GOLDEN RIDGE RESOURCES LTD.

Financial Statements of

GOLDEN RIDGE RESOURCES LTD.

(An Exploration Stage Company)

For the June 30, 2018 and 2017

GOLDEN RIDGE RESOURCES LTD.
(An Exploration Stage Company)
(Expressed in Canadian Dollars)
June 30, 2018 and 2017

INDEX Page

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GOLDEN RIDGE RESOURCES LTD.

We have audited the accompanying consolidated financial statements of Golden Ridge Resources Ltd., which comprise the consolidated statements of financial position as at June 30, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Golden Ridge Resources Ltd. as at June 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
October 26, 2018

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

GOLDEN RIDGE RESOURCES LTD
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30
Expressed in Canadian Dollars

	Note		2018		2017
ASSETS					
Current					
Cash and cash equivalents		$	**2,079,214**	$	6,850
Restricted cash	3		**885,449**		-
Receivables	6,16		**177,193**		11,730
Prepaids			**265,849**		3,057
Available-for-sale investments	7		**154,059**		-
			3,561,764		21,637
Prepaid deposit			**4,057**		3,057
Reclamation bond	10		**37,500**		-
Property and Equipment	8		**104,842**		-
Exploration and evaluation assets	9		**2,253,279**		283,874
		$	**5,961,442**	$	308,568
LIABILITIES					
Current					
Trade and other payables	12,16	$	**285,150**	$	65,684
Other liabilities	11		**226,215**		-
			511,365		65,684
SHAREHOLDERS' EQUITY					
Share capital	13		**8,037,863**		1,756,925
Contributed surplus	13,14		**945,904**		-
Accumulated other comprehensive loss			**(9,191)**		-
Accumulated deficit			**(3,524,499)**		(1,514,041)
			5,450,077		242,884
		$	**5,961,442**	$	308,568

Signed on behalf of the Board of Directors by:

"Larry Nagy" Director
Larry Nagy

"William Lindqvist" Director
William Lindqvist

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

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		2018		2017
Expenses					
Administrative and general	15,16	$	**977,274**	$	54,216
Depreciation	8		**8,739**		-
Pre-exploration costs			**-**		85
Share-based payments	14		**512,214**		-
Total expenses			**(1,498,227)**		(54,301)
Other items					
Interest income			**-**		92
Listing cost expense	5,14		**(1,207,328)**		-
Other revenue	11		**447,627**		-
Gain on settlement of debt	16		**9,220**		-
Gain on sale of exploration and evaluation assets	9		**238,250**		-
Net loss for the year			**(2,010,458)**		(54,209)
Other comprehensive loss					
Items that may be recycled through profit and loss:					
Fair value loss on available-for-sale investments	7		**(9,191)**		-
Loss and comprehensive loss for the year			**(2,019,649)**		(54,209)
Basic and diluted loss per share	18	$	**(0.03)**	$	(0.00)

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

	Note	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance June 30, 2016		$ 1,551,730	$	$ -	$ (1,459,832)	$ 91,898
Net loss for the year		-	-	-	(54,209)	(54,209)
Shares issued for cash	13	207,068	-	-	-	207,068
Share issue costs		(1,873)	-	-	-	(1,873)
Balance at June 30, 2017		$ 1,756,925	$ -	$ -	$ (1,514,041)	$ 242,884
Net loss for the year		**-**	**-**	**-**	**(2,010,458)**	**(2,010,458)**
Fair value of common share issued for the Transaction	5	**1,112,124**	**-**	**-**	**-**	**1,112,124**
Fair value of options and warrants issued on the Transaction	5	**-**	**183,274**	**-**	**-**	**183,274**
Shares issued for cash	13	**4,108,063**	**-**	**-**	**-**	**4,108,063**
Shares issued for cash	13	**1,137,551**	**-**	**-**	**-**	**1,137,551**
Shares issued for cash	13	**1,500,000**	**-**	**-**	**-**	**1,500,000**
Deemed price premium on flow-through shares	11,13	**(673,842)**	**-**	**-**	**-**	**(673,842)**
Exercise of warrants	13	**102,392**	**(13,017)**	**-**	**-**	**89,375**
Shares issued for exploration and evaluation assets	9,13	**31,200**	**-**	**-**	**-**	**31,200**
Share issue costs	13	**(1,036,550)**	**263,433**	**-**	**-**	**(773,117)**
Share-based payments	14	**-**	**512,214**	**-**	**-**	**512,214**
Available-for-sale investment	7	**-**	**-**	**(9,191)**	**-**	**(9,191)**
Balance at June 30, 2018		**$ 8,037,863**	**$ 945,904**	**$ (9,191)**	**$ (3,524,499)**	**$ 5,450,077**

