



GLACIER LAKE
RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

GLACIER LAKE RESOURCES INC.

Condensed Consolidated Interim Statements of Financial Position

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

	Note	September 30, 2019	March 31, 2019
ASSETS			
Current assets			
Cash		\$ 4,193	\$ 18,026
Amounts receivable		4,815	22,236
Prepaid expenses		235	1,586
Total current assets		9,243	41,848
Non-current assets			
Exploration and evaluation assets	4	318,993	318,993
Reclamation bond		32,000	32,000
Total assets		\$ 360,236	\$ 392,841
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities		\$ 353,461	\$ 246,436
Due to related parties	5	560,875	389,877
Loan payable	6	2,000	2,000
Total current liabilities		916,336	638,313
Shareholders' equity (deficiency)			
Share capital	7	5,601,203	5,586,824
Share-based payment reserve	7	586,125	586,125
Deficit		(6,743,428)	(6,418,421)
Total shareholders' equity (deficiency)		(556,100)	(245,472)
Total liabilities and shareholders' equity (deficiency)		\$ 360,236	\$ 392,841

Going concern (Note 2)

Approved and authorized for issuance by the Board of Directors on November 19, 2019:

"Satvir Dhillon"

Director

"Stan Szary"

Director

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

GLACIER LAKE RESOURCES INC.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

		Three Months Ended September 30,		Six Months Ended September 30,	
	Note	2019	2018	2019	2018
OPERATING EXPENSES					
Accounting and audit	5	\$ 30,000	\$ 47,400	\$ 60,000	\$ 63,300
Consulting		60,000	95,000	120,000	127,500
Filing and regulatory fees		541	11,192	4,991	17,199
Investor relations		289	34,408	915	127,242
Legal fees		107	4,054	107	7,168
Management fees	5	60,000	90,000	120,000	120,000
Office, travel and miscellaneous		4,994	26,306	8,190	67,121
Rent		2,400	3,600	2,400	7,200
Share-based payments	9	-	-	6,879	-
Transfer agent fees		895	2,718	1,525	4,990
		(159,226)	(314,678)	(325,007)	(541,720)
Gain on accounts payable and accrued liabilities		-	12,731	-	12,731
Recovery of flow-through share premium liability	10	-	13,615	-	55,931
Loss and comprehensive loss for the period		\$ (159,226)	\$ (288,332)	\$ (325,007)	\$(473,058)
Basic and diluted loss per share		\$ (0.03)	\$ (0.06)	\$ (0.06)	\$ (0.09)
Weighted average number of shares outstanding		5,325,772	5,212,208	5,324,133	5,115,236

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

GLACIER LAKE RESOURCES INC.

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

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Commitment to issue Shares	Share-based Payment Reserve	Deficit	Total
Balance, March 31, 2018	4,852,362	\$ 5,396,144	\$ 30,510	\$ 586,125	\$ (4,779,688)	\$ 1,233,091
Shares issued for exploration and evaluation assets	300,000	150,000	-	-	-	150,000
Shares issued for commitments	-	-	10,170	-	-	10,170
Shares issued for settlement of accounts payable	62,110	27,949	(40,680)	-	-	(12,731)
Shares issued for services	11,300	5,085	-	-	-	5,085
Loss for the period	-	-	-	-	(473,058)	(473,058)
Balance, September 30, 2018	5,225,772	\$ 5,579,178	\$ -	\$ 586,125	\$ (5,252,746)	\$ 912,557
<hr/>						
Balance, March 31, 2019	5,225,772	\$ 5,586,824	\$ -	\$ 586,125	\$ (6,418,421)	\$ (245,472)
Share-based payments	-	-	-	6,879	-	6,879
Exercise of stock options	100,000	14,379	-	(6,879)	-	7,500
Loss for the period	-	-	-	-	(325,007)	(325,007)
Balance, September 30, 2019	5,325,772	\$ 5,601,203	\$ -	\$ 586,125	\$ (6,743,428)	\$ (556,100)

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

GLACIER LAKE RESOURCES INC.

