Fox River Resources Corporation

Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2020

(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 three month period ended January 31, 2020 have not been reviewed by the Company's auditors.

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

As at	Jan. 31, 2020	Oct. 31, 2019
Assets		
Current assets		
Cash and cash equivalents (note 3a)	$ 768,734	$ 867,400
Sales tax receivable	7,776	5,813
Prepaid expenses	1,182	6,742
Marketable securities (note 7)	36,096	28,576
	813,788	908,531
Non-current assets		
Restricted cash (note 3a)	5,000	5,000
Total assets	**$ 818,788**	**$ 913,531**
Liabilities		
Accounts payable and accrued liabilities	$ 14,195	$ 23,138
	14,195	23,138
Shareholders' equity		
Share capital (note 4)	1,271,643	1,271,643
Share based payment reserve (note 5)	125,580	125,580
Deficit	(592,630)	(506,830)
	804,593	890,393
Total liabilities and shareholders' equity	**$ 818,788**	**$ 913,531**

Reporting entity (note 1)
Commitments and contingencies (note 10)

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 Jan. 31, 2020	Three months ended Jan. 31, 2019
Expenses		
Consulting fees (note 9)	$ 25,500	$ 25,500
Administration	15,811	12,388
Exploration & evaluation expenditures (note 8 & 9)	52,884	8,915
Shareholder information	3,674	3,724
Professional fees	-	936
(Loss) from operations	(97,869)	(51,463)
Interest income	4,549	5,354
Gain (loss) on change in fair value of marketable securities (note 7)	7,520	-
Net income (loss) and comprehensive income (loss)	**$ (85,800)**	**$ (46,109)**
Basic and fully diluted income (loss) per share (note 6)	**$ (0.002)**	**$ (0.001)**

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 three months ended,	Jan. 31, 2020	Jan. 31, 2019
Cash flows from operating activities		
Net income (loss)	$ (85,800)	$ (46,109)
Unrealized gain (loss) on marketable securities (note 7)	(7,520)	-
Changes in non-cash working capital items		
Accounts receivable	(1,963)	(1,849)
Prepaid expenses	5,560	5,609
Accounts payable and accrued liabilities	(8,943)	(13,820)
	(98,666)	(56,169)
Net change in cash and cash equivalents	**(98,666)**	**(56,169)**
Cash and cash equivalents, beginning of period	867,400	1,136,298
Cash and cash equivalents, end of period	**$ 768,734**	**$ 1,080,129**
Supplemental cash flow information		
Interest received	$ 4,549	$ 5,354

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, 2018	**41,278,527**	**$ 1,271,643**	**$ 96,580**	**$ (242,036)**	**$ 1,126,187**
Net loss and comprehensive loss for the period	-	-	-	(46,109)	(46,109)
Balance, January 31, 2019	**41,278,527**	**$ 1,271,643**	**$ 96,580**	**$ (288,145)**	**$ 1,080,078**
Share based payments (note 5)	-	-	29,000	-	29,000
Net loss and comprehensive loss for the period	-	-	-	(218,685)	(218,685)
Balance, October 31, 2019	**41,278,527**	**$ 1,271,643**	**$ 125,580**	**$ (506,830)**	**$ 890,393**
Net loss and comprehensive loss for the period	-	-	-	(85,800)	(85,800)
Balance, January 31, 2020	**41,278,527**	**$ 1,271,643**	**$ 125,580**	**$ (592,630)**	**$ 804,593**

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, 2019.

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 March 26, 2020.

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, 2019.

(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.

	January 31, 2020	October 31, 2019
Cash	$ 82,936	$ 86,100
Money market instruments & GICs	685,798	781,300
Cash and cash equivalents	**$ 768,734**	**$ 867,400**

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies

The Company adopted the following standard during the three months ended January 31, 2020.

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 effective date for the application of IFRS 9 was November 1, 2019. The Company's adoption of IFRS 16 did not have a material impact upon the condensed interim consolidated financial statements.

(c) Critical accounting estimates and significant judgements

The preparation of these financial statements requires management to make judgements and estimates the affect the reported amounts of assets and liabilities at the date of the fianncial statements and reported amounts of expenses during the reporting period. The financial statements include judgements and estimates which, by their nature, are uncertain, and actual outcomes could differ. The impacts of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. The preparation of these financial statements required the following critical accounting estimates and significant judgements:

(i) The fair value of stock options issued is subject to the limitations of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in input assumptions can materially affect the fair value estimate.
(ii) The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

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 January 31, 2020, the Company had 41,278,527 common shares issued and outstanding.

