



Consolidated Financial Statements of

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

For the Years Ended June 30, 2025 and 2024



GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

June 30, 2025

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Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GOLDEN RIDGE RESOURCES LTD.

Opinion

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

- ♦ the consolidated statements of financial position as at June 30, 2025 and 2024;
- ♦ the consolidated statements of 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, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditor's 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 audit 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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 audit 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 audit or otherwise appears to be materially misstated.

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We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 Accounting Standards, 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.

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.

Auditor's 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 auditor's 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 judgment 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- ◆ 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.
- ◆ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Karen Ka Yee Cheng.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

October 27, 2025

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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	2025	2024
ASSETS			
Current			
Cash and cash equivalents	5	\$ 259,010	\$ 1,279,908
Receivables	6,15	28,415	34,602
Prepays	10	16,572	26,047
Loan receivable	7	445,902	-
Marketable securities	8	1,968,040	1,432,758
		2,717,939	2,773,315
Non-Current			
Property, plant and equipment	9	218,730	117,632
Prepays	10	19,416	4,973
Reclamation bond		37,500	37,500
Right of use assets	11	73,267	-
Exploration and evaluation assets	10	3,199,751	3,121,156
		\$ 6,266,603	\$ 6,054,576
LIABILITIES			
Current			
Trade and other payables	15	117,487	333,741
Non-current			
Lease liabilities	11	75,988	-
		193,475	333,741
SHAREHOLDERS' EQUITY			
Share capital	12	19,891,230	19,891,230
Contributed surplus	13	2,751,283	2,751,283
Accumulated other comprehensive income		939,218	235,706
Accumulated deficit		(17,508,603)	(17,157,384)
		6,073,128	5,720,835
		\$ 6,266,603	\$ 6,054,576

Approved on behalf of the Board of Directors by:

"Michael Blady"
Michael Blady

Director

"William Lindqvist"
William Lindqvist

Director

GOLDEN RIDGE RESOURCES LTD*(An Exploration Stage Company)***CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the Years Ended June 30

Expressed in Canadian Dollars

	Note	2025	2024
Expenses			
Administrative and general	14,15	\$ 890,744	\$ 680,039
Wages and benefits		27,877	-
Depreciation	9	22,873	14,619
Directors fees	15	24,000	24,000
Property evaluation		-	3,225
Total expenses		(965,494)	(721,883)
Other income (loss)			
Interest income		32,880	57,721
Dividend income	8	13,615	1,429
Interest expense		(628)	-
Recovery of exploration and evaluation expenditures	10	376,410	120,000
Gain on sale of property, plant and equipment	9	50,000	-
Write-off taxes and other receivables		-	(2,824)
Net loss for the year		\$ (493,217)	\$ (545,557)
Other comprehensive income			
Fair value gain on marketable securities	8	703,512	76,459
Loss and comprehensive income (loss) for the year	16	\$ 210,295	\$ (469,098)
Basic and diluted loss per share for the year	16	\$ (0.01)	\$ (0.01)

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 Years ended June 30

Expressed in Canadian Dollars

				Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Note	Common Shares	Contributed Surplus			
Balance at June 30, 2023		\$19,882,948	\$2,751,283	\$159,461	\$(16,611,827)	\$6,181,865
Net loss for the year		-	-	-	(545,557)	(545,557)
Shares issued for exploration and evaluation assets	10	8,500	-	-	-	8,500
Share issue costs	12	(218)	-	-	-	(218)
Marketable securities	8	-	-	76,245	-	76,468
Balance at June 30, 2024		19,891,230	2,751,283	235,706	(17,157,384)	5,720,835
Net loss for the year		-	-	-	(493,217)	(493,217)
Reclassification of gain on marketable securities		-	-	(141,998)	141,998	-
Marketable securities	8	-	-	845,510	-	845,510
Balance at June 30, 2025		\$19,891,230	\$2,751,283	\$939,218	\$(17,508,603)	\$6,073,128

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 Years Ended June 30
Expressed in Canadian Dollars

