



GOLDEN RIDGE RESOURCES LTD.

Unaudited Condensed Consolidated Interim Financial Statements of

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

For the three months ended September 30, 2019 and 2018



GOLDEN RIDGE RESOURCES LTD.
(An Exploration Stage Company)
(Expressed in Canadian Dollars)
September 30, 2019

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) the accompanying unaudited condensed consolidated interim financial statements of the Company for the three months ended September 30, 2019 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed consolidated interim financial reporting.

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

GOLDEN RIDGE RESOURCES LTD*(An Exploration Stage Company)*

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (unaudited)

As at September 30, 2019 and June 30, 2019

Expressed in Canadian Dollars

	Note	September 30 2019	June 30 2019
ASSETS			
Current			
Cash and cash equivalents		\$ 1,021,741	\$ 1,567,036
Restricted cash	5	180,240	1,504,594
Receivables	6,15	449,469	359,491
Prepays		218,304	163,957
Marketable securities	7	110,818	135,721
		1,980,572	3,730,799
Non Current			
Equipment	8	75,832	81,557
Prepaid deposit		4,057	154,057
Reclamation bond	10	42,500	37,500
Exploration and evaluation assets	9	7,207,966	5,635,750
		\$ 9,310,927	\$ 9,639,663
LIABILITIES			
Current			
Trade and other payables	11	397,588	669,953
SHAREHOLDERS' EQUITY			
Share capital	12	11,882,744	11,737,744
Contributed surplus		1,634,936	1,634,936
Accumulated other comprehensive loss		(137,745)	(112,842)
Accumulated deficit		(4,466,596)	(4,290,128)
		8,913,339	8,969,710
		\$ 9,310,927	\$ 9,639,663

Signed on behalf of the Board of Directors by:

"Larry Nagy"
 Larry Nagy

Director

"William Lindqvist"
 William Lindqvist

Director

GOLDEN RIDGE RESOURCES LTD

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (unaudited)

For the three months ended September 30

Expressed in Canadian Dollars

	Note		2019		2018
Expenses					
Administrative and general	14,15	\$	179,121	\$	169,843
Depreciation	8		5,725		5,869
Property evaluation			500		-
Share-based payments	13		-		101,364
Total expenses			(185,346)		(277,076)
Other income					
Interest income			8,878		-
Other revenue			-		226,215
Net loss for the period			(176,468)		(50,861)
Other comprehensive loss					
Fair value loss on marketable securities	7		(24,903)		(38,139)
Loss and comprehensive loss for the period			(201,371)		(89,000)
Basic and diluted loss per share	16	\$	(0.00)	\$	(0.00)

GOLDEN RIDGE RESOURCES LTD*(An Exploration Stage Company)*

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

For the three months ended September 30

Expressed in Canadian Dollars

	Note	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at June 30, 2018		\$ 8,037,863	\$ 945,904	\$ (9,191)	\$ (3,524,499)	\$ 5,450,077
Net loss for the period		-	-	-	(50,861)	(50,861)
Shares issued for cash	12	1,443,031	(133,241)	-	-	1,309,790
Share issue costs recovered		1,352	-	-	-	1,352
Share-based payments	13	-	101,364	-	-	101,364
Marketable securities	7	-	-	(38,139)	-	(38,139)
Balance at September 30, 2018		\$ 9,482,246	\$ 914,027	\$ (47,330)	\$ (3,575,360)	\$ 6,773,583

	Note	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at June 30, 2019		\$ 11,737,744	\$ 1,634,936	\$ (112,842)	\$ (4,290,128)	\$ 8,969,710
Net loss for the period		-	-	-	(176,468)	(176,468)
Shares issued for exploration and evaluation assets	9,12	145,000	-	-	-	145,000
Marketable securities	7	-	-	(24,903)	-	(24,903)
Balance at September 30, 2019		\$ 11,882,744	\$ 1,634,936	\$ (137,745)	\$ (4,466,596)	\$ 8,913,339

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

GOLDEN RIDGE RESOURCES LTD*(An Exploration Stage Company)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (unaudited)**