Condensed Consolidated Interim Statements of Cash Flows
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

	Six Months Ended September 30,	
	2019	2018
OPERATING ACTIVITIES		
Loss for the period	\$ (325,007)	\$ (473,058)
Items not affecting cash:		
Flow-through premium liability	-	(55,931)
Commitment to issue shares for investor relations	-	9,000
Gain on accounts payable and accrued liabilities	-	(12,731)
Share issued for services	-	5,085
Share-based payments	6,879	-
Changes in non-cash operating working capital:		
Amounts receivable	17,421	9,540
Prepaid expenses	1,351	20,202
Accounts payable and accrued liabilities	107,025	(15,082)
Due to related parties	170,998	115,500
Share subscriptions receivable	-	55,000
Net cash used in operating activities	(21,333)	(342,475)
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	-	(100,627)
Cost recoveries on E&E assets	-	35,849
Net cash used in investing activities	-	(64,778)
FINANCING ACTIVITIES		
Exercise of stock options	7,500	-
Net cash provided by financing activities	7,500	-
Change in cash	(13,833)	(407,253)
Cash, beginning of period	18,026	500,605
Cash, end of period	\$ 4,193	\$ 93,352

Supplemental Cash Flow Information (Note 14)

(The accompanying notes are an integral part of these condensed consolidated interim financial statements)

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

Six months ended September 30, 2019 and 2018

1. NATURE OF OPERATIONS

Glacier Lake Resources Inc. (the “Company”) is a resource exploration company focused on acquiring and exploring resource properties in Canada and the USA.

The Company was incorporated on May 28, 2008 under the laws of British Columbia. The Company’s head office and registered office is Suite 1588, 609 Granville Street, Vancouver, British Columbia, V7Y 1G5. The Company is listed on the TSX Venture Exchange under the symbol “GLI”.

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company and its subsidiary’s functional currency.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The significant accounting policies applied in these condensed consolidated interim financial statements are based on the IFRS issued and effective as of September 30, 2019.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

- 1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position;
- 2) realization of deferred income tax assets; and
- 3) measurement of share-based payments.
- 4) the treatment of accounts payable and accrued liabilities realized through the statement of operations and comprehensive loss require certain management judgments. In management’s judgment, there is no further obligation associated with these amounts.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

Six months ended September 30, 2019 and 2018

2. BASIS OF PREPARATION (continued)

Application of the going concern assumption: the assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Going concern

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2019, the Company has an accumulated deficit of \$6,743,428 and has not generated any revenues since inception, and expects to incur further losses in the development of its business. The ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Glacier Lake Resources (Nevada) Inc. which is incorporated in Nevada, USA. All significant intercompany balances and transactions have been eliminated upon consolidation.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

Six months ended September 30, 2019 and 2018

2. BASIS OF PREPARATION (continued)

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company are as follows:

Name of subsidiary	Incorporation	Interest September 30, 2019	Interest March 31, 2019
Glacier Lake Resources (Nevada) Inc.	Nevada, USA	100%	100%

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at March 31, 2019. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2019.

New Accounting Standards Adopted During the Period

IFRS 16

In January 2016, the IASB issued IFRS 16, Leases which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company adopted this standard and it did not impact its condensed consolidated interim financial statements, as the Company is not party to any lease agreement.

