



**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

FOR THE SIX MONTHS ENDED JANUARY 31, 2020

(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.**Condensed Consolidated Interim Statements of Financial Position**

(Unaudited – Expressed in Canadian Dollars)

	Note	January 31, 2020	July 31, 2019
		\$	\$
ASSETS			
Current			
Cash		23,887	109,106
GST and subscription receivables	6(b)	56,048	75,952
Marketable securities	3	653,656	-
Prepaid expenses and deposits	7(b)	244,230	236,575
		<u>977,821</u>	<u>421,633</u>
Non-Current			
Exploration and evaluation assets	4	237,557	225,336
		<u>1,215,378</u>	<u>646,969</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities		248,072	120,344
Due to related parties	7(b)	125,335	82,953
Flow-through share premium liability	5	32,485	-
		<u>405,892</u>	<u>203,297</u>
SHAREHOLDERS' EQUITY			
Share capital	6	5,365,236	4,286,390
Share-based payments reserve	6(d),(e)	323,542	193,072
Foreign currency translation reserve		(3,586)	(3,586)
Deficit		<u>(4,875,706)</u>	<u>(4,032,204)</u>
		<u>809,486</u>	<u>443,672</u>
		<u>1,215,378</u>	<u>646,969</u>

Approved on behalf of the Board:

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

GRANITE CREEK COPPER LTD.**Condensed Consolidated Interim Statements of Comprehensive Loss**

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended		Six months ended	
		January 31,		January 31,	
		2020	2019	2020	2019
		\$	\$	\$	\$
Expenses					
Consulting and management fees	7(a)	10,558	204,584	58,250	255,939
Corporate advisory fees	7(a)	26,728	-	45,937	-
Exploration expenditures	7(a)	(15,029)	39,475	261,250	39,475
Investor relations	7(a)	25,576	9,395	47,375	9,395
Office and administration	7(a)	17,149	3,430	28,623	15,670
Professional fees		199,676	36,939	297,354	62,121
Property evaluation		1,369	-	1,369	-
Salaries and benefits		-	64,502	-	64,502
Share-based payments expense	6(d), 7(a)	52,532	-	115,811	-
Transfer agent, regulatory and filing fees		8,480	26,766	9,449	31,359
Travel and accommodation		1,106	-	2,300	-
Loss Before Other Items		328,145	385,091	867,718	478,461
Other Items					
Other income	5	(464)	-	(41,091)	-
Unrealized loss on marketable securities	3	16,875	-	16,875	-
Interest expense		-	2,895	-	5,790
		16,411	2,895	(24,216)	5,790
Net loss and comprehensive loss for the period		(344,556)	(387,986)	(843,502)	(484,251)
Basic and Diluted Loss per Share		\$ (0.01)	\$ (0.05)	\$ (0.02)	\$ (0.09)
Weighted Average Number of Common Shares Outstanding		42,421,636	7,596,677	38,463,117	5,248,851

GRANITE CREEK COPPER LTD.

Condensed Consolidated Interim Statement of Changes in Equity (Deficiency)

(Unaudited - Expressed in Canadian Dollars)

Note	Number of common shares	Share capital	Share subscriptions receivable	Share-based payments reserve	Foreign currency translation reserve	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance, July 31, 2018	2,901,025	2,267,494	-	12,416	(3,586)	(2,960,094)	(683,770)
Net loss for the period	-	-	-	-	-	(484,251)	(484,251)
Shares issued pursuant to property acquisition	4 3,000,000	225,000	-	-	-	-	225,000
Private placement, net of share issue costs	24,000,000	1,800,000	(365,147)	-	-	-	1,434,853
Balance, January 31, 2019	29,901,025	4,292,494	(365,147)	12,416	(3,586)	(3,444,345)	491,832
Net loss for the period	-	-	-	-	-	(600,275)	(600,275)
Private placement	-	(6,104)	365,147	-	-	-	359,043
Share-based payments expense	-	-	-	193,072	-	-	193,072
Reclass of expired stock options	-	-	-	(12,416)	-	12,416	-
Balance, July 31, 2019	29,901,025	4,286,390	-	193,072	(3,586)	(4,032,204)	443,672
Net loss for the period	-	-	-	-	-	(843,502)	(843,502)
Acquisition of Copper North shares	3 10,529,663	670,531	-	-	-	-	670,531
Private placement, net of share issue costs	6(b),(e) 5,882,345	481,891	-	14,659	-	-	496,550
Amount allocated to flow-through share premium liability pursuant to flow-through private placement	6(b) -	(73,576)	-	-	-	-	(73,576)
Share-based payments expense	6(d) -	-	-	115,811	-	-	115,811
Balance, January 31, 2020	46,313,033	5,365,236	-	323,542	(3,586)	(4,875,706)	809,486