For the three months ended September 30

Expressed in Canadian Dollars

	Note	2019	2018
OPERATING ACTIVITIES			
Net loss for the period		\$ (176,468)	\$ (50,861)
Items not affecting cash			
Depreciation	8	5,725	5,869
Share-based payments	13	-	101,364
Other income		-	(226,215)
Changes in non-cash working capital balances:			
Receivables		(89,978)	(131,680)
Prepays		(54,347)	111,693
Trade and other payables		(278,710)	44,796
Cash used in operating activities		(593,777)	(145,034)
Cash flows from investing activities			
Recovery of exploration and evaluation asset expenditures		16,095	-
Exploration and evaluation asset expenditures	9	(1,436,966)	(1,976,437)
Total cash used in investing activities		(1,420,871)	(1,976,437)
Cash Flows from Financing Activities			
Exercise of options	12	-	27,250
Exercise of warrants	12	-	1,282,540
Share issue costs		-	1,352
Total cash inflow provided by financing activities		-	1,311,142
Increase in cash during the period		(2,014,648)	(810,330)
Cash, cash equivalents and restricted cash beginning of period		3,071,630	2,964,663
Cash, cash equivalents and restricted cash end of period		\$ 1,056,982	\$ 2,154,333
Composition of cash, cash equivalents and restricted cash			
Cash		\$ 310,889	\$ 126,833
Cash equivalents		891,092	2,027,500
Cash, cash equivalents and restricted cash end of the period		\$ 1,201,981	\$ 2,154,333

Supplemental cash flow information – Note 18

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Expressed in Canadian Dollars)

1. CORPORATION INFORMATION

Golden Ridge Resources Ltd. (*formerly 88 Capital Corp.*) (the "Company") was incorporated under the Business Corporations Act in British Columbia on January 27, 2011. On April 23, 2012, the Company completed a mineral property option transaction as its Qualifying Transaction and became a Tier 2 issuer listed on the TSX Venture Exchange ("Exchange") with shares trading under the symbol "EEC". On October 18, 2017, the Company completed an RTO transaction with 0897043 BC Ltd. (*formerly Golden Ridge Resources Ltd.*) wherein 0897043 BC Ltd. became a wholly-owned subsidiary of the Company (the "Transaction"). Additionally, the Company changed its name to Golden Ridge Resources Ltd. from 88 Capital Corp. and trades on the Exchange under the symbol GLDN.

The Company's corporate office and principal place of business is located at 335 – 1632 Dickson Avenue, Kelowna, BC V1Y 7T2.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties located in Canada. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's current properties include mineral properties located in British Columbia and the Yukon.

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS

These condensed consolidated interim financial statements for the three month period ended September 30, 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting. These condensed consolidated interim financial statements follow the same accounting policies and methods of application of the Company's most recent annual consolidated financial statements. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2019 annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and Interpretations of the International Financial Reporting Interpretations Committee.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 21, 2019.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial instruments measured at 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 condensed consolidated interim financial statements are presented in Canadian dollars ("CDN"), which is also the Company's functional currency.

The preparation of the condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 4.

These condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenues from its operations to date.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS (cont'd)

The Company has not generated revenues from its operations to date. The Company currently has sufficient cash resources and working capital for approximately 9 - 12 months and has working capital of \$1,582,984 (2019 - \$3,060,846) of which the Company has flow through expenditure requirements of \$180,240 (2019 - \$885,449) on or before December 31, 2020 remaining. The Company will continue to have to raise funds beyond its current working capital balance in order to continue the development of its exploration properties and general operations.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements within reasonable limits of materiality and within the framework of the significant policies summarized below:

Basis of Consolidation

These consolidated financial statements include the accounts of:

	% of ownership	Jurisdiction	Principal Activity
0897043 BC Ltd.	100	British Columbia	Exploration and Development

A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing consolidated financial statements.

Recent and Future Accounting Pronouncements

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. The Company has adopted this new standard on July 1, 2019.

