



Consolidated Financial Statements of

GOLDEN RIDGE RESOURCES LTD.
(An Exploration Stage Company)

For the Years Ended June 30, 2021 and 2020



GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

June 30, 2021

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Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GOLDEN RIDGE RESOURCES LTD.

Opinion

We have audited the consolidated financial statements of Golden Ridge Resources Ltd. (the "Company"), which comprise:

- the consolidated statements of financial position as at June 30, 2021 and 2020;
- the consolidated statements of comprehensive loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
October 26, 2021

Vancouver

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GOLDEN RIDGE RESOURCES LTD

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30

Expressed in Canadian Dollars

	Note	2021	2020
ASSETS			
Current			
Cash and cash equivalents	5	\$ 3,934,772	\$ 837,390
Restricted cash	5	168,587	-
Receivables	6,16	373,376	215,255
Prepays		126,026	47,391
Notes receivable	16	24,000	-
Marketable securities	7	789,767	103,632
		5,416,528	1,203,668
Non Current			
Equipment	8	58,883	58,654
Prepaid deposit		67,427	4,057
Reclamation bond	10	37,500	37,500
Exploration and evaluation assets	9	2,331,963	7,443,750
		\$ 7,912,301	\$ 8,747,629
LIABILITIES			
Current			
Trade and other payables	16	116,928	158,143
Other liability	11	25,530	-
Provision		25,000	-
		167,458	158,143
SHAREHOLDERS' EQUITY			
Share capital	13	17,968,855	11,893,500
Contributed surplus	14	2,158,944	1,634,936
Accumulated other comprehensive loss		(230,015)	(127,345)
Accumulated deficit		(12,152,941)	(4,811,605)
		7,744,843	8,589,486
		\$ 7,912,301	\$ 8,747,629

Signed on behalf of the Board of Directors by:

 "Duane Lo" Director
 Duane Lo

 "William Lindqvist" Director
 William Lindqvist

GOLDEN RIDGE RESOURCES LTD

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the year ended June 30

Expressed in Canadian Dollars

	Note	2021	2020
Expenses			
Administrative and general	15, 16	\$ 436,083	\$ 585,672
Depreciation	8	26,771	22,903
Directors fees		48,000	-
Property evaluation		2,970	2,150
Share-based payments		284,627	-
Total expenses		(798,451)	(610,725)
Other income (loss)			
Interest income		7,579	29,524
Other revenue	11	154,831	-
Gain on return of capital	9	-	22,224
Gain on sale of exploration and evaluation assets	9	810,000	37,500
Loss on marketable securities		(3,842)	-
Write-off of exploration and evaluation assets	9	(7,491,786)	-
Write-off taxes receivable		(19,667)	-
Net loss for the year		\$ (7,341,336)	(521,477)
Other comprehensive loss			
Fair valued loss on marketable securities	7	(102,670)	(14,503)
Loss and comprehensive loss for the year		\$ (7,444,006)	(535,980)
Basic and diluted loss per share	17	\$ (0.18)	\$ (0.03)

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

GOLDEN RIDGE RESOURCES LTD

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended June 30

Expressed in Canadian Dollars

	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 year		-	-	-	(521,477)	(521,477)
Shares issued for exploration and evaluation assets	9,13	156,250	-	-	-	156,250
Share issue costs		(494)	-	-	-	(494)
Marketable securities	7	-	-	(14,503)	-	(14,503)
Balance at June 30, 2020		\$ 11,893,500	\$ 1,634,936	\$ (127,345)	\$ (4,811,605)	\$ 8,589,486
Net loss for the year		-	-	-	(7,341,336)	(7,341,336)
Shares issued for exploration and evaluation assets	10,14	1,111,286	-	-	-	1,111,286
Exercise of warrants		83,170	(15,700)	-	-	67,470
Private placements	14	5,253,900	255,081	-	-	5,508,981
Share issue costs	14	(192,639)	-	-	-	(192,639)
Share-based payments		-	284,627	-	-	284,627
Flow-through premium liability	12,14	(180,362)	-	-	-	(180,362)
Marketable securities	7	-	-	(102,670)	-	(102,670)
Balance at June 30, 2021		\$ 17,968,855	\$ 2,158,944	\$ (230,015)	\$ (12,152,941)	\$ 7,744,843

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

GOLDEN RIDGE RESOURCES LTD

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30

Expressed in Canadian Dollars

	Note	2021	2020
OPERATING ACTIVITIES			
Net loss for the year		\$ (7,341,336)	\$ (521,477)
Items not affecting cash:			
Depreciation	8	26,771	22,903
Loss on sale of marketable securities		3,842	-
Gain on sale of exploration and evaluation assets		(810,000)	(37,500)
Directors' fees	15	48,000	-
Share-based payments	14	284,627	-
Write-off of exploration and evaluation assets	9	7,491,786	-
Write-off receivables		19,667	-
Other revenue	11	(154,831)	-
Changes in non-cash working capital balances:			
Receivables		(177,788)	144,236
Prepays		(78,635)	266,566
Trade and other payables		(66,468)	(73,567)
Cash used in operating activities		(754,365)	(198,839)
Cash flows from investing activities			
Prepaid deposit		(63,370)	55,086
Proceeds from sale of marketable securities	7	17,352	55,086
Purchase of equipment	8	(27,000)	-
Recovery of exploration and evaluation asset expenditures	9	15,000	17,705
Exploration and evaluation asset expenditures	9	(1,233,460)	(2,106,003)
Total cash used in investing activities		(1,291,478)	(2,033,212)
Cash flows from financing activities			
Exercise of warrants	13	67,470	-
Shares issued for private placement	13	5,368,979	-
Share issue costs	13	(124,637)	(2,189)
Total cash inflow provided by financing activities		5,311,812	(2,189)
Increase in cash during the year		3,265,969	(2,234,240)
Cash, cash equivalents and restricted cash beginning of year		837,390	3,071,630
Cash, cash equivalents and restricted cash end of year		\$ 4,103,359	\$ 837,390
Composition of cash, cash equivalents and restricted cash			
Cash		\$ 4,068,859	\$ 277,890
Cash equivalents		34,500	559,500
Cash, cash equivalents and restricted cash end of the year		\$ 4,103,359	\$ 837,390

Supplemental cash flow information – Note 19

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Expressed in Canadian Dollars)

1. CORPORATION INFORMATION

Golden Ridge Resources Ltd. (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 a reverse take-over transaction with 0897043 BC 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. 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, Newfoundland and the Yukon.