	Note	2025	2024
Cash flows from operating activities			
Net loss for the year		\$ (493,217)	\$ (545,557)
Items not affecting cash			
Depreciation	9	22,873	14,619
Recovery of exploration and evaluation expenditures	10	(376,410)	(120,000)
Write-off receivables		-	2,824
Financing costs	11	628	-
Changes in non-cash working capital balances:			
Receivables		6,187	124,079
Prepays		9,475	(3,192)
Trade and other payables		(216,254)	233,351
Cash used in operating activities		(1,046,718)	(293,876)
Cash flows from investing activities			
Loan receivable	7	(445,902)	-
Prepays	10	(14,443)	-
Proceeds from the sale of marketable securities	8	1,552,530	63,761
Purchase of marketable securities	8	(865,892)	(49,814)
Recovery of exploration and evaluation asset expenditures		-	115,500
Purchase of equipment	9	(121,878)	(95,518)
Exploration and evaluation asset expenditures	10	(78,595)	(1,093,789)
Total cash used in investing activities		25,820	(1,059,860)
Cash Flows from Financing Activity			
Share issue costs	12	-	(218)
Total cash used in financing activity		-	(218)
Decrease in cash during the year		(1,020,898)	(1,353,954)
Cash and cash equivalents - beginning of year		1,279,908	2,633,862
Cash and cash equivalents - end of year		\$ 259,010	\$ 1,279,908
Composition of cash and cash equivalents			
Cash		\$ 224,510	\$ 1,245,408
Cash equivalents		34,500	34,500
Cash and cash equivalents - end of the year		\$ 259,010	\$ 1,279,908

Supplemental cash flow information – Note 18

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(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 and trades on the TSX Venture Exchange under the symbol GLDN.

The Company's head office is located at 202 – 3310 Carrington Road, West Kelowna, BC V4T 0C6.

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 active projects include mineral properties located in Newfoundland.

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS

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

The consolidated financial statements were authorized for issue by the Board of Directors on October 27, 2025.

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.

The preparation of consolidated financial statements in compliance with IFRS Accounting Standards requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the 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 \$2,600,452 as at June 30, 2025 (2024 - \$2,439,574). 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.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

3. SUMMARY OF MATERIAL 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 material policies summarized below:

Basis of Consolidation

These consolidated financial statements include the accounts of:

	<u>% of ownership</u>	<u>Jurisdiction</u>	<u>Principal Activity</u>
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.

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. 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.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

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

Mineral Exploration and Evaluation Expenditures (cont'd)

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.

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.

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.

GOLDEN RIDGE RESOURCES LTD.*(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)**Property and Equipment (cont'd)**Depreciation

Depreciation is recognized in profit or loss and is calculated on a straight-line method at the following annual rates:

	Percentage
Field equipment	20%
Office equipment	20%
Leasehold improvements	term of lease - 3 yrs

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 and equipment, 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 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 ")
Receivables excluding sales tax receivable	Amortized cost
Reclamation bond	Amortized cost
Marketable securities other than mutual fund	Fair value through other comprehensive income (" FVOCI ")
Marketable securities – mutual fund	FVTPL
Trade and other payables	Amortized cost

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

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

Financial Instruments (cont'd)

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. Dividends received from investments classified as fair value in other comprehensive income shall be recognized in profit and loss.

Derecognition

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.

GOLDEN RIDGE RESOURCES LTD.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)**Financial Instruments (cont'd)**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.

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 years. 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.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

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

Right-of-use asset and lease obligation

The Company assesses whether a contract is or contains a lease at the inception of a contract. The Company recognizes a right-of-use asset (“**ROU asset**”) and a corresponding lease obligation with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions:

- The Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months; or
- For leases of low value.

The payments for such leases are recognized in profit or loss over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease obligation is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments. Lease liabilities are measured at amortized cost using the effective interest rate method and are remeasured when there is a change in future lease payments arising from a modification of the lease.