On May 27, 2017 the Company entered into a five-year sub-lease with Vintage Commercial Ltd. ("Vintage"). The sub-lease is effective July 1, 2017 at an annual payable rent of \$19,332 in the first year (ten months) and \$23,201 effective July 1, 2018 until June 1, 2022. On June 1, 2018 the Company assigned the sub-lease for the entire remaining lease term to a third party which assumed all obligations of the Company including the annual payable rents directly to Vintage. The Company has assessed any remaining contractual obligations which it determined does not meet the definition of a "lease" under IFRS 16 therefor the adoption of this new standard has no impact on the Company's condensed consolidated interim financial statements.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Significant Accounting Judgements, Estimates and Assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of Exploration and Evaluation Assets

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 will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

Valuation of Share-based Payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

5. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash consists of cash on hand, demand deposits with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates. Cash equivalents are held in cashable guaranteed investment certificates with a maturity date May 13, 2020 with an interest rate of 1.89%. The required flow-through expenditures as at September 30, 2019 of \$180,240 (June 30, 2019 - \$1,504,494) is recorded as restricted cash.

GOLDEN RIDGE RESOURCES LTD.*(An Exploration Stage Company)*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
 (Expressed in Canadian Dollars)

6. RECEIVABLES

Sales tax receivable represents input tax credits arising from sales tax levied on the supply of goods purchased or services received in Canada.

	September 30 2019	June 30 2019
Sales taxes receivable	\$ 422,292	\$ 343,178
Other	27,177	16,313
	\$ 449,469	\$ 359,491

7. MARKETABLE SECURITIES

Marketable securities consist of:

- a) an investment of 5,556 (June 30, 2019 - 5,556) common shares in Cobalt 27 Capital Corp. pursuant to the grant of a net smelter return royalty. The fair value of the marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation. As at September 30, 2019 these shares have a fair value of \$22,224 (June 30 - \$23,502). During the period ended September 30, 2019, the Company recorded a decrease in fair market value of \$1,278 as an unrealized loss (2018 - \$13,389) in other comprehensive loss; and
- b) an investment of 196,875 (June 30, 2019 – 196,875) commons shares in Fireweed Zinc. Ltd. pursuant to the grant of an option (Note 9). The fair value of marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation. As at September 30, 2019, these shares have a fair value of \$88,594 (June 30, 2019 - \$112,219). During the period ended September 30, 2019, the Company recorded a decrease in fair market value of \$23,625 as an unrealized loss (2018 - \$24,750) in other comprehensive loss.

8. EQUIPMENT

	Field Equipment	Furniture & Fixtures	Total
Cost			
Balance at June 30, 2018	\$ 110,000	\$ 6,424	\$ 116,424
Balance June 30, 2019 and September 30, 2019	\$ 110,000	\$ 6,424	\$ 116,424
Depreciation and impairment losses			
Balance at June 30, 2018	\$ 8,197	\$ 3,385	\$ 3,385
Depreciation for the period	22,000	1,285	23,285
Balance at June 30, 2019	\$ 30,197	\$ 4,670	\$ 34,867
Depreciation for the period	5,545	180	5,725
Balance at September 30, 2019	\$ 35,742	\$ 4,850	\$ 40,592
Carrying amounts			
Carrying value at June 30, 2019	\$ 79,803	\$ 1,754	\$ 104,842
Carrying value at September 30, 2019	\$ 74,258	\$ 1,574	\$ 75,832

GOLDEN RIDGE RESOURCES LTD.*(An Exploration Stage Company)*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

*(Expressed in Canadian Dollars)***9. EXPLORATION AND EVALUATION ASSETS*****British Columbia***

		Hank		Ball Creek		Royalle		Total
Costs								
Balance at June 30, 2018	\$	2,203,265	\$	-	\$	50,014	\$	2,253,279
Acquisition costs		-		-		47,327		47,327
Exploration costs		3,432,485		-		3,563		3,436,048
Impairment		-		-		(100,904)		(100,904)
Balance at June 30, 2019	\$	5,635,750	\$	-	\$	-	\$	5,635,750
Acquisition costs		5,265		145,000		-		150,265
Exploration costs		534,508		887,443		-		1,421,951
Balance at September 30, 2019	\$	6,175,523	\$	1,032,443	\$	-	\$	7,207,966