IFRIC 23

Uncertainty over Income Tax Treatment: New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. The Company adopted this standard and it did not impact its condensed consolidated interim financial statements.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of:

	Silver Vista Property	Silver Star Property	Hackett & North Wolverine Properties	Colt Mesa Property	Other	Total
Balance, March 31, 2018	\$ 465,811	\$ 147,939	\$ -	\$ -	\$ 140,000	\$ 753,750
Expenditures during the year:						
Acquisition costs	7,500	-	170,000	16,764	-	194,264
Assays, staking & mapping	32,610	-	2,752	-	-	35,362
Field work & supplies	114,458	-	12,497	-	-	126,955
Helicopter	4,500	-	-	-	-	4,500
Consulting and professional	4,219	-	805	-	-	5,024
Office, miscellaneous and travel	26,152	-	-	1,552	-	27,704
Travel, transportation, meals	1,654	-	-	-	-	1,654
Total expenditures	191,093	-	186,054	18,316	-	395,463
Option payments	-	(15,000)	-	-	-	(15,000)
Cost recoveries	(35,849)	-	-	-	-	(35,849)
Write-down of exploration and evaluation assets	(621,055)	-	-	(18,316)	(140,000)	(779,371)
Balance, March 31, 2019 and September 30, 2019	\$ -	\$ 132,939	\$ 186,054	\$ -	\$ -	\$ 318,993

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Silver Vista Property, British Columbia

On March 15, 2017, the Company entered into an option agreement to acquire a 100% interest in the Silver Vista copper-silver property (the "Property") with Multiple Metals Resources Ltd. The Property consists of a series of 49 mineral claims located in the province of British Columbia. Following the exercise of the option, the Property will remain subject to a 2.5% net smelter return royalty.

The Company's obligations under the agreement include an aggregate of \$230,000 in option payments, the issuance of 75,000 shares of the Company, and incurring exploration expenditures on the Property of not less than \$600,000 as follows:

- (a) Cash to be paid:
- (i) \$10,000 on or before the closing date (paid);
 - (ii) \$10,000 on or before November 11, 2017 (paid);
 - (iii) \$25,000 on or before May 11, 2018 (paid);
 - (iv) \$10,000 on or before November 11, 2018 (\$7,500 paid);
 - (v) \$50,000 on or before May 11, 2019 (not paid); and
 - (vi) \$125,000 on or before May 11, 2020.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
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4. EXPLORATION AND EVALUATION ASSETS (continued)

- (b) Shares to be issued:
 - (i) 35,000 common shares on or before May 11, 2019 (not issued); and
 - (ii) 40,000 common shares on or May 11, 2020.

- (c) Exploration expenditures to be incurred:
 - (i) \$150,000 on or before May 11, 2018 (incurred);
 - (ii) an additional \$200,000 on or before May 11, 2019 (incurred); and
 - (iii) an additional \$250,000 on or before May 11, 2020.

The Company elected not to proceed with the Silver Vista project and wrote-down the property to \$Nil as at March 31, 2019.

Silver Star Property, British Columbia

On November 27, 2017, the Company signed a definitive agreement with an arm's-length vendor to acquire the Silver Star property located in the province of British Columbia. In consideration for the property, the Company issued 100,000 common shares on January 10, 2018 at a fair value of \$65,000.

On June 14, 2018, the Company entered into an option agreement with Raindrop Ventures Inc. ("Raindrop"), a company related by common management, whereby Raindrop will acquire a 100% interest in the property for payment of \$75,000 and issuance of 500,000 common shares as follows:

- (a) Cash to be paid:
 - (i) \$15,000 on or before the closing date (received);
 - (ii) \$20,000 on or before the one year anniversary of the closing date (extended to December 31, 2019);
 - (iii) \$40,000 on or before the two year anniversary of the closing date.
- (b) Shares to be issued:
 - (i) 200,000 on or before the one year anniversary of the closing date (extended to December 31, 2019);
 - (ii) 300,000 on or before the two year anniversary of the closing date.

The agreement is subject to a 1.5% Net Smelter Return Royalty ("NSR") of which 1% can be purchased from the Company for a one time cash payment of \$1,000,000.

Hackett and North Wolverine Properties, British Columbia

On April 18, 2018, the Company entered into an agreement to acquire the Hackett and the North Wolverine properties in the Sheslay area of northwestern British Columbia for consideration of 300,000 common shares (issued at a fair value of \$150,000) and a cash payment of \$20,000 (paid).