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on October 26, 2021.

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Company and its subsidiary.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Expressed in Canadian Dollars)

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

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

These 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. The Company currently has sufficient cash resources and working capital of \$5,249,070 as at June 30, 2021 (2020 - \$1,045,525), of which the Company has \$168,587 of flow through expenditure requirements on or before December 31, 2021 (2020 - \$Nil). 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.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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:

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the accounts of:

	% of ownership	Jurisdiction	Principal Activity
0897043 BC Ltd.	100	British Columbia	Inactive

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits with financial institutions and a cashable guaranteed investment certificate that are readily convertible into known amount of cash and subject to an insignificant risk of change in value.

Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition Costs

The fair value of all consideration paid to acquire an exploration and evaluation asset is capitalized, including amounts arising under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year.

When a project is deemed to no longer have commercially viable prospects to the Company, acquisition costs and exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditures and acquisition costs, in excess of estimated recoveries, are written off to profit or loss.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Mineral Exploration and Evaluation Expenditures (cont'd)

Acquisition Costs (cont'd)

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property will be considered to be a mine under development and will be classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Farm-Out Arrangements

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

Mining Exploration Tax Credit ("METC")

The Company recognizes mining exploration tax recoveries in the period in which the related recoveries are received. The amount recoverable is subject to review and approval by the taxation authorities.

Property and Equipment

Recognition and Measurement

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property and equipment is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and Equipment (cont'd)

Major Maintenance and Repairs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and Losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

Depreciation

Depreciation is recognized in profit or loss and is provided at the following annual rates:

	Percentage
Field equipment	20%
Furniture and fixtures	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Non-Financial Assets (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"), which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial Instruments

The Company classifies its financial instruments as follows:

Financial Asset/Liabilities	
Cash and cash equivalents	Fair value through profit or loss ("FVTPL")
Restricted cash	Fair value through profit or loss ("FVTPL")
Receivables	Amortized cost
Reclamation bond	Amortized cost
Marketable securities	Fair value through other comprehensive income ("FVOCI")
Notes receivables	Amortized cost
Trade and other payables	Amortized cost

Financial Assets

Initial recognition and measurement

Financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

De-recognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade and other payables are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Fair Value Hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Provisions

Provisions are recognized as liabilities when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites. The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company allocates the flow-through share using the residual method into i) share capital based on market value of common shares on the date of issue, ii) warrants based on fair value determined by the Black-Scholes option pricing model and iii) flow-through share premium, if any. The estimated flow-through share premium, representing the amount investors paid for the flow-through feature, is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability with a corresponding other income charged to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. The required flow-through expenditures as at June 30, 2021 of \$168,587 (2020 - \$Nil) is recorded as restricted cash.

Proceeds received from the issuance of flow-through shares are restricted to be used only for certain Canadian resource property exploration expenditures incurred within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Tax (cont'd)

Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset only to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options, and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new share options and are shown in equity as a deduction, net of tax, from the proceeds. Where the Company issued common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

Contributed Surplus

Contributed surplus consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire or are forfeited, no reversal of contributed surplus is recognized.

Earnings/Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year. Escrow shares are excluded from the calculation. Diluted earnings per common share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Diluted loss per common share excludes the effects of any instruments that would be anti-dilutive if they were converted.

Share-based Payments

The fair value, at the grant date, of equity-settled share option awards is charged to profit or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share-based Payments (cont'd)

- Exercise price
- Expected life of the award
- Forfeiture rate
- Current market price of the underlying shares
- Risk-free interest rate
- Expected volatility

Future Accounting Standards

IFRS 17 Insurance Contracts

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts, and related interpretations. This standard will be effective for the Company's annual period beginning July 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, 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 judgements 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 judgements 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 consolidated financial statements are discussed below:

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

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 judgement 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 judgement 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.

Mining Exploration Tax Credits

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management's judgement is applied in determining whether the resource expenditures are eligible for claiming such credits.

Recovery of Deferred Tax Assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

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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. The required flow-through expenditures as at December 31, 2021 of \$168,587 (June 30, 2020 - \$Nil) is recorded as restricted cash.

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.

	June 30 2021	June 30 2020
Sales taxes receivable	\$ 335,542	\$ 202,762
Other (Note 16)	37,834	12,493
	\$ 373,376	\$ 215,255

7. MARKETABLE SECURITIES

Marketable securities consist of:

- a) An investment of Nil (2020: 5,556) common shares in Conic Metals Corp. ("Conic") (formerly Cobalt 27 Capital Corp. ("Cobalt")) pursuant to the grant of a net smelter return royalty.

During the year ended June 30, 2021 the Company sold 5,556 shares of its investment for net proceeds of \$2,132.

As at June 30, 2021, the Conic shares have a fair value of \$Nil (2020 - \$944). During the year ended June 30, 2021, the Company recorded a decrease in fair market value of \$2,390 (2020 - \$1,555) as an unrealized loss in other comprehensive loss.

On October 24, 2019, pursuant to a plan of arrangement (the "Arrangement") under the terms of the Arrangement, each Cobalt common share was exchanged for \$4.00 in cash and one common share of Conic resulting in the cash payment of \$22,224 and the receipt of 5,556 Conic common shares at a fair value of \$2,500. The Company recognized \$22,224 as a return of capital on the consolidated statements of loss and comprehensive loss.

The fair value of the marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation.

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7. MARKETABLE SECURITIES (cont'd)

- b) An investment of 1,081,875 (2020 - 205,375) commons shares in Fireweed Zinc. Ltd. ("Fireweed Shares") pursuant to the grant of an option (Note 9) as at June 30, 2021. During the year end June 30, 2021, the Company received an additional 900,000 Fireweed Shares in connection with the option as described in Note 9 and recorded a gain on the sale of exploration and evaluation assets of \$810,000 recognized on the consolidated statements of loss and comprehensive loss.