Hank Property

On June 25, 2014 (the “Effective Date”), the Company and Lac Properties Inc. (“Lac”) entered into an option agreement (the “Hank Option”) for the Company to acquire a 100% interest in the Hank property (the “Hank Property”), located in the Liard district of British Columbia, subject to a 2% net smelter return (“NSR”) to Lac by completing \$2,000,000 in exploration expenditures over a four year period (completed). On November 13, 2018, the Company and Lac completed the exercise of the Hank Option wherein the Company acquired a 100% interest in the Hank Property from Lac.

Lac has certain back-in rights to earn 51% of the Property by repaying the Company two times its expenditures on the Property and cancelling the 2% NSR. In the event Lac exercises the back-in right the companies will form a 51/49 joint venture with Lac as the operator.

Lac will continue to hold a 2% NSR on the Hank Property as well as certain back-in rights. Under the terms of a Back-in Right Agreement between the Company and Lac, Lac has the option to purchase a 51% interest in the Hank Project upon a mineral resource of at least 3 million ounces of contained gold or gold equivalent (“Hurdle Notice”) being generated. Lac shall have the right to exercise for a period of one hundred and fifty (150) days after the Hurdle Notice has been delivered to Lac. If the back-in right is exercised, the Company will receive two times its expenditures in cash, the 2% NSR will be cancelled and 51/49 joint venture will immediately be formed. These royalties and back-in rights will be filed with the mineral titles online registry maintained by the chief gold commissioner of British Columbia.

Ball Creek

On July 9, 2019, the Company and Evrim Resources Corp. (“Evrin”) entered into an option agreement (the “Evrin Option”) to acquire an 80% interest in the Ball Creek Project (the “Ball Creek”) located in British Columbia.

Under the terms of the Agreement, the Company will have the right to earn an 80% interest subject to a 2% net smelter return royalty (the “NSR”) in Ball Creek by delivering on or before the 20th anniversary a production notice to construct and operate a mine (the “Production Decision”) supported by a feasibility study (the “Feasibility Study”) and evidence that Golden Ridge has obtained sufficient financing to develop Ball Creek in accordance with the Feasibility Study.

GOLDEN RIDGE RESOURCES LTD.*(An Exploration Stage Company)*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
 (Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd)***British Columbia (cont'd)******Ball Creek (cont'd)***

Additionally, in order to maintain the Evrim Option in good standing until exercised, Golden Ridge, subject to Exchange approval (received on July 16, 2019) (the "Effective Date") shall issue 1,000,000 common shares, make certain cash or share equivalent payments of up to \$300,000¹ and additional cash payments of \$1.75 million over a 15 year period (the "Option Payments") as follows:

	Shares	Cash
Within five business days of Exchange approval	1,000,000 (issued)	-
Annually from Years 1-6 ¹	(cash or share equivalent)	\$50,000
Annually from Years 7-10	-	\$125,000
Annually from Years 11-15	-	\$250,000

The Company can elect to extend the option by another five years by making annual cash payments of \$500,000 on or before the 16th to 20th anniversary of the Effective Date.

The Company will not be obligated to make any payment other than the Share Commitment. Additionally, the Company's obligation to make any further Option Payments will cease upon Golden Ridge making a Production Decision and exercising the Evrim Option accordingly.

Upon exercise of the Evrim Option, Golden Ridge and Evrim will enter into a joint venture agreement (the "JV") wherein Evrim will maintain a carried interest in the JV. Golden Ridge will then make cash payments of \$250,000 per year until a deposit is placed into commercial production. Evrim retains the right to buy down 1% of the underlying 2% NSR royalty.

Royalle Option

On April 18, 2018, the Company entered into an option agreement (the "Royalle Option") whereby the Company can acquire a 100% interest in the Royalle property (the "Royalle Property") located in British Columbia.

Under the terms of the Royalle Option, the Company can earn 100% interest in the Royalle Property by issuing 480,000 common shares (issued) and paying \$160,000 (\$30,000 paid) in cash to the property vendors (the "Vendors") and by incurring exploration work on the Property of \$580,000 over the term of the Agreement.