The Company did not issue any common shares during the three months ended January 31, 2020.

	Number of Shares	Consideration
Balance, October 31, 2019 and January 31, 2020	**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.

On August 19, 2019, the Company issued 500,000 share options exercisable at $0.07 per share for a period of five years, with an ascribed value of $29,000 estimated using the Black-Scholes model for option pricing using the following assumptions: stock price - $0.07; expected dividend yield - 0%; volatility factor - 120.66%; risk-free interest rate - 1.21%; and expected life of 5 years.

The following table reflects the continuity of share options for the year ended October 31, 2019 and three months ended January 31, 2020.

	Options	Exercise price	
Balance, October 31, 2018	2,200,000	$	0.05
Granted	500,000		0.07
Balance, October 31, 2019	2,700,000		0.05
Balance, January 31, 2020	**2,700,000**	**$**	**0.05**

As at January 31, 2020, the following share options were outstanding and exercisable:

Expiry date	Options	Exercise price	
August 1, 2020	500,000	$	0.05
April 1, 2021	1,700,000		0.05
August 19, 2024	500,000		0.07
Options Outstanding and Exercisable	**2,700,000**	**$**	**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 Jan. 31, 2020	Three months ended Jan. 31, 2019
Net income (loss)	$ (85,800)	$ (46,109)
Weighted-average common shares outstanding:		
Basic	41,278,527	41,278,527
Diluted	41,278,527	41,278,527
Basic income (loss) per common share	**$ (0.002)**	**$ (0.001)**
Diluted income (loss) per common share	**$ (0.002)**	**$ (0.001)**

7. MARKETABLE SECURITIES

The Company did not buy or sell any marketable securities during the three months ended January 31, 2020. During the year ended October 31, 2019, the Company purchased 300,800 common shares in Chibougamau Independent Mines Inc. The Company held the following marketable securities as at January 31, 2020:

Company	Security	Cost	Unrealized Gain/Loss	Jan. 31, 2020 Fair Value
Chibougamau Independent Mines Inc.	300,800 common shares	$ 40,126	$ (4,030)	$ 36,096

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 Jan. 31, 2020	Three months ended Jan. 31, 2019
Leases and property taxes	$ 2,719	$ 2,704
Storage and rent	6,943	5,400
Technical and consulting	35,132	811
Travel and transportation	8,091	-
Exploration and evaluation expenditures	**$ 52,885**	**$ 8,915**

9. RELATED PARTY TRANSACTIONS

(a) Director and executive compensation

Director and executive compensation for the three months ended January 31, 2020 and 2019 consisted of the following:

	Three months ended Jan. 31, 2020	Three months ended Jan. 31, 2019
Cash compensation	$ 25,500	$ 25,500
Total	**$ 25,500**	**$ 25,500**

No stock options were granted to directors or officers during the three months ended January 31, 2020. A director received the following stock options during the year ended October 31, 2019:

Expiry date	Number of options	Exercise price	Stock Price at grant	Risk-free interest rate	Expected life	Volatility factor	Fair value
Aug. 19, 2024	500,000	$ 0.07	$ 0.07	1.21%	5.0	120.66%	$ 0.058

(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	3 mo. ended Jan. 31, 2020	3 mo. ended Jan. 31, 2019	Jan. 31, 2020	Jan. 31, 2019
Consulting fees	(i)	$ 25,500	$ 25,500	$ -	$ -
Exploration and evaluation expenditures	(ii)	-	5,400	-	-
Total		**$ 25,500**	**$ 30,900**	**$ -**	**$ -**

(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 former Director of the Company who ceased to be a related party as of August 1, 2019.

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 $ 804,593 on January 31, 2020. 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 January 31, 2020.

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 cash balance of $ 82,936 is held by a Schedule I Canadian Chartered Bank. The Company's cash equivalents balance of $ 685,798 primarily consists of investment savings accounts and/or guaranteed investment certificates issued by Schedule I Canadian Chartered Banks. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments 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 January 31, 2020, the Company had cash and cash equivalents of $ 768,734 to settle current liabilities of $ 14,195 .

(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.

12. FINANCIAL RISK FACTORS (continued)

(e) Marketable securities price risk

The Company is exposed to equity securities price risk because of the marketable securities held by the Company. The Company's marketable securities are not part of its core operations, and accordingly, gains and losses from these investments are not representative of the Company's performance. As at January 31, 2020, the impact of a 10% increase or decrease in the share prices of the marketable securities would have resulted in an increase or decrease of $ 3,610 that would have been included in net loss and comprehensive loss.