As at June 30, 2021, the Fireweed Shares have a fair value of \$789,767 (2020 - \$102,688). As at June 30, 2021 the Company recorded an increase in fair market value of \$105,060 as an unrealized gain (2020 - \$8,054) in other comprehensive income.

During the year ended June 30, 2021, the Company sold 23,500 (2020 - 91,500) shares of its investment for net proceeds of \$15,220 (2020 - \$55,086).

The fair value of marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation.

8. EQUIPMENT

	Field Equipment	Furniture & Fixtures	Total
Cost			
Balance at June 30, 2020 and 2019	\$110,000	\$6,424	\$116,424
Additions	27,000	-	27,000
Balance June 30, 2021	137,000	6,424	143,424
Depreciation and impairment losses			
Balance at June 30, 2019	30,197	4,670	34,867
Depreciation for the year	22,183	720	22,903
Balance at June 30, 2020	52,380	5,390	57,770
Depreciation for the year	26,055	716	26,771
Balance at June 30, 2021	78,435	6,106	84,541
Carrying amounts			
Carrying value at June 30, 2020	\$57,620	\$1,034	\$58,654
Carrying value at June 30, 2021	\$58,565	\$318	\$58,883

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9. EXPLORATION AND EVALUATION ASSETS

	<i>British Columbia</i>			<i>Newfoundland</i>			Total
	Hank	Ball Creek	Williams	Heritage	Davis Cove	Other	
Costs							
Balance at June 30, 2019	\$5,635,750	\$-	\$-	\$-	\$-	\$-	\$5,635,750
Acquisition costs	5,265	145,000	21,250	-	-	-	171,515
Exploration costs	525,036	1,129,154	-	-	-	-	1,654,190
Recovery of exploration expenses	(17,705)	-	-	-	-	-	(17,705)
Balance at June 30, 2020	6,148,346	1,274,154	21,250	-	-	-	7,443,750
Acquisition costs	-	53,419	22,000	329,770	37,848	770,410	1,213,447
Recovery of exploration expenses		(15,000)	-	(72,750)	-	-	(87,750)
Exploration costs	5,867	-	69,200	1,144,254	2,903	7,078	1,229,302
Provision	25,000	-	-	-	-	-	25,000
Write-off of exploration and evaluation assets	(6,179,213)	(1,312,573)	-	-	-	-	(7,491,786)
Balance at June 30, 2021	\$-	\$-	\$112,450	\$1,401,274	\$40,751	\$777,488	\$2,331,963

British Columbia

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.

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9. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia (cont'd)

Hank Property (cont'd)

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.

During the year end June 30, 2021, the Company wrote-off exploration and evaluation asset expenditure in the amount of \$6,179,213 (2020 - \$Nil), in accordance with Level 3 of the fair value hierarchy.

Ball Creek

On July 9, 2019, the Company and Orogen Royalties Inc (formally Evrim Resources Corp.) ("Orogen") entered into an option agreement (the "Orogen 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 had 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 (July 16, 2039), 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 and issue an aggregate 250,000 common shares, make certain cash or share equivalent payments of up to \$300,000 and additional cash payments of \$1.75 million over a 15 year period (the "Option Payments").

During the year ended June 30, 2021, the Company issued \$50,000 cash equivalent of 213,675 common shares calculated on the 10-day VWAP pursuant to the Orogen Option (Note 13) with a fair value of \$53,419.

During the year ended June 30, 2020, the Company issued 200,000 common shares with a fair value of \$145,000 pursuant to the Orogen Option (Note 13).

Effective February 9, 2021, Golden Ridge and Orogen agreed to terminate (the "Option Termination") the Orogen Option. Consideration to Golden Ridge for the Option Termination is \$15,000 in cash ("Termination Fee") and the surrender of 149,573 Golden Ridge payment shares previously received by Orogen.

Pursuant to the Option Termination the Company as at June 30, 2021, wrote-off exploration and evaluation asset expenditure in the amount of \$1,312,573 net of the Termination Fee (2020 - \$Nil).

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9. EXPLORATION AND EVALUATION ASSETS (cont'd)

Newfoundland

Williams Property

The Company entered into an option agreement dated January 31, 2020 (the “Williams Option”) to earn a 100% interest subject to a 2% net smelter return royalty (the “NSR”) in the Williams Gold Property (the “Williams Property”) located in the province of Newfoundland.

Consideration for the Williams Option includes the following:

	Shares	Cash
Within 5 business days of exchange approval	50,000 (issued)	-
Within thirty (30) days of signing the Option agreement	-	\$10,000 (paid)
On or before December 31, 2020	50,000 (issued)	\$15,000 (paid)
On or before December 31, 2021	50,000	\$25,000
On or before December 31, 2022	100,000	\$50,000
On or before December 31, 2023	100,000	\$50,000

The Williams Option can be accelerated at the Company’s election. Pursuant to the terms of the Williams Option, Golden Ridge can purchase 1.0% of the NSR for \$1,000,000 at any time before the commencement of commercial production. Additionally, commencing December 31, 2024 and annually thereafter, the Company will be required to make annual advanced minimum royalty (“AAMR”) payments of \$7,500. The AAMR payments are deductible from future NSR payments.

During the year ended June 30, 2021, the Company issued 50,000 (2020 – 50,000) common shares with a fair value of \$7,000 (2020 - \$11,250) pursuant to the Williams Option (Note 13).

Heritage Project

Pursuant to an option agreement dated June 25, 2020 (the “Heritage Option”) between Golden Ridge and Puddle Pond Resources Inc. (the “Optionor”), Golden Ridge will have the right to earn a 75% interest subject to a 1.5% net smelter return royalty (“NSR”) in the Heritage Project located in Newfoundland. Additionally, certain claims are also subject to a 2.5% NSR forming part of the Heritage Property (the “Underlying NSR”) to the original holders (“Original Vendors”) which can be purchased and extinguished in its entirety pursuant to an agreement dated June 25, 2020 between Golden Ridge, the Optionor and the Original Vendors (the “NSR Option”).