A lease modification is accounted for as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Company remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Company accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Recent and Future Accounting Pronouncements

Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

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4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future years, if the change affects both. Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below:

Going Concern

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

Impairment of Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating units' level in the year the new information becomes available. The assessment of impairment indicators, impairment tests, and recoverable value models have a degree of estimation and judgment which may differ in the future.

Lease Liabilities

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The determination of lease terms involves significant judgment with respect to assumptions of whether lease extensions will be utilized. A lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the implicit rate in the lease; if the rate cannot be determined, the incremental borrowing rate of the asset or asset grouping is used. The lease liability is increased for the passage of time and payments on the lease are offset against the lease liability. The liability is subsequently re-measured when there is a change in the lease agreement, such as a change in future lease payments or if the Company decides to purchase, extend, or terminate the lease option. When the lease liability is re-measured, an adjustment is applied to the carrying value of the ROU asset.

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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents 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. As at June 30, 2025, the Company holds a GIC with interest terms of prime less 2.95% (June 30, 2024 - prime less 2.95%).

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 2025	June 30 2024
Sales taxes receivable	\$ 12,462	\$ 11,502
Other (Note 15)	15,953	23,100
	\$ 28,415	\$ 34,602

7. LOAN RECEIVABLE

On June 5, 2024, the Company entered into a definitive agreement subsequently amended on November 21, 2024 as amended (the “**Share Exchange Agreement**”) with MM Group Ltda. (“**MMG**”), Minas Mineração Ltda. (“**Minas**”), and certain members of MMG (collectively, the “**Vendors**”) pursuant to which it would acquire an 80% interest in MMG in consideration of the issuance of common shares in the capital of Golden Ridge (the “**Golden Shares**”) to the Vendors (the “**Proposed Transaction**”).

On November 29, 2024, the Company and MMG in connection with the Proposed Transaction entered into a credit facility agreement pursuant to which the Company agreed to advance to MMG up to an aggregate of \$950,000 (the “**Loan**”). The Loan bears interest at a rate of 8% per annum and matures on July 30, 2025. The repayment of the Loan is secured against the assets of MMG and its subsidiaries and guaranteed by certain MMG members. As at June 30, 2025, the Company has made aggregate advances of \$429,328 (2024 – \$Nil).

Included in loans receivable is an amount of \$16,574 of interest (2024 - \$Nil) and recorded as interest income in the consolidated statements loss and comprehensive loss.

Effective October 27, 2025, the Company and the Vendors terminated the Share Exchange Agreement (the “**Termination**”). Pursuant to the terms of the Loan, the repayment of the Loan is due within 60 days of the Termination.

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8. MARKETABLE SECURITIES

Marketable securities consist of:

Fireweed Shares

An investment of 415,000 (2024 - 1,076,875) common shares in Fireweed Zinc Ltd. ("**Fireweed Shares**") as at June 30, 2025. As at June 30, 2025, the Fireweed Shares have a fair value of \$1,099,750 (2024 - \$1,259,944).

During the year ended June 30, 2025, the Company sold 661,875 (2024 - 5,000) Fireweed Shares for net proceeds of \$967,357 (2024 - \$6,310) and recorded a gain on sale of marketable securities of \$85,748 (2024 - \$810) in the consolidated statements of comprehensive loss.

During the year ended June 30, 2025, the Company recorded an increase in fair market value of \$721,416 (2024 - \$86,199) as an unrealized gain in other comprehensive loss.

Kingfisher Shares

An investment of 1,351,410 (2024 - 600,000) common shares ("**Kingfisher Shares**") in Kingfisher Metals Corp. ("**Kingfisher**") as at June 30, 2025 at a fair value of \$394,809 (2024 - \$123,000) (Note 10). During the year ended June 30, 2025, the Company received 1,000,000 (2024 - 600,000) Kingfisher Shares in connection with the Kingfisher Option at a fair value of \$320,000 (2024 - \$120,000) (Note 10) and 256,410 Kingfisher Shares in connection with the Hickman Agreement at a fair value of \$56,410 (Note 10).

