Fox River Resources Corporation

Condensed Interim Consolidated Financial Statements

For the three and six months ended April 30, 2019

(unaudited)

(presented in Canadian dollars)

Notice of non-review of condensed interim financial statements

In accordance with National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators, notice is given that the condensed interim consolidated financial statements for the six month period ended April 30, 2019 have not been reviewed by the Company’s auditors.

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

As at	**Apr. 30, 2019**	**Oct. 31, 2018**
Assets		
Current assets		
Cash and cash equivalents (note 3a)	$ 1,007,350	$ 1,136,298
Accounts receivable	7,804	5,233
Prepaid expenses	19,876	5,609
	1,035,030	1,147,140
Non-current assets		
Restricted cash (note 3a)	5,000	5,000
Total assets	**$ 1,040,030**	**$ 1,152,140**
Liabilities		
Accounts payable and accrued liabilities	$ 18,765	$ 25,953
	18,765	25,953
Shareholders' equity		
Share capital (note 4)	1,271,643	1,271,643
Share based payment reserve (note 5)	96,580	96,580
Deficit	(346,958)	(242,036)
	1,021,265	1,126,187
Total liabilities and shareholders' equity	**$ 1,040,030**	**$ 1,152,140**

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

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

	Three months ended Apr. 30, 2019	Three months ended Apr. 30, 2018	Six months ended Apr. 30, 2019	Six months ended Apr. 30, 2018
Expenses				
Consulting fees (note 9)	$ 25,500	$ 20,500	$ 51,000	$ 31,000
Shareholder information	18,032	17,640	21,756	20,625
Administration	8,377	10,015	20,765	19,099
Exploration & evaluation expenditures (note 8 & 9)	11,020	12,154	19,935	22,548
Professional fees	608	2,653	1,544	4,304
(Loss) from operations	(63,537)	(62,962)	(115,000)	(97,576)
Interest income	4,724	1,867	10,078	2,050
Gain on sale of land (note 7)	-	559,699	-	559,699
Transaction costs on sale of land (note 7)	-	(57,142)	-	(57,142)
Net income (loss) and comprehensive income (loss)	**$ (58,813)**	**$ 441,462**	**$ (104,922)**	**$ 407,031**
Basic and fully diluted income (loss) per share (note 6)	**$ (0.001)**	**$ 0.011**	**$ (0.003)**	**$ 0.010**

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

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

For the six months ended,	Apr. 30, 2019	Apr. 30, 2018
Cash flows from operating activities		
Net income (loss)	$ (104,922)	$ 407,031
Gain on sale of land	-	(559,699)
Changes in non-cash working capital items		
Accounts receivable	(2,571)	(5,002)
Prepaid expenses	(14,267)	(9,478)
Accounts payable and accrued liabilities	(7,188)	(8,375)
	(128,948)	(175,523)
Cash flows from investing activities		
Sale of land	-	1,000,000
Net change in cash and cash equivalents	**(128,948)**	**824,477**
Cash and cash equivalents, beginning of period	1,136,298	388,749
Cash and cash equivalents, end of period	**$ 1,007,350**	**$ 1,213,226**

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

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

	Number of shares	Share capital	Share based payment reserve	Deficit	Total
Balance, October 31, 2017	**41,278,527**	**$ 1,271,643**	**$ 96,580**	**$ (539,317)**	**$ 828,906**
Net income and comprehensive income for the period	-	-	-	407,031	407,031
Balance, April 30, 2018	**41,278,527**	**$ 1,271,643**	**$ 96,580**	**$ (132,286)**	**$ 1,235,937**
Net loss and comprehensive loss for the period	-	-	-	(109,750)	(109,750)
Balance, October 31, 2018	**41,278,527**	**$ 1,271,643**	**$ 96,580**	**$ (242,036)**	**$ 1,126,187**
Net loss and comprehensive loss for the period	-	-	-	(104,922)	(104,922)
Balance, April 30, 2019	**41,278,527**	**$ 1,271,643**	**$ 96,580**	**$ (346,958)**	**$ 1,021,265**

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

1. REPORTING ENTITY

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

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

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

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

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

The Board of Directors approved the condensed interim consolidated financial statements and authorized their issuance on June 25, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Cash and cash equivalents

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

	April 30, 2019	October 31, 2018
Cash	$ 63,131	$ 125,263
Money market instruments & GICs	944,219	1,011,035
Cash and cash equivalents	**$ 1,007,350**	**$ 1,136,298**

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

(b) Changes in accounting policies

The Company adopted the following standard during the six months ended April 30, 2019.