On December 17, 2018, the parties amended the Royalle Option to extend the exploration requirements due on or before December 31, 2018 to on or before June 30, 2019. The Company did not receive the required permits to complete the exploration work as required under the agreement. As such pursuant to the receipt of a default notice dated September 26, 2019, the Royalle Option was terminated. An impairment expense of \$100,904, representing all acquisitions and exploration and evaluation expenditures incurred to date, were written off in accordance with level 3 of the fair value hierarchy during the year ended June 30, 2019.

GOLDEN RIDGE RESOURCES LTD.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd)

Yukon - North Canol

Fireweed Option

On March 27, 2018 the Company signed an option agreement and further amended on April 15, 2019 (the "NC Agreement") with Fireweed Zinc Ltd. ("Fireweed Zinc") whereby Fireweed Zinc can acquire 100% interest in the Company's North Canol Property ("the NC Property") in Yukon Territory, Canada, by incurring certain exploration expenditures and making cash and share payments over a three-year period. The Company has 100% interest in the NC Property.

Under the terms of the NC Agreement, Fireweed Zinc can earn 100% interest in the NC Property by paying an aggregate \$462,500 in cash and issuing 496,875 common shares in the capital of Fireweed Zinc to Golden Ridge and by incurring exploration work on the NC Property during the course of the NC Agreement such that the claims remain in good standing for at least 12 months with the Yukon Mining Recorder from notification of cancellation of the NC Agreement.

- Cdn\$75,000 and 75,000 shares upon Exchange approval of the Option (received);
- On or before 12 months of approval, Cdn\$37,500 and 121,875 shares (received);
- On or before 24 months of approval, Cdn\$150,000 and 100,000 shares
- On or before 36 months of approval, Cdn\$200,000 and 200,000 shares
- Fireweed Zinc may prepay any of the Option Payments and/or prepay the entire Purchase Price at any time.

The initial 75,000 common shares were recorded with a fair value of \$113,250 on the date the common shares were received. The 121,875 common shares had a fair value of \$85,312 on the date the common shares were issued.

Additional Payment

Fireweed Zinc agrees to pay the Company an additional \$750,000 upon receiving a resource calculation of at least 2 million tonnes of indicated (or better) resource on any part of the NC Property. The \$750,000 payment may be made in cash, shares or any combination thereof, at the discretion of Fireweed Zinc.

NSR Royalty

The Company will retain the following net smelter returns ("NSR") royalties from production derived from the Property:

- i. A 0.5% NSR royalty on base metals and silver; and
- ii. A 2.0% NSR royalty on all other metals (excluding cobalt, to which Fireweed Zinc acknowledges that a third party 2.0% NSR on cobalt presently exists with respect to the Property – See Cobalt NSR Agreement).

Fireweed will have the right to purchase one-half of the royalties for \$2,000,000 any time prior to the commencement of commercial production (leaving a 0.25% NSR royalty on base metals and silver and a 1.0% NSR royalty on all other metals excluding cobalt).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)
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10. RECLAMATION BOND

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company on its Hank Property and previous Royale Option. The reclamation deposits are held with the Minister of Energy and Mines in British Columbia ("MEM") in the amount of \$42,500 as at September 30, 2019 (June 30, 2019 - \$37,500).

11. TRADE AND OTHER PAYABLES

	September 30	June 30
	2019	2019
Trade payables	\$ 187,337	\$ 475,560
Due to related parties - Note 15	210,251	194,393
Total	\$ 397,588	\$ 669,953

12. SHARE CAPITAL AND RESERVES**a) Common Shares**

The Company's authorized share capital is an unlimited number of common shares with no par value.

The following is a summary of changes in share capital from July 1, 2017 to June 30, 2019.