During the year ended June 30, 2025, the Company sold 505,000 (2024 - 573,247) Kingfisher Shares for net proceeds of \$142,948 (2024 - \$57,451) and recorded a gain on sale of marketable securities of \$56,250 (2024 - \$3,485 loss) in the consolidated statements of comprehensive loss. During the year ended June 30, 2025, the Company recorded a decrease in fair market value of \$17,904 (2024 - \$9,954,) as an unrealized loss in other comprehensive loss.

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

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8. MARKETABLE SECURITIES (cont'd)**Mutual Funds**

During the year ended June 30, 2025, the Company invested in mutual funds at a purchase price of \$852,276 (2024 - \$29,499). During the year ended June 30, 2025, the Company sold \$442,225 in mutual funds for net cash proceeds of \$442,225. During the year ended June 30, 2025, the Company recorded re-invested dividend income of \$13,615 (2024 - \$1,429) as other income in the consolidated statements of loss and comprehensive loss. As at June 30, 2025, the fair market value of mutual funds was \$473,481 (2024 - \$49,814).

9. PROPERTY AND EQUIPMENT

	Land	Leasehold Improvements	Office Equipment	Field Equipment	Total
Cost					
Balance at June 30, 2023	\$-	\$-	\$-	\$174,516	\$174,516
Additions	85,018	-	-	10,500	95,518
Balance June 30, 2024	85,018	-	-	185,016	270,034
Additions	-	105,204	16,674	-	121,878
Disposal	-	-	-	(110,000)	(110,000)
Balance at June 30, 2025	85,018	105,204	16,674	75,016	281,912
Depreciation and impairment losses					
Balance at June 30, 2023	-	-	-	137,783	137,783
Depreciation for the year	-	-	-	14,619	14,619
Balance at June 30, 2024	-	-	-	152,402	152,402
Depreciation for the year	-	4,906	870	15,003	20,780
Disposal	-	-	-	(110,000)	(110,000)
Balance at June 30, 2025	-	4,906	870	57,405	63,182
Carrying amounts					
Carrying value at June 30, 2024	85,018	-	-	32,614	\$117,632
Carrying value at June 30, 2025	\$85,018	\$100,298	\$15,804	\$17,611	\$218,730

During the year ended June 30, 2025, the Company disposed of field equipment for proceeds of \$50,000 (2024 - \$Nil) and recorded a gain on the sale of property, plant and equipment of \$50,000 (2024 - \$Nil) in the consolidated statement of loss and comprehensive loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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*(Expressed in Canadian Dollars)***10. EXPLORATION AND EVALUATION ASSETS**

	<i>Newfoundland</i>
	Williams
Balance at June 30, 2023	\$2,140,567
Acquisition costs	58,500
Exploration costs	1,037,589
Recovery of exploration expenses	(115,500)
Balance at June 30, 2024	3,121,156
Exploration costs	78,595
Balance at June 30, 2025	\$3,199,751

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. During the year ended June 30, 2024, the Company exercised the Williams Option effective December 31, 2023 and acquired a 100% interest in the Williams Property.

Consideration for the Williams Option included the issuance of an aggregate 350,000 common shares (350,000 issued) and aggregate cash payments of \$150,000 (\$150,000 paid) over a three-year period.

During the year ended June 30, 2025, the Company paid \$Nil in cash (2024 - \$50,000) and issued Nil (2024 - 8,500) in common shares (Note 12).

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.

As at June 30, 2025, \$7,500 was included in prepaids (2024 - \$Nil) for the December 31, 2025 AAMR payment. This amount will be offset on future NSR payments.

GOLDEN RIDGE RESOURCES LTD.*(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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10. EXPLORATION AND EVALUATION ASSETS (cont'd)***British Columbia******Hank Property***

The Company holds 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 Properties.