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9. EXPLORATION AND EVALUATION ASSETS (cont'd)

Newfoundland (cont'd)

Heritage Project (cont'd)

Consideration for the Heritage Option and NSR Option include certain cash management fee payments, share issuances and exploration commitments as follows:

	Management Fees	Shares	Exploration
Within 10 days of Exchange Approval (July 30, 2020)	–	600,000 common shares (issued)	–
On or before June 25, 2021	\$25,000 (\$6,250 quarterly) (\$25,000 paid)	\$75,000 in common shares (issued) at Current Market Price*	\$250,000
On or before June 25, 2022	\$50,000 (\$12,500 quarterly)	\$150,000 in common shares issued at Current Market Price*	\$1,250,000
On or before June 25, 2023	\$75,000 (\$18,750 quarterly)	\$300,000 in common shares issued at Current Market Price*	\$1,500,000

***Current Market Price** means in respect of the common shares on any date, means the volume-weighted average of price (total dollar value divided by total volume) for the 10 consecutive Trading Days immediately preceding such date.

Upon exercise of the Heritage Option, Golden Ridge and the Optionor will enter into a joint venture agreement (the “JV”) wherein the Optionor will maintain a carried interest of 25% in the JV to pre-feasibility.

Additionally, the Optionor will be entitled to certain milestone payments, wherein Golden Ridge shall issue to the Optionor 1,000,000 common shares (the “Milestone Shares”) per each measured or indicated mineral resource estimate of 1,000,000 ounces of Gold Equivalent for the Heritage Property, such mineral resource estimate being determined in accordance with the CIM Definition Standards as established by the Canadian Institute of Mining, Metallurgy and Petroleum, and in accordance with NI 43-101.

During year ended the year ended June 30, 2021, the Company issued 843,506 (2020 – Nil) common shares with a fair value of \$224,269 (2020 - \$Nil) pursuant to the Heritage Option (Note 13).

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9. EXPLORATION AND EVALUATION ASSETS (cont'd)

Newfoundland (cont'd)

Heritage Project (cont'd)

Underlying NSR Option

	Cash	Shares
Within 14 days of execution of the NSR Option Agreement	\$10,000 to each Original Vendor (\$30,000 paid)	–
Within 10 days of Exchange Approval	–	75,000 common shares to each Original Vendor (issued)
On or before June 25, 2021	\$25,000 to each Original Vendor (\$75,000 total paid)	300,000 common shares to each Original Vendor (issued)
On or before June 25, 2022	–	–
On or before June 25, 2023	\$25,000 to each Original Vendor (\$75,000 total)	–

During year ended June 30, 2021, the Company issued 75,000 common shares to each of the 3 Original Vendor for a total of 225,000 (2020 – Nil) common shares with a fair value of \$56,250 (2020 - \$Nil) pursuant to the NSR Option (Note 13).

On July 5, 2021, the Company made aggregate cash payments of \$75,000 and issued an aggregate 900,000 commons shares with a fair value of \$346,500 (Note 13).

Davis Cove Project

Pursuant to an option agreement dated June 26, 2020 (the “Davis Cove Option”) between Golden Ridge and certain third party arm’s length vendors (collectively the “Optionor’s”), Golden Ridge will have the right to earn an 100% interest subject to a 2% net smelter return royalty (“NSR”) in the Davis Cove Project located in Newfoundland. The Company has the right to purchase the first 1% of the royalty for \$1 million and remaining 1% of the royalty for an additional \$3 million any time prior to the commencement of commercial production. Consideration for the Davis Cove Option includes certain cash payments, share issuances and advance royalty payments as follows:

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9. EXPLORATION AND EVALUATION ASSETS (cont'd)

Newfoundland (cont'd)

Davis Cove Project (cont'd)

	Cash	Shares	Advance Royalties
Within 30 days of execution of the Davis Cove Option Agreement and subject to Exchange approval	\$7,500 (paid)	\$7,500 in common shares issued at VWAP* (issued)	—
On or before June 9, 2021	\$10,000 (paid)	\$10,000 in common shares issued at VWAP* (issued)	—
On or before June 9, 2022	\$15,000	\$12,500 in common shares issued at VWAP*	—
On or before June 9, 2023	\$27,500	\$20,000 in common shares issued at VWAP*	—
Beginning on June 9, 2025, and annually thereafter	—	—	\$7,000

*Volume weighted average closing price for the 30 trading days preceding each date of issuance ("VWAP")

During the year ended June 30, 2021, the Company issued \$17,500 (2020 - \$Nil) cash equivalent of 71,504 (2020 - Nil) common shares calculated on the 30-day VWAP pursuant to the Davis Cove Option (Note 13).

Other - Fortune Bay, Long Range & Lucky Strike Projects

Pursuant to purchase agreement dated June 26, 2020 (the "NFLD Purchase") between Golden Ridge and certain third-party arm's length vendors (collectively the "NFLD Vendor's"), Golden Ridge purchased a 100% interest in the Fortune Bay, Long Range and Lucky Strike Projects located in Newfoundland (collectively the "NFLD Projects") for consideration of the issuance of 3,000,000 common shares (issued) within 10 days of Exchange approval.

During the year ended June 30, 2021, the Company issued 3,000,000 (2020 - Nil) common with a fair value of \$750,000 (2020 - \$Nil) pursuant to the NFLD Purchase (Note 13) and acquired a 100% interest in the NFLD Projects.

Yukon - North Canol

Fireweed Option

On March 27, 2018, the Company signed an option agreement, further amended on April 15, 2019, May 20, 2020 and August 7, 2020 (collectively the "NC Agreement") with Fireweed Zinc Ltd. ("Fireweed Zinc") whereby Fireweed Zinc can acquire a 100% interest in the Company's North Canol Property ("the NC Property") in Yukon Territory, Canada, making cash and share payments over a three-year period.

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9. EXPLORATION AND EVALUATION ASSETS (cont'd)

Yukon - North Canol (cont'd)

Fireweed Option (cont'd)

Pursuant to the third amending agreement date August 7, 2020, the remaining aggregate \$350,000 cash payments and 200,000 common shares due were amended wherein the Company, pursuant to Exchange approval, would receive 900,000 common shares of Fireweed Zinc.