	Note	Number	Issue Price	Total
Balance at June 30, 2018		73,596,673	-	\$8,037,863
Private placement	12	13,995,458	\$0.17	2,309,250
Private placement	12	4,000,000	\$0.13	500,000
Residual value allocated to warrants	12	-	-	(489,841)
Shares issued for exploration and evaluation assets	9	240,000	\$0.13	30,000
Exercise of warrants	12	5,130,161	\$0.25	1,282,540
Exercise of options	12,13	265,000	\$0.15	39,750
Exercise of options	12,13	200,000	\$0.13	25,000
Fair value of options transferred on exercise		-	-	59,198
Fair value of warrants transferred on exercise		-	-	94,919
Fair value of warrants issued in error and returned		-	-	13,615
Share issue costs		-	-	(164,550)
Balance at June 30, 2019		97,427,292	-	\$11,737,744
Shares issued for exploration and evaluation assets		1,000,000	\$0.145	145,000
Balance at September 30, 2019		98,427,292	-	\$11,882,744

During the period ended September 30, 2019 the Company issued the following:

On July 16, 2019 the Company issued 1,000,000 common shares pursuant to the Evrim Option as described in Note 9 hereinabove. The common shares were valued at \$145,000 as determined by the market price when issued being \$0.145 per share.

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12. SHARE CAPITAL AND RESERVES (cont'd)

a) Common Shares (cont'd)

During the year ended June 30, 2019, the Company issued the following:

Effective May 7, 2019, the Company completed a non-brokered private placement and issued 13,995,458 flow-through units (each, a "FT Unit") of the Company at a price of \$0.165 per FT Unit and issued a further 4,000,000 units (each, a "Unit") at a price of \$0.125 per Unit for aggregate gross proceeds of \$2,809,250 (the "Offering"). Each FT Unit consisted of one common share of the Company that qualifies as a flow-through share for purposes of the *Income Tax Act* (Canada) (a "FT Share") and one non-flow through common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire an additional common share at an exercise price of \$0.25 until May 7, 2022. Each Unit consisted of one common share (as "Share") of the Company and one Warrant. The Company determined that the shares were issued at a premium of \$0.035 per share based on the share price of \$0.13 on the date of issuance. As such, the residual value of \$489,841 was allocated to the warrants in contributed surplus and \$nil to flow-through share liability.

In connection with the Offering the Company paid aggregate cash finder's fees of \$71,725 and issued an aggregate of 734,836 warrants (the "Finder Warrants"). Each Finder Warrant entitles the holder to purchase one Share at a purchase price of \$0.25 until May 7, 2022. The fair value of the non-cash share issuance costs of \$56,143 for the Agent's Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.13, exercise price of \$0.25, risk-free interest rate of 1.50%, average projected volatility of 116.89%, dividend yield of nil, average expected life of the options of 3 years and the fair value of the warrants of \$0.08.

Additional legal fees, transfer agent and filing fees in the amount of \$36,682 were incurred in connection with the Offering completed during the year ended June 30, 2019.

On April 16, 2019 the Company issued 240,000 common shares pursuant to the Royale Option as described in Note 9 hereinabove. The common shares were valued at \$30,000 as determined by the market price when issued being \$0.125 per share.

An aggregate 5,130,161 common shares pursuant the exercise of 4,098,000 common share purchase warrants and 1,032,161 agents warrants at an exercise price of \$0.25 per share. Fair value of \$94,919 was transferred from contributed surplus to capital stock for these warrants exercised.

An aggregate 265,000 common shares pursuant to the exercise of stock options at an exercise price of \$0.15 per share. Fair value of \$34,290 was transferred from contributed surplus to capital stock for these options exercised.

An aggregate 200,000 common shares pursuant the exercise of stock options at an exercise price of \$0.125 per share. Fair value of \$24,908 was transferred from contributed surplus to capital stock for these options exercised.