Colt Mesa Property, Utah, USA

On June 5, 2018, the Company entered into an agreement to acquire the Colt Mesa copper-cobalt property in Garfield County, southcentral Utah for consideration of 100,000 common shares and a cash payment of US \$120,000, staged over a two year period. The vendors retain a 1.75% NSR. The Company shall be entitled to purchase 1% of the royalty at any time through a one-time cash payment of US \$1,000,000 to the vendors.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
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4. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Cash to be paid:

- (i) \$15,000 USD on or before the closing date (not paid);
- (ii) \$25,000 USD on or before the one year anniversary of the closing date (not paid); and
- (iii) \$80,000 USD on or before the two year anniversary of the closing date;

(b) Shares to be issued:

- (i) 25,000 common shares on or before the closing date (not issued);
- (ii) 25,000 common shares on or before the one year anniversary of the closing date (not issued);
and
- (iii) 50,000 common shares on or before the two year anniversary of the closing date.

The Company elected not to proceed with the Colt Mesa Property and wrote-down the property to \$Nil as at March 31, 2019.

Other

On November 22, 2017, the Company signed a definitive agreement with an arm's-length vendor to acquire certain mining claims located in the province of British Columbia. In consideration for the claims, the Company paid \$10,000 and issued 200,000 common shares on January 10, 2018 at a fair value of \$130,000. The Company elected not to proceed with these claims and wrote-down the property to \$Nil as at March 31, 2019.

5. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the period ended September 30, 2019 and 2018, the Company was involved in the following related party transactions:

- (a) Incurred management fees of \$120,000 (2018 - \$120,000) to a company controlled by the President and Chief Executive Officer.
- (b) Incurred accounting fees of \$60,000 (2018 - \$60,000) to an accounting firm where the Chief Financial Officer of the Company is a partner.
- (c) As at September 30, 2019, the Company owed \$225,875 (March 31, 2019 - \$167,475) to an accounting firm where the Chief Financial Officer of the Company is a partner. The amount due is non-interest bearing, unsecured, and due on demand.
- (d) As at September 30, 2019, the Company owed \$335,000 (March 31, 2019 - \$218,200) to a company controlled by the President and Chief Executive Officer of the Company which is non-interest bearing, unsecured, and due on demand.

Included in due to related parties at March 31, 2019 was \$4,202 of expense reimbursements payable to a company related by common directors and officers. The amount was repaid during the period ended September 30, 2019.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)
Six months ended September 30, 2019 and 2018

6. LOAN PAYABLE

During the year ended March 31, 2019, the Company received a loan from a third party for \$2,000. The loan is non-interest bearing, unsecured, and has no specific terms of repayment.

7. SHARE CAPITAL

Authorized: Unlimited common shares without par value.

Share transactions for the period ended September 30, 2019:

- (a) 100,000 stock options were exercised at \$0.075 per share for proceeds of \$7,500.

Share transactions for the year ended March 31, 2019:

- (a) 300,000 shares were issued at a fair value of \$150,000 for exploration and evaluation assets (Note 4)
(b) 62,110 shares were issued with a value of \$30,510 towards the commitment to issue shares.
(c) 11,300 shares were issued with a fair value of \$10,170 for compensation.
(d) Received \$55,000 towards a private placement completed during the year ended March 31, 2018.

8. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, March 31, 2017	281,800	1.50
Expired	(281,800)	1.50
Granted	1,971,911	1.15
Balance, March 31, 2019 and September 30, 2019	1,971,911	1.15

The weighted average remaining contractual life of the warrants at September 30, 2019 is 0.35 years (March 31, 2019 – 0.85 years).