Consideration received during year ended June 30, 2021 includes aggregate cash payments of \$Nil (2020 - \$37,500) and 900,000 (2020 - 100,000) common shares with a fair value of \$810,000 (2020 - \$37,500) recorded as at the date of issuance, which was recorded as gain on sale of exploration and evaluation assets in the statements of loss and comprehensive loss.

The Fireweed common shares were recorded a gain on sale of exploration and evaluation asset of \$810,000 (2020 - \$37500) in the statements of loss and comprehensive loss.

On September 25, 2020, Fireweed having fulfilled the obligations of the NC Agreement and acquired a 100% interest in the NC Property subject to the NSR and Additional Payment as defined hereinbelow.

Additional Payment

Fireweed Zinc agrees to pay the Company an additional \$750,000 (the "Additional Payment") 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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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 \$37,500 as at June 30, 2021 (2020 - \$37,500).

11. OTHER LIABILITIES

	Issued On September 30 2020
Balance at June 30, 2020	\$ -
Liability incurred on flow-through shares issued	180,361
Settlement of flow-through share liability on incurring expenditures	(154,831)
Balance at June 30, 2021	\$ 25,530

On September 30, 2020, the Company completed a private placement for 1,158,412 flow-through common shares ("FT Share") at a price of \$0.29 per FT Share, for gross proceeds of \$335,939. The residual amount allocated to the flow-through premium liability was \$30,304.

Additionally, the Company completed private placement for 2,672,000 flow-through common shares ("Charity FT Share") at a price of \$0.32 per FT Share, for gross proceeds of \$855,040. The residual amount allocated to the flow-through premium liability was \$150,057.

As at June 30, 2021, the Company had incurred \$1,022,392 of qualifying Canadian Exploration Expenditures ("CEE") thereby fulfilling a portion of the obligation and had extinguished \$154,831 of the liability. The extinguishment of the liability was recognized as other income in the consolidated statements of loss and comprehensive loss during the year ended June 30, 2021 (2020 - \$Nil). As at June 30, 2021 the Company has until December 31, 2021 to incur the remaining expenditures of \$168,587 (2020 - \$Nil).

12. REHABILITATION PROVISION

The Company fulfils its site restoration obligations as required when a drill site is abandoned, and accordingly, no discounted present value was calculated due to the expected short-term nature of the obligation. Management will continue to assess asset retirement obligations as future exploration activity is undertaken.

As at June 30, 2021, provisions of \$25,000 (2020 - \$Nil) in connection with the Hank Property were recorded.

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13. 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, 2019 to June 30, 2021:

	Note	Number	Issue Price	Total
Balance at June 30, 2019		19,485,459	-	\$11,737,744
Shares issued for exploration and evaluation assets	9,13	200,000	\$0.725	145,000
Shares issued for exploration and evaluation assets	9,13	50,000	\$0.225	11,250
Share issue costs		-	-	(494)
Balance at June 30, 2020		19,735,459	-	\$11,893,500
Shares issued for exploration and evaluation assets	9,13	4,072,157	\$0.25	1,018,040
Shares issued for exploration and evaluation assets	9,13	50,000	\$0.14	7,000
Shares issued for exploration and evaluation assets	9,13	38,022	\$0.32	11,977
Shares issued for exploration and evaluation assets	9,13	243,506	\$0.31	74,269
Exercise of warrants	9,13	269,876	\$0.25	67,470
Private placement	13	14,333,333	\$0.15	2,150,000
Private placement	13	2,672,000	\$0.32	855,040
Private placement	13	1,158,412	\$0.29	335,939
Private placement	13	8,400,000	\$0.25	2,100,000
Residual allocated to warrants	13	-	-	(187,080)
Flow-through premium liability	11,13	-	-	(180,361)
Fair value of warrants transferred on exercise	13	-	-	15,700
Share issue costs	13	-	-	(192,639)
Balance at June 30, 2021		50,972,765		\$17,968,855

During the year ended June 30, 2021, the Company issued the following:

- On July 21, 2020, the Company issued \$50,000 cash equivalent of 213,675 common shares calculated on the 10-day VWAP pursuant to the Orogen Option as described in Note 9 hereinabove. The common shares were valued at \$53,419 as determined by the market price when issued being \$0.25 per share.
- On July 21, 2020, the Company issued \$7,500 cash equivalent of 33,482 common shares calculated on the 30-day VWAP pursuant to the Davis Cove Option as described in Note 9 hereinabove. The common shares were valued at \$8,371 as determined by the market price when issued being \$0.25.
- On July 21, 2020, the Company issued 3,000,000 common shares pursuant to the NFLD Purchase as described in Note 9 hereinabove. The common shares were valued at \$750,000 as determined by the market price when issued being \$0.25 per share.

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13. SHARE CAPITAL AND RESERVES (cont'd)

a) Common Shares (cont'd)

- On July 24, 2020 the completed a non-brokered private placement and issued 14,333,333 units (a "Unit") of the Company at a price of \$0.15 per unit for gross proceeds of \$2,150,000.
- Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant entitles the holder to acquire one additional common share in the capital of the Company at a price of \$0.25 per share until July 24, 2022.
- The Company has paid aggregate finders' fees of \$45,178 in cash and issued 301,185 finder warrants (a "Finder Warrant"). Each Finder Warrant entitles the holder to acquire one additional common share in the capital of the Company at a price of \$0.25 per share on the same terms as the Warrants until July 24, 2022. The fair value of the non-cash share issuance costs of \$54,116 for the Finder Warrants was estimated using the Black-Scholes option pricing model as outlined in Note 13c hereinbelow.
- On July 24, 2020, the Company provided loans totalling \$72,000 to the Company's directors to participate in the acquisition of an aggregate 480,000 Units of the Offering. (See Note 16).
- On July 31, 2020, the Company issued 600,000 common shares pursuant to the Heritage Option as described in Note 9 hereinabove. The common shares were valued at \$150,000 as determined by the market price when issued being \$0.25 per share.
- On July 31, 2020, the Company issued 225,000 common shares pursuant to the NSR Option as described in Note 9 hereinabove. The common shares were valued at \$56,250 as determined by the market price when issued being \$0.25 per share.
- On September 30, 2020, the Company completed a non-brokered private placement and issued 1,158,412 units of the Company on a flow-through basis (the "FT Units") at a price of \$0.29 per FT Unit for gross proceeds of \$335,939.
- Additionally, the Company completed a non-brokered private placement and issued 2,672,000 units of the Company on a charity flow-through basis (the "Charity FT Units") at a price of \$0.32 per Charity FT Unit for gross proceeds of \$855,040.
- Each FT Unit and Charity FT consists of one common share in the capital of the Company (a "Common Share") issued on a flow-through basis under the Income Tax Act (Canada) (the "Tax Act") and one-half of one common share purchase Warrant. Each Warrant entitles the holder thereof to purchase one non-flow-through Common Share at an exercise price of \$0.40 until September 30, 2022.