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12. SHARE CAPITAL AND RESERVES (cont'd)**b) Share Purchase Warrants**

The following is a summary of changes in share purchase warrants from July 1, 2018 to September, 2019:

	Number	Weighted Average Price
Balance, June 30, 2018	21,630,641	\$0.28
Issued	17,995,458	\$0.25
Expired	(1,815,341)	\$0.25
Exercised	(4,098,000)	\$0.25
Balance, June 30, 2019	33,712,758	\$0.25
Expired	(15,717,300)	\$0.25
Balance September 30, 2019	17,995,458	\$0.25

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

Number	Price Per Share	Expiry Date
17,995,458	\$0.25	May 7, 2022

As at September 30, 2019, 17,995,458 (June 30, 2019 – 33,712,758) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 2.6 (June 30, 2019 - 1.99) years.

c) Agents' Warrants

The following is a summary of changes in agents' warrants from July 1, 2018 to September 30, 2019:

	Number	Weighted Average Price
Balance, June 30, 2018	3,113,284	\$0.26
Issued	734,836	\$0.25
Forfeited	(140,000)	\$0.25
Expired	(315,200)	\$0.25
Exercised	(1,032,161)	\$0.25
Balance, June 30, 2019	2,360,759	\$0.25
Expired	(1,625,923)	\$0.25
Balance September 30, 2019	734,836	\$0.25

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

Number	Price Per Share	Expiry Date
734,836	\$0.25	May 7, 2022

As at September 30, 2019, 734,836 (June 30, 2019 - 2,360,759) agent's warrants were outstanding and exercisable with a weighted average remaining contractual life of 2.6 (June 2019 - 1.00) years.

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*(Expressed in Canadian Dollars)***12. SHARE CAPITAL AND RESERVES (cont'd)****d) Escrow Shares**

As at September 30, 2019, 994,971 (June 30, 2019 – 994,971) common shares held in escrow. The remaining balance in escrow will be released 331,657 every six months from October 18, 2019 until October 18, 2020.

13. SHARE-BASED PAYMENTS**a) Option Plan Details**

The Company adopted a stock option plan (the “Plan”) to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall be not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options vest when granted unless otherwise specified by the Board of Directors.

The following is the summary of changes in options from the period ended July 1, 2018 and September 30, 2019:

	Number	Weighted Average Price
Balance June 30, 2017	-	-
Granted	4,000,000	\$0.14
Granted as part of Transaction	106,000	\$0.60
Expired	(96,000)	\$0.60
Balance June 30, 2018	4,010,000	\$0.14
Issued	2,650,000	\$0.13
Expired	(50,000)	\$0.17
Exercised*	(465,000)	\$0.14
Balance June 30, 2019 and September 30, 2019	6,145,000	\$0.14

*The weighted average share price on the date of exercise is \$0.27 per share.

As at September 30, 2019 the following options were outstanding:

	Number Vested and Exercisable	Price Per Share	Expiry Date
	10,000	\$0.60	June 4, 2024
	1,735,000	\$0.15	October 18, 2020
	1,800,000	\$0.13	April 5, 2023
	600,000	\$0.17	July 17, 2023
	2,000,000	\$0.12	January 17, 2024
	6,145,000		

As at September 30, 2019, 6,145,000 (June 30, 2019 – 6,145,000) options were outstanding and exercisable with a weighted average remaining contractual life of 3.11 (June 30, 2019 – 3.36) years.

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13. SHARE-BASED PAYMENTS (cont'd)**b) Fair Value of Options Issued During the Period**

During the period ended September 30, 2019, the weighted average fair value at grant date of options granted was \$Nil per option (2018 - \$0.17). During the period ended September 30, 2019, there were Nil options granted (2018 – 650,000).

c) Expenses Arising from Share-based Payment Transactions

The Black-Scholes option pricing model inputs for options granted or vested during the periods ended September 30, 2019 and 2018 are as follows:

Grant Date	Expiry Date	Share Price At Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
17-Jul-2018	17-Jul-2023	\$0.17	\$0.17	2.19%	5	152.92%	0

Expected volatility is based on the historical volatility of the Company's market share price.

Total expenses arising from share-based payment transactions recognized during the period ended September 30, 2019 were \$Nil (2018 - \$101,364) using the Black-Scholes option pricing model.