As at September 30, 2019, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
606,250	1.50	December 29, 2019
429,531	1.00	December 29, 2019
910,210	1.00	March 20, 2020
25,920	0.60	March 20, 2020*
1,971,911		

*Finders' units exercisable at \$0.60 into one common share and one warrant. Each warrant is exercisable into a common share at \$1.00 expiring March 20, 2020.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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9. STOCK OPTIONS

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's stock on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2018	310,000	\$ 1.14
Cancelled	(310,000)	1.14
Outstanding, March 31, 2019	-	-
Granted	100,000	0.075
Exercised	(100,000)	0.075
Outstanding, September 30, 2019	-	\$ -

The weighted average remaining contractual life of the options at March 31, 2019 is nil years (2018 – 2.42 years).

During the period ended September 30, 2019, the Company granted 100,000 stock options with a fair market value of \$6,879 or \$0.07 per option which was charged to operations. The following weighted average assumptions were used for the Black-Scholes valuation of the stock options assuming no expected dividends or forfeitures:

	Period ended September 30, 2019
Risk-free interest rate	1.58%
Expected life (in years)	5
Expected volatility	153.50%

10. FLOW-THROUGH SHARE PREMIUM LIABILITY

	Issued in December 2017
Balance at March 31, 2018	\$ 60,165
Settlement of flow-through share premium liability on expenditures incurred	(60,165)
Balance at March 31, 2019 and September 30, 2019	\$ -

During the year ended March 31, 2018, the Company issued flow-through shares and estimated the value of the flow-through premium associated with those shares to be \$121,250.

As at March 31, 2019, the Company has satisfied all of its flow-through obligations.

GLACIER LAKE RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

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Six months ended September 30, 2019 and 2018

11. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity (deficiency) as capital. The Company manages the capital structure and makes adjustments to it in the 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 short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at September 30, 2019, the Company is not subject to externally imposed capital requirements.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2019, the Company had a cash balance of \$4,193 (March 31, 2019 - \$18,026) and current liabilities of \$916,336 (March 31, 2019 - \$638,313). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and amounts receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. Amounts receivable is comprised of GST refunds from the Canadian government. The carrying amount of financial assets represents the maximum credit exposure.

(d) Currency risk

The Company's and subsidiary's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(e) Interest rate risk

The Company is not exposed to interest rate risk.

(f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

GLACIER LAKE RESOURCES INC.

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Unaudited – Prepared by Management
(Expressed in Canadian Dollars)
Six months ended September 30, 2019 and 2018

11. FINANCIAL INSTRUMENTS AND RISKS (continued)

(g) Fair values

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 – Unadjusted 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 fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair values of other financial instruments, including amounts and share subscriptions receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, are equal to their carrying values due to the short-term nature of these instruments.

12. SEGMENTED INFORMATION

The Company currently conducts substantially all of its operations in Canada and the USA in one business segment being the acquisition and exploration of resource properties.

13. SERVICE AGREEMENT

During the year ended March 31, 2018, the Company entered into an agreement with AGORACOM in exchange for the online advertising, marketing and branding services (“Advertising Services”). Pursuant to the terms of the agreement, the Company issued:

Total fee: \$45,000 + HST, to be paid by way of common shares of the Company as follows:

- \$9,000 + HST shares for services upon commencement on June 29, 2017 (issued);
- \$9,000 + HST shares for services at the end of the third month on September 29, 2017 (issued);
- \$9,000 + HST shares for services at the end of the sixth month on December 29, 2017 (issued);
- \$9,000 + HST shares for services at the end of the ninth month on March 29, 2018 (issued); and
- \$9,000 + HST shares for services at the end of the twelfth month on June 29, 2018 (issued).

14. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing activities:	Period Ended September 30, 2019	Year Ended March 31, 2019
Fair value of shares issued for exploration and evaluation assets	\$ -	\$ 150,000
Exploration advances transferred to exploration and evaluation assets	-	140,000
Transferred to share capital on exercise of stock options	6,879	-