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13. SHARE CAPITAL AND RESERVES (cont'd)

a) Common Shares (cont'd)

- The Company paid finders' fees of an aggregate \$35,747 in cash and issued 142,188 Warrants. Each Finder Warrant entitles the holder to acquire one additional Common Share at a price of \$0.40 per share until September 30, 2022. The fair value of the non-cash share issuance costs of \$13,886 for the Finder Warrants was estimated using the Black-Scholes option pricing model as outlined in Note 13c hereinbelow.
- Additional legal fees, transfer agent and filing fees in connection with the July 2020 and September 2020 financings in the amount of \$124,637 were incurred during the year ended June 30, 2021.
- On February 23, 2021, the Company issued 50,000 common shares pursuant to the Williams Option as described in Note 9 hereinabove. The common shares were valued at \$7,000 as determined by the market price when issued being \$0.14 per share.
- On June 11, 2021 the completed a non-brokered private placement and issued 8,400,000 units (a "Unit") of the Company at a price of \$0.25 per unit for gross proceeds of \$2,100,000.
- Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant entitles the holder to acquire one additional common share in the capital of the Company at a price of \$0.50 per share until June 11, 2023.
- On June 11, 2021, the Company issued \$10,000 cash equivalent of 38,022 common shares calculated on the 30-day VWAP pursuant to the Davis Cove Option as described in Note 9 hereinabove. The common shares were valued at \$11,977 as determined by the market price when issued being \$0.32 per share.
- On June 25 2021, the Company issued \$75,000 cash equivalent of 243,506 common shares calculated on the 10-day VWAP pursuant to the Heritage Option as described in Note 9 hereinabove. The common shares were valued at \$74,269 as determined by the market price when issued being \$0.31 per share.
- The Company issued 182,500 common shares on the exercise of share purchase warrants and 87,376 agents warrants with exercise prices of \$0.25. On the exercise of the agents warrants, \$15,700 was transferred from contributed surplus to share capital.
- Subsequent to June 30, 2021 an additional 8,250 agents warrants with exercise prices of \$0.25 was exercised. On the exercise of the agents warrants, \$1,482 was transferred from contributed surplus to share capital

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13. SHARE CAPITAL AND RESERVES (cont'd)

During the year ended June 30, 2020, the Company issued the following:

On May 7, 2020, the Company completed the consolidation of its issued and outstanding shares on the basis of one post-consolidation share for every 5 pre-consolidation shares (the "Consolidation"). The Company's shares began trading on a post-consolidation basis on the Exchange on May 7, 2020. All share and per share information in these consolidated financial statements give effect to the Consolidation on a retroactive basis, unless otherwise indicated.

On July 16, 2019, the Company issued 200,000 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 \$0.725 per share.

On February 19, 2020, the Company issued 50,000 common shares pursuant to the Williams Option as described in Note 9 hereinabove. The common shares were valued at \$11,250 as determined by the market price when issued being \$0.225 per share.

b) Share Purchase Warrants

The following is a summary of changes in share purchase warrants from July 1, 2019 to June 30, 2021:

	Number	Weighted Average Price
Balance, June 30, 2019	6,742,552	\$1.25
Expired	(462,110)	\$1.25
Balance, June 30, 2020	6,280,442	\$1.25
Expired	(2,681,350)	\$1.25
Granted	13,281,873	\$0.35
Exercised	(182,500)	\$0.25
Balance June 30, 2021	16,698,465	\$0.42

As at June 30, 2021 the following share purchase warrants were outstanding:

	Number	Price Per Share	Expiry Date
	3,599,092	\$1.25	May 7, 2022
	6,984,167	\$0.25	July 24, 2022
	1,915,206	\$0.40	September 30, 2022
	4,200,000	\$0.50	June 11, 2023
	16,698,465		

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13. SHARE CAPITAL AND RESERVES (cont'd)

b) Share Purchase Warrants (cont'd)

As at June 30, 2021, 16,698,465 (2020 - 6,280,442) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 0.77 (2020 - 1.13) years.

c) Agents' Warrants

The following is a summary of changes in agents' warrants from July 1, 2019 to June 30, 2021:

	Number	Weighted Average Price
Balance, June 30, 2019	472,152	\$1.25
Expired	(325,185)	\$1.25
Balance, June 30, 2020	146,967	\$1.25
Granted	443,373	\$0.30
Exercised	(87,376)	\$0.25
Balance June 30, 2021	502,964	\$0.58

As at June 30, 2021, the following agent warrants were outstanding:

	Number	Price Per Share	Expiry Date
	146,967	\$1.25	May 7, 2022
	213,809	\$0.25	July 24, 2022
	142,188	\$0.40	September 30, 2022
	502,964		

As at June 30, 2021, 502,964 (2020- 146,967) agent's warrants were outstanding and exercisable with a weighted average remaining contractual life of 0.85 (June 30, 2020 - 1.85) years.

Total expenses arising from the grant of Agents Warrants recognized during the period ended were \$68,002 (2020 - \$Nil) using the Black-Scholes option pricing model. For purposes of the fair value calculations, the following weighted average assumptions were used for the Black-Scholes valuation model:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free-Interest Rate	Expected Life	Volatility Factor	Dividend Yield
24-Jul-20	24-Jul-22	\$0.27	\$0.25	0.26%	2	132.53%	0
30-Sep-20	30-Sep-22	\$0.22	\$0.40	0.25%	2	115.43%	0

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13. SHARE CAPITAL AND RESERVES (cont'd)

d) Escrow Shares

As at June 30, 2021, Nil (2020 - 66,331) common shares remained in escrow.

