided 100% interest in the Stu Copper Property in Yukon Territory, Canada, (the "**Stu Property**"). 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 2022, and in each subsequent year thereafter, until the commencement of any commercial production on the Stu Property.

Each Transaction Unit is 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 of January 16, 2022.

During the six months ended January 31, 2019, the Company incurred $39,475 in geological consulting costs on the Stu Property.

NOTE 4 – LOANS PAYABLE

	January 31, 2019	July 31, 2018
	$	$
Ranex Exploration Ltd.	139,400	231,608
Other loan payable	45,956	47,957
	185,356	279,565

The loan payable to Ranex Exploration Ltd., a company controlled by the Chief Executive Officer ("**CEO**") of the Company, is due on July 31, 2019, is unsecured and bears interest at 5% per annum compounded semi-annually. During the six months ended January 31, 2019, the Company accrued interest expense of $5,790 (2018 - $2,862).

Other loan payable is owed to an arm's length party and is unsecured, non-interest bearing and has no fixed term of repayment.

NOTE 5 – SHARE CAPITAL

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding Common Shares

As at January 31, 2019, the Company had 29,901,025 common shares issued and outstanding as presented in the condensed consolidated interim statements of changes in shareholders' equity (deficiency).

i) Shares Issued During the Six Months Ended January 31, 2019

a. On January 16, 2019, the Company issued 24,000,000 units at a price of $0.075 per unit for gross proceeds of $1,800,000. Each unit is 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 $0.20 per share, with an expiry of January 16, 2022. In the event that the common shares close at or above $0.30 for ten consecutive trading days, the Company may accelerate the expiry date of the warrants to expire on the thirtieth day after the date on which notice of acceleration is given by the Company. Of the total proceeds, the Company had $365,147 in share subscriptions receivable as at January 31, 2019 which was included in the condensed consolidated interim statement of financial position.

b. As part of the Transaction Unit described in Note 3, the Company issued 3,000,000 common shares to the Vendors.

ii) Shares Issued During the Six Months Ended January 31, 2018

The Company issued Nil shares during the six months ended January 31, 2018.

c) Stock Options

As at January 31, 2019, the Company had a share purchase option plan that allows the Board of Directors to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees, and service providers. The share purchase option plan was based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time.

On March 25, 2019, the Company announced that its shareholders unanimously approved a fixed Long-Term Performance Incentive Plan (the "**LTIP**") which replaces the rolling stock option plan. The Company may grant certain awards to directors, officers, employees and consultants, including stock options, to a maximum of 5,380,204 common shares. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

(Unaudited - expressed in Canadian Dollars)

NOTE 5 – SHARE CAPITAL (continued)

c) Stock Options (continued)

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

	Number of options	Weighted average exercise price
		$
Balance, July 31, 2018	155,000	0.39
Expired	(20,833)	1.20
Balance, January 31, 2019	134,167	0.36

The following stock options were outstanding as at January 31, 2019:

Outstanding	Exercisable	Weighted average exercise price	Expiry date	Weighted average remaining life (in years)
		$		
20,833	20,833	1.20	April 24, 2019	0.23
113,334	113,334	0.21	January 21, 2020	0.97
134,167	134,167	0.36		0.86

d) Warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		$
Balance, July 31, 2018	-	-
Issued	27,000,000	0.19
Balance, January 31, 2019	27,000,000	0.19

The following warrants were outstanding as at January 31, 2019:

Outstanding	Exercisable	Exercise Price	Expiry Date
		$	
24,000,000	24,000,000	0.20	January 16, 2022
3,000,000	3,000,000	0.15	January 16, 2022
27,000,000	27,000,000	0.19	

(Unaudited - expressed in Canadian Dollars)

NOTE 6 – RELATED PARTY BALANCES AND TRANSACTIONS

Key management includes directors and senior management. A number of key management personnel, or their related parties, 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. These transactions are in the normal course of operations and are measured at their exchange amount. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these condensed consolidated interim financial statements, are described below.

a) Related Party Balances

The Company's related party balances as at January 31, 2019 and July 31, 2018 consisted of the following:

	January 31, 2019	July 31, 2018
	$	$
Due to Tim Johnson, CEO	52,151	105,175
Due to Michael Rowley, Director	9,450	55,246
Due to Swiftcurrent Ventures Ltd., controlled by a Director	-	49,426
	61,601	209,847

	January 31, 2019	July 31, 2018
	$	$
Due from Metallic Minerals Corp., a company with Officers in common	16,944	-
Due from Group Ten Metals Inc., a company with Directors and Officers in common	46,558	-
	63,502	-

The related party balances are non-interest bearing, unsecured, and have no specified terms of repayment.

b) Compensation of Key Management Personnel

During the six months ended January 31, Key Management Personnel earned the following compensation:

	2019	2018
	$	$
Management Fees (CEO)	27,000	54,000
Management Fees (CFO)	31,530	54,000
Management Fees (Director)	-	5,000
	58,530	113,000

During the six months ended January 31, 2019, the Company received rental income totalling $Nil (2018 - $2,209) from two companies with common directors.

NOTE 7 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to support the acquisition, exploration, and development of its exploration and evaluation assets.

The Company manages its share capital as capital, which as at January 31, 2019, was $4,292,494 (2018 – $2,267,494). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares or dispose of assets.

The Company does not have any externally imposed capital requirements to which it is subject. There were no changes in the Company’s approach to capital management during the six months ended January 31, 2019.

NOTE 8 – FINANCIAL INSTRUMENTS AND RISKS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

The Company’s financial instruments are exposed to the following financial risks:

a) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company’s holdings of cash.

As at January 31, 2019, the Company had a cash balance of $568,625 to settle current liabilities of $366,775. In addition, subsequent to January 31, 2019, the Company received the $365,147 of share subscriptions receivable described in Note 5(b)(i)(a). Management expects to fund those liabilities through the issuance of common shares and loans from related parties over the coming year. There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and exploration activities.

b) Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to its liquid financial assets including cash. Management believes that its credit risk is not significant.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s amounts due to related parties are non-interest bearing, and as such, the Company is not exposed to significant interest rate risk.

NOTE 8 – FINANCIAL INSTRUMENTS AND RISKS (continued)

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have no significant impact.

e) Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

NOTE 9 – SUPPLEMENTAL CASHFLOW INFORMATION

	2019	2018
	$	$
GST Payable	(1,504)	(126)
Accounts Payable and Accrued Liabilities	(86,252)	28,509
	(87,756)	28,383

During the six month period ended January 31, 2019, the non-cash transaction consisted of the Company issuing 3,000,000 units with a value of $225,000 to the Vendors pursuant to the Agreement.

NOTE 10 – SUBSEQUENT EVENT

On February 1, 2019, the Company granted 2,900,000 incentive stock options to directors, officers, employees, and consultants of the Company. The options are exercisable for up to five years, expiring on February 1, 2024, and each option will allow the holder to purchase one common share of the Company at a price of $0.15 per share.