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

(c) Future accounting pronouncements

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

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

4. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares with no par value and an unlimited number of non-voting special shares. As at April 30, 2019, the Company had 41,278,527 common shares issued and outstanding.

The Company did not issue any common shares during the six months ended April 30, 2019.

	Number of Shares	Consideration
Balance, October 31, 2018 and April 30, 2019	**41,278,527**	**$ 1,271,643**

5. SHARE BASED PAYMENTS

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

The Company did not issue any share options during the six months ended April 30, 2019.

	Options	Exercise price
Balance, October 31, 2018 and April 30, 2019	**2,200,000**	**$ 0.05**

As at April 30, 2019, the following share options were outstanding and exercisable:

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

6. INCOME (LOSS) PER SHARE

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

	Three months ended Apr. 30, 2019	Three months ended Apr. 30, 2018	Six months ended Apr. 30, 2019	Six months ended Apr. 30, 2018
Net income (loss)	$ (58,813)	$ 441,462	$ (104,922)	$ 407,031
Weighted-average common shares outstanding:				
Basic	41,278,527	41,278,527	41,278,527	41,278,527
Diluted	41,278,527	41,645,194	41,278,527	41,645,194
Basic income (loss) per common share	**$ (0.001)**	**$ 0.011**	**$ (0.003)**	**$ 0.010**
Diluted income (loss) per common share	**$ (0.001)**	**$ 0.011**	**$ (0.003)**	**$ 0.010**

7. LAND

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

8. EXPLORATION AND EVALUATION EXPENDITURES

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

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

	Three months ended Apr. 30, 2019	Three months ended Apr. 30, 2018	Six months ended Apr. 30, 2019	Six months ended Apr. 30, 2018
Leases and property taxes[1]	$ 4,270	$ 6,754	$ 6,974	$ 11,748
Storage and rent	5,400	5,400	10,800	10,800
Technical and consulting	1,350	-	2,161	-
Exploration and evaluation expenditures	**$ 11,020**	**$ 12,154**	**$ 19,935**	**$ 22,548**

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

9. RELATED PARTY TRANSACTIONS

(a) Director and executive compensation

Director and executive compensation for the periods ended April 30, 2019 and 2018 consisted of the following:

	Three months ended Apr. 30, 2019	Three months ended Apr. 30, 2018	Six months ended Apr. 30, 2019	Six months ended Apr. 30, 2018
Cash compensation	$ 25,500	$ 20,500	$ 51,000	$ 31,000
Total	**$ 25,500**	**$ 20,500**	**$ 51,000**	**$ 31,000**

9. RELATED PARTY TRANSACTIONS (continued)

(b) Director and executive transactions

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

		Transaction value		Balance outstanding	
	Note	**6 mo. ended Apr. 30, 2019**	**6 mo. ended Apr. 30, 2018**	**Apr. 30, 2019**	**Apr. 30, 2018**
Consulting fees	(i)	$ 51,000	$ 31,000	$ -	$ -
Exploration and evaluation expenditures	(ii)	10,800	10,800	-	-
Total		**$ 61,800**	**$ 41,800**	**$ -**	**$ -**

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

10. COMMITMENTS AND CONTINGENCIES

(a) Mining leases

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

11. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholder's equity, which amounted to $ 1,021,265 on April 30, 2019. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. Neither the Company nor its subsidiary is subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended April 30, 2019.

12. FINANCIAL RISK FACTORS

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

(a) Credit risk

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

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. As at April 30, 2019, the Company had cash and cash equivalents of $1,007,350 to settle current liabilities of $ 18,765 .

(c) Interest rate risk

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

(d) Market price risk

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