14. 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 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 a summary of changes during the period ended July 1, 2019 and June 30, 2021:

	Number	Weighted Average Price
Balance June 30, 2019 and 2020	1,229,000	\$0.68
Expired	(347,000)	\$0.75
Granted	1,350,000	\$0.25
Balance June 30, 2021	2,232,000	\$0.41

As at June 30, 2021, the following options were outstanding:

Number Vested and Exercisable	Price Per Share	Expiry Date
2,000	\$3.00	June 4, 2024
360,000	\$0.63	April 5, 2023
120,000	\$0.85	July 17, 2023
400,000	\$0.60	January 17, 2024
1,350,000	\$0.25	October 5, 2025
2,232,000		

As at June 30, 2021, 2,232,000 (2020 - 1,229,000) options were outstanding and exercisable with a weighted average remaining contractual life of 3.44 (2020 - 2.35) years.

b) Fair Value of Options Issued During the Period

During the year ended June 30, 2021, the weighted average fair value at grant date of options granted was \$0.41 per option (2020 - \$Nil). During the year ended June 30, 2021, there were 1,350,000 options granted (2020 - Nil).

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14. SHARE-BASED PAYMENTS (cont'd)

c) Expenses Arising from Share-based Payment Transactions

The Black-Scholes option pricing model inputs for options granted during the year ended June 30, 2021 were:

Grant Date	Expiry Date	Share Price At Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
05-Oct-2020	05-Oct-2025	\$0.26	\$0.25	0.36%	5	116.01%	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 year ended June 30, 2021 were \$284,627 (2020 - \$Nil) using the Black-Scholes option pricing model.

15. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	For the Year Ended June 30	
		2021	2020
Accounting and legal		\$ 38,903	\$ 59,393
Consulting		155,766	241,578
Conferences	16	1,905	2,771
Office and administration fees		73,377	46,750
Investor relations, marketing and website development		100,375	145,678
Rent	16	33,714	31,998
Filing fees		21,813	17,034
Shareholder communication		4,991	14,872
Transfer agent fees		4,805	16,976
Travel		435	8,622
		\$ 436,084	\$ 585,672

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16. RELATED PARTY TRANSACTIONS

a) Key Management Compensation

	June 30 2021	June 30 2020
Key management personnel compensation comprised:		
Administration and management fees	\$75,788	\$51,082
Consulting fees	153,549	\$238,178
Share-based payments	121,231	-
	\$350,568	\$289,260

- i) Consulting fees of \$100,000 (2020 - \$90,000) were paid or accrued to Tank Enterprises, a company controlled the President, CEO and director of the Company;
- ii) Consulting fees of \$700 (2020 - \$68,625) were paid or accrued to Ridgeline Exploration Inc. ("Ridgeline") a company held 50% by the VP Exploration and 50% by the President and CEO, for services provided by the VP Exploration of which \$Nil (2020 - \$36,000) was capitalized to exploration and evaluation assets;
- iii) Consulting fees of \$Nil (2020 - \$30,000) were paid or accrued to 43983 Yukon Inc. ("43983 Yukon") a company controlled by a director of the Company.
- iv) Consulting fees of \$52,849 (2020 - \$49,553) were paid or accrued to Minco, a company controlled the Chief Financial Officer;
- v) Administration fees of \$41,163 (2020 - \$15,443) were paid or accrued to Minco, a company controlled the Chief Financial Officer; and
- vi) Share-based payments are the fair value of options granted to key management personnel (Note 14).

b) Exploration Services & Equipment Rental Payments

The Company uses Ridgeline for field personnel, equipment rental and office work for its exploration activities as follows:

- i) Equipment rental payments of \$12,333 (2020 - \$42,450) were paid or accrued to Ridgeline which was capitalized to exploration and evaluation assets.
- ii) Management fees of \$34,625 (2020 - \$35,639) were paid or accrued to Ridgeline in connection with the supply of exploration personnel and services and were capitalized to exploration and evaluations assets.

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16. RELATED PARTY TRANSACTIONS (cont'd)

c) Related Party Liabilities

Amounts due to:	Service for:	June 30 2021	June 30 2020
Minco	Consulting & Administration Fees	\$10,959	\$6,215
M Blady	Expenses	40	2,163
Tank Enterprises	Consulting Fees	-	84,000
		\$10,999	\$92,378

d) Related Party Receivables (Note 6)

Amounts due from:	Service for:	June 30 2021	June 30 2020
Minco	Rent & Expenses	\$4,200	\$4,200
Ridgeline	Rent & Expenses	4,200	-
South Atlantic Gold Corp.	Rent & Expenses	1,575	1,050
		\$9,975	\$5,250

Amounts due from related parties expenditures 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.

e) Notes Receivable

	June 30 2021
Opening balance	\$-
Principal	\$72,000
Repayments	(48,000)
Balance at June 30, 2021	24,000
Current portion	\$24,000
Non-current portion	\$-

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16. RELATED PARTY TRANSACTIONS (cont'd)

e) Notes Receivable (cont'd)

Name	Position	Initial Loan Amounts	Repayments	Balance June 30 2021
Duane Lo	Independent Director	18,000	(12,000)	6,000
Elston Johnston	Former Director	18,000	(12,000)	6,000
Lawrence Nagy	Chairman & Director	18,000	(12,000)	6,000
William Lindqvist	Independent Director	18,000	(12,000)	6,000
		72,000	(48,000)	24,000

On July 24, 2020, the Company provided loans totalling \$72,000 (the "Loans") to the Company's directors (the "Borrowers") to participate in the Offering wherein each of the Borrowers acquired 120,000 Units each of the Offering as described in Note 13. The loans bear interest at 2% per annum, are subject to periodic repayment and mature on December 31, 2021. The Borrowers have pledged the shares in favour of the Company pursuant to a share pledge agreement. The Company will hold the pledged shares as security until full repayment of the note receivables. Interest receivable on loans of \$950 is included in accounts receivable.