On March 6, 2023, the Company entered into an option agreement with Kingfisher (subsequently amended on March 25, 2023) (the “**Kingfisher Option**”) to acquire the Company’s 100% interest in the Hank Property for certain cash, share issuances and work commitments over a four-year period. During the year ended June 30, 2025, the Company received 1,000,000 (2024 - 3,000,000) Kingfisher Shares at a fair value of \$320,000 (2024 - \$120,000) and recorded a recovery of exploration and evaluation expenditures in the consolidated statements of loss and comprehensive loss.

Hickman Property

On February 5, 2025, the Company entered into a purchase agreement with Kingfisher wherein Kingfisher purchased the Company’s 100% interest in the Hickman Property located in the Liard district of British Columbia (the “**Hickman Agreement**”).

Under the terms of the Hickman Agreement, Kingfisher issued 256,410 Kingfisher Shares at a fair value of \$56,410 (2024 - \$Nil) recorded as recovery of exploration and evaluation expenditures in the consolidated statements of loss and comprehensive loss. Additionally, Kingfisher granted a 2% net smelter return royalty (the “**NSR**”) to Golden Ridge. Kingfisher will have the right to buy back 1% of the NSR for \$5,000,000 at any time.

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-Use Assets	Buildings
Balance at June 30, 2023 and 2024	\$ -
Addition	75,360
Depreciation expense for the year	(2,093)
Balance at June 30, 2025	\$ 73,267

Lease Liability	
Balance at June 30, 2023 and 2024	-
Addition	75,360
Lease interest expense	628
Balance at June 30, 2025	75,988

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11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont')

The Company recognized right-of-use asset and a corresponding lease liability upon the adoption of IFRS 16 related to its office lease. Amortization of the right-of-use asset is calculated over the term of the lease of three years at a discount rate of 10%.

Leases

The Company has entered into an office lease (Note 15) effective May 1, 2025. Cash commitments for minimum lease payments in relation to these commitments are payable as follows:

	June 30 2025	June 30 2024
Not later than 1 year	\$-	\$-
Later than 1 year and not later than 5 years	91,437	-

Pursuant to the lease agreement there are no lease payments due in year one.

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

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

The following is a summary of changes in share capital from July 1, 2023 to June 30, 2025:

	Note	Number	Issue Price	Total
Balance June 30, 2023		58,441,320	-	\$19,882,948
Shares issued for exploration and evaluation assets	10	100,000	\$0.085	8,500
Share issue costs		-	-	(218)
Balance June 30, 2024 and June 30, 2025		58,541,320	-	\$19,891,230

During the year ended June 30, 2025, the Company did not issue any shares.

During the year ended June 30, 2024, the Company issued the following:

On December 29, 2023, the Company issued 100,000 common shares in connection with the Williams Property as described in Note 10 hereinabove. The common shares were valued at \$8,500 as determined by the market price when issued being \$0.085 per share. Transfer agent fees in connection with the share issuance described hereinabove in the amount of \$218 were incurred during the year ended June 30, 2024.

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

The following is a summary of changes in share purchase warrants from July 1, 2023 to June 30, 2025:

	Number	Weighted Average Price
Balance June 30, 2023	9,669,352	\$0.32
Expired	(9,669,352)	\$0.32
Balance at June 30, 2024 and June 30, 2025	-	-

As at June 30, 2025 and June 30, 2024, there were no share purchase warrants outstanding.

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

On April 2, 2024, the Company adopted a fixed stock option plan (the “**Fixed Plan**”) to grant options to directors, senior officers, employees, and consultants of the Company. The aggregate outstanding options are limited to 5,854,132 common shares representing 10% of the issued and outstanding shares at the time of adoption. 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 periods ended July 1, 2023 to June 30, 2025:

	Number	Weighted Average Price
Balance at June 30, 2023	3,690,000	\$0.26
Expired	(170,000)	\$0.63
Forfeited	(912,500)	\$0.30
Balance at June 30, 2024 and June 30, 2025	2,607,500	\$0.22

As at June 30, 2024 and 2025, the following options were outstanding:

Expiry Date	Exercise Price	Number of Options	Vested and Exercisable	Unvested
October 5, 2025 ¹	\$0.25	577,500	577,500	-
July 14, 2026	\$0.32	830,000	830,000	-
June 10, 2027	\$0.13	1,000,000	1,000,000	-
February 1, 2028	\$0.13	200,000	200,000	-
		2,607,500	2,607,500	-

¹ Subsequent to June 30, 2025, on October 5, 2025 577,500 options expired at an exercise price of \$0.25 without exercise.