14. ADMINISTRATIVE AND GENERAL EXPENSES

	For the Three Months Ended September 30	
	2019	2018
Accounting and legal	\$ -	\$ 3,992
Consulting - Note 15	89,600	60,188
Conferences	-	30,489
Office and administration fees- Note 15	21,270	13,361
Investor relations, marketing and website development	42,457	53,987
Rent - Note 15	4,764	1,415
Filing fees	5,522	-
Shareholder communication	8,105	3,825
Transfer agent fees	1,352	1,395
Travel	6,051	1,191
	\$ 179,121	\$ 169,843

15. RELATED PARTY TRANSACTIONS**a) Key Management Compensation**

	September 30 2019	September 30 2018
Key management personnel compensation comprised:		
Administration fees	\$ 12,013	\$ 9,000
Consulting fees	114,525	138,530
	\$ 126,538	\$ 147,530

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15. RELATED PARTY TRANSACTIONS (cont'd)**a) Key Management Compensation (cont'd)**

For the periods ended September 30, 2019 and 2018:

- i) Consulting fees of \$22,500 (2018 - \$22,500) were paid or accrued to Tank Enterprises, a company controlled by Mike Blady, President, CEO and director.
- ii) Consulting fees of \$61,200 (2018 - \$78,342) were paid or accrued to Ridgeline Exploration Inc. ("Ridgeline") a company held 50% by Chris Paul, VP Exploration and 50% by Mike Blady, President and CEO, for services provided by the VP Exploration of which \$36,000 (2018 - \$78,342) was capitalized to exploration and evaluation assets;
- iii) Consulting fees of \$7,500 (2018 - \$5,000) were paid or accrued to 43983 Yukon Inc. ("43983 Yukon") a company controlled by Larry Nagy, a director of the Company.
- iv) Consulting fees of \$23,325 (2018 - \$22,688) were paid or accrued to Minco for services provided by the Chief Financial Officer;
- v) Administration fees of \$12,013 (2018 - \$9,000) were paid or accrued to Minco in relation to providing administrative and accounting employment services;

b) Exploration Services & Equipment Rental Payments

The Company uses Ridgeline a company controlled 50% each by Mike Blady and Chris Paul for field personnel, equipment rental and office work for its exploration activities as follows:

Equipment rental payments of \$42,450 (2018 - \$57,230) were paid or accrued to Ridgeline which was capitalized to exploration and evaluation assets.

Management fees of \$35,242 (2018 - \$9,842) were paid or accrued to Ridgeline in connection with the supply of exploration personnel and services and were capitalized to exploration and evaluations assets.

c) Related Party Liabilities

Amounts due to:	Service for:	September 30 2019	June 30 2019
Minco	Consulting & Administration Fees	\$9,373	\$16,354
Ridgeline Exploration	Service Fees	144,121	-
Ridgeline Exploration	Expenses	20,007	141,289
Tank Enterprises	Consulting Fees	36,750	36,750
		\$210,251	\$163,334

d) Related Party Receivables (Note 6)

Amounts due from:	Service for:	September 30 2019	June 30 2019
Ridgeline	Rent & Expenses	\$ 1,050	-
Minco	Rent & Expenses	1,050	2,100
Jiulian Resources Inc.	Rent & Expenses	1,575	788
		\$ 3,675	\$ 2,888

Amounts due from related parties are expenses are incurred for shared office space and administrative personnel that have common directors or officers and amounts due are without interest or stated terms of repayment.

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16. LOSS PER SHARE

	September 30 2019	September 30 2018
Net loss attributable to ordinary shareholders	(\$176,468)	(\$50,861)
Weighted average number of common shares	97,427,292	75,607,711
Basic and diluted loss per share	(\$0.00)	(\$0.00)

17. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada. The Company's non-current assets as at September 30, 2019 and June 30, 2019 are all in Canada.

18. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. During the period ended September 30, 2019 the following transactions were excluded from the statements of cash flows:

- i) The Company issued 1,000,000 common shares (2018 – Nil) valued at \$145,000 (2018 - \$Nil) for acquisition of exploration and evaluation assets, as determined by their market prices when issued (Notes 9, and 12); and
- ii) Included in accounts payable is \$258,516 (2018 - \$663,872) of exploration expenditures that are capitalized to exploration and evaluation assets.