As at June 30, 2021, directors' fees of an aggregate of \$48,000 (2020 - \$Nil) were incurred for non-executive directors and applied to the Loans outstanding.

On June 23, 2021, Mr. Johnston resigned as director.

f) Private Placement – July Offering

In addition to Note 16e herein the President and CEO subscribed for an amount of \$135,000 and a former director subscribed for an additional amount of \$22,000 in connection with the July 24, 2020 Offering (Note 13).

17. LOSS PER SHARE

	June 30 2021	June 30 2020
Net loss attributable to ordinary shareholders	(\$7,341,336)	(\$535,980)
Weighted average number of common shares	40,281,812	19,695,321
Basic and diluted loss per share	(\$0.18)	(\$0.03)

18. 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 June 30, 2021 and June 30, 2020 are all in Canada.

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19. 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 year ended June 30, 2021 and 2020 the following transactions were excluded from the statements of cash flows:

- i) The Company issued 4,403,685 common shares (2020 – 200,000) valued at \$1,111,286 (2020 - \$145,000) for acquisition of exploration and evaluation assets, as determined by their market prices when issued (Notes 9, and 13);
- ii) A compensation charge of \$68,002 (2020 - \$Nil) associated with the grant of 443,373 (2020 - Nil) agent warrants was recorded as share issue costs (Note 13); and
- iii) Included in accounts payable is \$25,253 (2020 - \$Nil) of exploration expenditures that are capitalized to exploration and evaluation assets;
- iv) The Company received common shares of Fireweed Zinc with a fair value of \$810,000 (2020 - \$37,500) related to the North Canol option agreement (Note 9); and
- v) Included in net loss and comprehensive loss for the year is \$Nil (2020 - \$22,224) of cash received for return of capital related to Cobalt (Note 7).

20. INCOME TAXES

Taxation in the Company's operational jurisdictions is calculated at the rates prevailing in the respective jurisdictions. There is no tax charge arising for the Company for the years ended June 30, 2021 and 2020. The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	June 30 2021	June 30 202-
Loss before tax	\$ (7,341,336)	\$ (543,701)
Income taxed at local statutory rates - 27% (2020 – 27%)	(1,982,161)	(146,799)
Items not deductible for tax purposes	35,103	(9,799)
Change in timing differences	4,806	9,476
Under (over) provided in prior years	(45,594)	191,373
Permanent difference for exploration and evaluation		426,190
Unused tax losses and tax offsets not recognized	1,987,846	(470,441)
Income tax expense	\$ -	\$ -

Deferred Tax Assets and Liabilities

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate sufficient taxable income to utilize its deferred tax assets. The Company renounced flow-through expenditures on exploration and evaluation assets which gives rise to temporary differences that result in deferred tax liabilities for which deferred tax assets can be recognized, consisting of the following:

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20. INCOME TAXES (cont'd)

	June 30 2021	June 30 2020
Deferred tax liability on exploration and evaluation assets	\$ -	\$ 1,477,318
Deferred tax asset recognized to offset liability	-	(1,477,318)
	\$ -	\$ -

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	June 30 2021	June 30 2020
Non-capital losses	\$ 1,599,257	\$ 65,188
Exploration and evaluation assets	260,289	-
Property and equipment	22,826	57,770
Share issue costs	92,750	-
Marketable securities	19,920	21,324
Capital losses	16,652	-
Flow-through premium liability	6,893	-
Total	\$ 2,018,587	\$ 144,282

As at June 30, 2021, the Company has available losses that may be carried forward to apply against future years' income for income tax purposes. The approximate Canadian non-capital losses expire as follows:

Year of Expiry	Taxable Losses
2031	\$ 56,000
2032	560,000
2033	341,000
2034	307,000
2035	461,000
2036	259,000
2037	831,000
2038	528,000
2039	1,023,000
2040	843,000
2041	709,000
Total	\$ 5,918,000

The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that there will be sufficient future taxable profit to utilize the deferred tax assets.

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20. INCOME TAXES (cont'd)

Flow-through Shares

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended June 30, 2021, the Company received \$1,190,970 (2020 - \$Nil) from the issue of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. During the year ended June 30, 2021, the Company renounced \$1,022,393 (2020 - \$Nil) to the subscribers (Note 13).

As at June 30, 2021 the Company had \$168,587 (2020 - \$Nil) remaining in flow through expenditures to complete.

During the year ended June 30, 2020, the Company recognized \$154,831 (2020 – \$Nil) in other revenues related to amortization of flow-through liability.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

General Objectives, Policies and Processes

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
(Expressed in Canadian Dollars)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of interest rate and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and non-interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Cash and guaranteed investment certificates are subject to floating interest rates.

As at June 30, 2020 the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company also holds marketable securities that are subject to changes in market price. A 10% decrease in fair value of marketable securities would result in approximate \$7,897 increase in comprehensive loss for the year.

Foreign Exchange Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

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(Expressed in Canadian Dollars)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and receivables. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to endeavour that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, circumstances may arise where the Company is unable to meet those goals. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company endeavours not to maintain any trade payables beyond a 30-day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The consolidated statements of financial position carrying amounts for receivables, and trade and other payables approximate fair value due to their short-term nature.

Due to the use of subjective judgements and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

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FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities which include cash and cash equivalents and marketable securities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the sale of the marketable securities (Note 7) and cash and cash equivalents, have been determined by reference to published price quotations in an active market, a Level 1 valuation.

22. CAPITAL MANAGEMENT

The Company monitors its common shares, warrants and stock options as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended June 30, 2021.

23. EVENTS AFTER THE REPORTING DATE

Private Placement

On July 8, 2021, the Company issued 5,370,370 units (the "Units") at a price of \$0.27 for gross proceeds of \$1,450,000 (the "Offering"). Each Unit consists of one common share and one-half of one common share purchase warrant (each whole warrant at "Warrant") of Company. Each Warrant entitles the subscriber to purchase one additional common share for at an exercise price of \$0.50 per common share until July 8, 2023.

On July 14, 2021 the Company granted 2,100,000 options to directors, officers and consultants at an exercise price of \$0.32 per share for an exercise period of five years.