GOLDEN RIDGE RESOURCES LTD.*(An Exploration Stage Company)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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13. SHARE-BASED PAYMENTS (cont'd)**a) Option Plan Details (cont'd)**

As at June 30, 2025, the weighted average remaining contractual life of outstanding options is 1.33 (2024 - 2.33) years.

b) Fair Value of Options Issued During the Year

During the years ended June 30, 2025 and 2024, there were no share-based payments granted.

14. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	Years Ended June 30	
		2025	2024
Accounting and legal		\$ 324,229	\$ 250,925
Consulting	15	265,175	268,470
Corporate development		56,000	-
Conferences		5,004	5,042
Office and administration fees	15	114,475	71,783
Marketing and social media		7,660	7,757
Rent	15	18,992	18,820
Filing fees		31,223	11,363
Shareholder communication		4,391	9,863
Transfer agent fees		14,190	4,122
Travel		49,405	31,894
		\$ 890,744	\$ 680,039

15. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

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15. RELATED PARTY TRANSACTIONS (cont'd)

	June 30 2025	June 30 2024
Key management personnel compensation comprised:		
Administration and management fees	\$46,508	\$36,280
Consulting fees	195,725	162,000
Director fees	24,000	24,000
	\$266,233	\$222,280

a) Key Management Compensation

- i) Consulting fees of \$110,200 (2024 - \$102,000) were paid or accrued to Tank Enterprises, a company controlled by the President, CEO and director of the Company;
- ii) Consulting fees of \$85,525 (2024 - \$60,000) were paid or accrued to Minco Corporate Management Inc. (“**Minco**”), a company controlled by the Chief Financial Officer;
- iii) Administration fees of \$46,508 (2024 - \$36,280) were paid or accrued to Minco, a company controlled by the Chief Financial Officer for administration and accounting personnel services;
- iv) Administration fees of \$12,480 (2024 - \$Nil) were paid or accrued to Pacwest Management Ltd. a company controlled by a family member of the CFO; and
- v) Director fees of \$3,000 per quarter were paid to each of the non-executive directors.

b) Rent

The Company currently pays BruMar Holdings, a company owned 100% by the CEO, for rent and expenses on a month-to-month basis for an exploration office space for a total \$15,900 for the year ended June 30, 2025 (2024 - \$9,600).

On May 1, 2025, the Company entered into an office lease agreement between the Company and 1113382 BC Ltd., a company owned 50% by the CEO and Parabellum Strategies Inc. (the “**Lease**”) for a period of three years. As at June 30, 2025, the Company incurred expenditures of \$95,000 in leasehold improvements in connection with the Lease (Notes 10 and 11).

c) Related Party Liabilities

Amounts due to:	Service for:	June 30 2025	June 30 2024
Minco	Expenses	\$410	\$-
M Blady	Fees	10,920	10,254
M Blady	Rent & Expenses	5,087	-
L. Nagy	Directors Fees	3,000	-
W. Lindqvist	Directors Fees	3,000	3,000
		\$22,417	\$13,254

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15. RELATED PARTY TRANSACTIONS (cont'd)**d) Related Party Receivables (Note 6)**

Amounts due from:	Service for:	June 30 2025	June 30 2024
Minco	Rent & Expenses	\$-	\$7,350
South Atlantic Gold Corp.	Rent & Expenses	7,875	7,875
Bronco Resources Corp.	Rent & Expenses	7,875	7,875
		\$15,750	\$23,100

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

16. LOSS PER SHARE

	June 30 2025	June 30 2024
Net loss attributable to ordinary shareholders	(\$493,217)	(\$545,557)
Weighted average number of common shares	58,541,320	58,491,593
Basic and diluted loss per share	(\$0.01)	(\$0.01)

17. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada. The Company's non-current assets as June 30, 2025 and June 30, 2024 are all in Canada.

18. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. During the years ended June 30, 2025 and 2024, the following transactions were excluded from the consolidated statements of cash flows:

- i) Included in accounts payable is \$Nil (2024 - \$1,349) of exploration expenditures that are capitalized to exploration and evaluation assets;
- ii) The Company issued Nil common shares (2024 - 100,000) valued at \$Nil (2024 - \$8,500) for acquisition of exploration and evaluation assets, as determined by their market prices when issued (Notes 10 and 11);
- iii) The Company received 1,256,410 (2024 - 600,000) common shares of Kingfisher with a fair value of \$376,410 (2024 - \$120,000) related to the Kingfisher Option (Note 8); and
- iv) The Company realized prepaid expenses of \$Nil (2024 - \$129,757) to exploration and evaluation assets.

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19. 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, 2024 and 2023. The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	June 30 2025	June 30 2024
Loss before tax	\$ (493,217)	\$ (545,557)
Income taxed at local statutory rates - 27% (2023 - 27%)	(133,169)	(147,300)
Items not deductible for tax purposes	993	275
Under (over) provided in prior years	32,284	(131,557)
Unused tax losses and tax offsets not recognized	74,635	300,609
Origination and reversal of temporary differences	25,257	(22,027)
Income tax expense	\$ -	\$ -

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 2025	June 30 2024
Non-capital losses	\$ 2,151,205	\$ 2,018,491
Exploration and evaluation assets	1,067,667	1,099,951
Property and equipment	38,858	33,247
Share issue costs	679	8,060
Capital losses	17,516	17,516
Total	\$ 3,277,926	\$ 3,177,265

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities as at year-end are presented below:

	June 30 2025	June 30 2024
Deferred income tax asset:		
Non-capital losses	\$ 23,631	\$ 44,405
Total deferred income tax assets	\$ 23,631	\$ 44,405

	June 30 2025	June 30 2024
Deferred income tax liabilities:		
Investments – fair value	\$ (23,631)	\$ (44,405)
Total deferred income tax liabilities	\$ (23,631)	\$ (44,405)
Net deferred income tax liabilities	\$ -	\$ -

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19. INCOME TAXES (cont'd)

As at June 30, 2025, 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	106,000
2033	210,000
2034	358,000
2035	461,000
2036	259,000
2037	831,000
2038	528,000
2039	1,023,000
2040	843,000
2041	706,000
2042	557,000
2043	369,000
2044	676,000
2045	133,000
Total	\$ 7,116,000

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.

20. 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.

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20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**General Objectives, Policies and Processes (cont'd)**

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.

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, 2024 and 2025, 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 and Other 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 \$196,514 (2024 - \$142,000) increase in comprehensive loss for the year.

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

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

General Objectives, Policies and Processes (cont'd)

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.

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 and the secured Loan receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand and third-party receivables are entered into with credit-worthy counterparties. The Company is directly exposed to credit risk from its related party receivables and the Loan receivable.

The Company is exposed to credit risk with respect to its loan receivable from MMG. Credit risk arises from the possibility that the borrower will be unable to meet its contractual obligations as they come due. The loan receivable has a carrying amount of \$445,902 as at June 30, 2025 (2024 - \$Nil). The loan bears interest at 8% per annum and matures on 60 days from the Termination date of the Share Exchange Agreement. The Company monitors the creditworthiness of the borrower on an ongoing basis through review of financial statements. The Loan was not past due or impaired as at June 30, 2025. Management believes that the credit risk associated with this loan receivable is low and that no allowance for expected credit losses adequately reflects this risk.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized as at June 30, 2025.

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.

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FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Expressed in Canadian Dollars)

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

General Objectives, Policies and Processes (cont'd)

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 judgments 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.

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;
- 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 8) and cash and cash equivalents, have been determined by reference to published price quotations in an active market, a Level 1 valuation.

21. 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, 2025.