GRANITE CREEK COPPER LTD.**Condensed Consolidated Interim Statements of Cash Flows**

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended January 31,		Six months ended January 31,	
		2020	2019	2020	2019
		\$	\$	\$	\$
Operating Activities					
Net loss for the period		(344,556)	(387,986)	(843,502)	(484,251)
Items not involving cash:					
Interest expense		-	2,895	-	5,790
Other income	5	(464)	-	(41,091)	-
Share-based payments expense	6(d)	52,532	-	115,811	-
Unrealized loss on marketable securities	3	16,875	-	16,875	-
		(275,613)	(385,091)	(751,907)	(478,461)
Net change in non-cash working capital	10	99,356	(124,751)	139,977	(87,756)
Cash used in operating activities		(176,257)	(509,842)	(611,930)	(566,217)
Investing Activities					
Acquisition of exploration and evaluation assets		(12,221)	-	(12,221)	-
Cash used in investing activities		(12,221)	-	(12,221)	-
Financing Activities					
Proceeds received from private placement	6(b)	-	1,434,853	500,000	1,434,853
Share issue costs	6(b)	-	-	(3,450)	-
Subscriptions received in advance	6(b)	-	(161,575)	-	-
Repayment of loans		-	(99,999)	-	(99,999)
Receipt (repayment) of related party balances, net		37,152	(211,748)	42,382	(211,748)
Cash provided by financing activities		37,152	961,531	538,932	1,123,106
Net increase (decrease) in cash		(151,326)	451,689	(85,219)	556,889
Cash, beginning of period		175,213	116,936	109,106	11,736
Cash, end of period		23,887	568,625	23,887	568,625
Supplemental cash flow information	10				

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

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 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”. 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.

The Company incurred a net loss of \$843,502 during the six months ended January 31, 2020, and as of that date, had an accumulated deficit of \$4,875,706 (July 31, 2019: \$4,032,204) and working capital of \$571,929 (July 31, 2018: \$218,336). 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 condensed consolidated interim 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.

2. BASIS OF PRESENTATION

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, 2019 which include the accounting policies used in the preparation of these condensed consolidated interim financial statements.

These 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.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors (the “**Board**”) on March 31, 2020.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries Granite Creek (Barbados) Limited and Granite Creek (Mali) Sarl. All intercompany balances and transactions have been eliminated upon consolidation. As of, and for the three month period ended October 31, 2019, the wholly-owned subsidiaries were inactive.

3. INVESTMENT

On December 5, 2019, the Company acquired 26,146,233 common shares of Copper North Mining Corp. ("**Copper North**"), a mineral exploration company listed publicly on the Canadian Securities Exchange, in exchange for 10,529,663 common shares of the Company with a transaction value of \$670,531.

Under IFRS 9, the Company is classifying the shares of Copper North as a financial asset measured at fair value. A financial asset measured at fair value is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as an "unrealized gain or loss" in the condensed consolidated statement of comprehensive loss.

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

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

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

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

Marketable securities, which are measured at fair value, are valued using Level 1 measurements. A summary of the changes in the Company's marketable securities is presented below:

	\$
Balance, July 31, 2019	-
Acquisition of Copper North shares	670,531
Unrealized loss on marketable securities	<u>(16,875)</u>
Balance, January 31, 2020	<u>653,656</u>

4. EXPLORATION AND EVALUATION ASSETS

In January 2019, the Company acquired an undivided 100% interest in the Stu Copper Property in Yukon Territory, Canada, (the "**Stu Property**") 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 the Stu Property.

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.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

During the six months ended January 31, 2020, the Company incurred exploration expenses totaling \$261,250 on the Stu Property, which are included in the condensed consolidated interim statement of comprehensive loss.

5. FLOW-THROUGH SHARE PREMIUM LIABILITY

On issuance of flow-through shares, the Company allocates the proceeds into i) share capital, ii) warrants, and iii) flow-through share premium, if any, using the residual value method. If investors pay a premium for the flow-through feature, it is recognized as a liability. Upon incurring qualifying expenditures, the Company reduces the liability and recognizes a deferred tax recovery in income for the amount of tax reduction renounced to the shareholders. At the end of a period, the flow-through share premium liability consists of the portion of the premium on flow-through shares that corresponds to the portion of qualifying exploration expenditures that have not yet been incurred.

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 liability on the issuance of flow-through common shares	73,576
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(41,091)</u>
Balance, January 31, 2020	<u><u>32,485</u></u>

6. SHARE CAPITAL

a) Authorized share capital

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

b) Share issuance details

Six Months Ended January 31, 2020

As described in Note 3, on December 5, 2019, the Company issued 10,529,663 common shares of the Company with a value of \$670,531 to Copper North.

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.

The Company's share price was \$0.07 per share on the date of completion and as a result, the Company allocated \$14,659 of the gross proceeds from the flow-through private placement to warrant reserve, \$73,576 to flow-through share premium liability and the remaining \$411,765 to share capital. Share issue costs totaled \$3,450.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

b) Share issuance details (continued)

Included in GST and subscription receivables at July 31, 2019, was an amount of \$51,994 that pertained to a private placement that was completed in January 2019. The full amount was received subsequent to October 31, 2019.

Six Months Ended January 31, 2019

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.

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

c) Stock options

The Company has a fixed Long-Term Performance Incentive Plan (the "LTIP") 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 8,000,000 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 and January 31, 2020	3,650,000	\$ 0.15

The following stock options were outstanding as at January 31, 2020:

Outstanding	Exercisable	Weighted average exercise price	Expiry date	Weighted average remaining life (in years)
2,900,000	966,667	\$ 0.15	February 1, 2024	4.01
750,000	250,000	0.15	May 15, 2024	4.29
3,650,000	1,216,667	0.15		4.06

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

d) Share-based payments

The share-based payments expense for the stock options that vested during the six months ended January 31, 2020 was \$115,811. The fair value of the stock options that vested during the six months ended January 31, 2020 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.73%
Expected annual stock price volatility	83%
Expected dividend yield	0.0%
Expected option life in years	5.0
Spot price on date of grant	\$0.15

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

e) 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, January 31, 2020	29,941,175	0.19

The following warrants were outstanding as at January 31, 2020:

Outstanding	Exercisable	Weighted Average 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
2,941,175	2,941,175	0.20	August 21, 2022
29,941,175	29,941,175	0.19	

The fair value of the 2,941,175 warrants issued in conjunction with the flow-through private placement completed on August 8, 2019 was \$14,659 and was recorded in reserves. The weighted average assumptions were as follows:

Risk-free interest rate	1.39%
Expected annual stock price volatility	48%
Expected dividend yield	0.0%
Expected option life in years	3.0
Spot price on date of grant	\$0.07

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the Directors and 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. These transactions are in the normal course of operations and are measured at their exchange amount.

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

- TruePoint Exploration Inc. (“**TruePoint**”) is a private held exploration service company that provides exploration and administrative services to the Company and several other exploration companies in the industry. Timothy Johnson, President and CEO of the Company, and another director of the Company, are minority shareholders of TruePoint, which makes it a related party. 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.
- MVR Consulting Inc. (“**MVR Consulting**”), a private company controlled by Michael Rowley, Director and former CFO of the Company.
- Foran Mining Corporation (“**Foran**”), a public company whose CFO, Tim Thiessen, is the CFO of the Company.

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 Transactions

Related party transactions for the six months ended January 31 were as follows:

	2020	2019
	\$	\$
Consulting and management fees	1 73,600	58,530
Share-based payments expense	2 33,587	-
Exploration and administrative support costs	3 336,516	-
	<u>443,703</u>	<u>58,530</u>

1 Consulting and management fees consisted of CEO, CFO and Corporate Secretary fees.

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

3 Exploration and administrative support costs were charged by TruePoint and consisted of mineral exploration and evaluation costs, consulting fees, corporate advisory fees and office and administration costs.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Related Party Balances

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

	January 31, 2020	July 31, 2019
Current assets - Prepaid expenses and deposits	\$	\$
Due from TruePoint, net	1 229,055	229,908
Current liabilities - Due to related parties		
Due to Tim Johnson, CEO	50,785	67,991
Due to 1111040 BC Ltd.	58,800	8,400
Due to Michael Rowley, Director	-	262
Due to Tim Thiessen, CFO	15,750	6,300
	<u>125,335</u>	<u>82,953</u>

¹ This amount was the net of cash advances made to TruePoint, partially offset by charges from TruePoint for exploration, management, accounting and office and administration.

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

8. 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 considers the items included in equity as capital. 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. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders.

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, 2020.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS

a) Categories of Financial Instruments

The Company's financial instruments include cash, accounts receivable, equity investment, accounts payable and accrued liabilities and due to related parties. The Company has classified its financial instruments into the following categories:

Financial assets	Classification under IAS 39	Classification under IFRS 9
Cash	Fair value through profit or loss	FVTPL
Receivables	Notes and receivable	Amortized cost
Marketable securities	Fair value through profit or loss	FVTPL
Financial liabilities	Classification under IAS 39	Classification under IFRS 9
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

b) Fair Value

The carrying values of accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

c) Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, currency risk, interest rate risk, credit risk, and other price risk.

The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

i) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities and through management of its capital structure.

As at January 31, 2020, all of the Company's financial liabilities had contractual maturities of less than 90 days. The Company does not have sufficient cash to meet requirements for administrative overhead, maintaining its mineral interests and continuing with its exploration program in the following twelve months. The Company will be required to raise additional capital in the future to fund its operations.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS (continued)

c) Financial Risk Management (continued)

ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risk through hedging or other currency management tools and considers the risks related to foreign currency are not significant at this time. The Company is not exposed to material currency risk.

iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Based on the current cash balances and expected future interest rates, the Company is not exposed to material interest rate risk.

iv) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk mainly in respect to managing its cash. The Company mitigates such credit risk by risk management policies that require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better. All investments must be less than one year in duration.

v) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

10. SUPPLEMENTAL CASHFLOW INFORMATION

The net change in non-cash operating working capital balances for the six months ended January 31, 2020 consisted of the following:

	2020	2019
	\$	\$
GST and subscription receivables	19,904	-
Prepaid expenses and deposits	(7,655)	-
Accounts payable and accrued liabilities	127,728	(87,756)
	<u>139,977</u>	<u>(87,756)</u>

The non-cash transaction for the six months ended January 31, 2020 consisted of the Company issuing 10,529,663 common shares valued at \$670,531 to Copper North (see Note 3).

The non-cash transaction for the six months ended January 31, 2019 consisted of the Company issuing 3,000,000 units with a value of \$225,000 to the Vendors pursuant to the agreement described in Note 4.

GRANITE CREEK COPPER LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended January 31, 2020

(Unaudited - Expressed in Canadian Dollars)

11. COMMITMENT

As a result of the issuance of flow-through shares as part of the private placement disclosed in Note 6(b), at January 31, 2020, the Company had approximately \$221,000 remaining in its obligation to incur qualified Canadian exploration expenditures on or before December 31, 2020.

12. SUBSEQUENT EVENT

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.