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		2018		2017
OPERATING ACTIVITIES					
Net loss for the year		$	**(2,010,458)**	$	(54,209)
Items not affecting cash					
Depreciation	8		**8,739**		-
Gain on the sale of exploration and evaluation assets	9		**(238,250)**		-
Gain on settlement of debt			**(9,220)**		
Listing cost expense	5		**1,207,328**		-
Share-based payments	14		**512,214**		-
Other income	11		**(447,627)**		-
Changes in non-cash working capital balances:					
Receivables			**(146,652)**		(3,568)
Loans and related party payables			**-**		(1,777)
Prepaids			**(109,962)**		(3,057)
Trade and other payables			**(66,342)**		40,955
Cash used in operating activities			**(1,300,230)**		(21,656)
Cash flows from investing activities					
Deposits			**(1,000)**		-
Reclamation bond	10		**(27,500)**		-
Property and Equipment	8		**(113,581)**		-
Cash received on acquisition of 0897043 BC Ltd., net of transaction costs	5		**(15,155)**		-
Proceeds from sale of exploration and evaluation assets	9		**75,000**		-
Exploration and evaluation asset expenditures	9		**(1,723,434)**		(186,987)
Total cash used in investing activities			**(1,805,670)**		(186,987)
Cash Flows from Financing Activities					
Shares issued for private placement	13		**6,745,614**		207,068
Share issue costs			**(771,276)**		(1,873)
Exercise of warrants			**89,375**		-
Total cash inflow provided by financing activities			**6,063,713**		205,195
Increase in cash during the year			**2,957,813**		(3,448)
Cash, cash equivalents, and restricted cash, beginning of year			**6,850**		10,298
Cash, cash equivalents, and restricted cash, end of year		$	**2,964,663**	$	6,850
Composition of cash, cash equivalents, and restricted cash:					
Cash		$	**937,163**	$	6,850
Cash equivalents		$	**2,027,500**	$	-

Supplemental cash flow information – Note 20

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

1. CORPORATION INFORMATION

Golden Ridge Resources Ltd. *(formerly 88 Capital Corp.)* (the "Company") was incorporated under the Business Corporations Act in British Columbia on January 27, 2011. On April 23, 2012, the Company completed a mineral property option transaction as its Qualifying Transaction and became a Tier 2 issuer listed on the TSX Venture Exchange ("Exchange") with shares trading under the symbol "EEC". On October 18, 2017, the Company completed an RTO transaction with 0897043 BC Ltd. (*formerly Golden Ridge Resources Ltd*.) as described in Note 5, wherein 0897043 BC Ltd. became a wholly-owned subsidiary of the Company (the "Transaction"). Additionally, the Company changed its name to Golden Ridge Resources Ltd. from 88 Capital Corp. and trades on the Exchange under the symbol GLDN.

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

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

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS

These 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, 2018.

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 subsidiaries.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the 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 for the next 12 months and has working capital of $3,050,399 (2017 - $44,047 working capital deficiency) of which the Company has flow through expenditure requirements of $885,449 (2017 - $Nil) on or before December 31, 2018. 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.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Consolidation

These consolidated financial statements include the accounts of:

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

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

Cash and Cash Equivalents

Cash and cash equivalents includes 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.

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, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

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

Mineral Exploration and Evaluation Expenditures (cont'd)

Acquisition Costs (cont'd)

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 expenditure 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.

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, less 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.

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.

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

Property and Equipment (cont'd)

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%
Office equipment	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.

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, 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, except to the extent it reverses gains previously recognized in accumulated other comprehensive loss/income.

Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade-date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses.

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

Financial Instruments (cont'd)

Financial Assets (cont'd)

Loans and Receivables (cont'd)

Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Receivables net of sales tax receivable and reclamation deposits are included in this category.

Available-for-Sale Investments

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Held-to-maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity are classified as held-to-maturity. Financial assets classified as held-to-maturity are measured at amortized cost using the effective interest method.

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets. The Company has no financial assets classified as held to maturity at June 30, 2018 and 2017.

Financial Assets at Fair Value Through Profit or Loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held-for-trading or is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future, it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash and cash equivalents and restricted cash are included in this category.

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

Financial Instruments (cont'd)

Financial Liabilities

The Company classifies its financial liabilities in the following categories: FVTPL and other financial liabilities.

FVTPL

Financial liabilities at FVTPL are initially recognized at fair value with changes in fair value recorded through profit or loss. The Company does not have any financial liabilities at FVTPL at June 30, 2018 and 2017.

Other Financial Liabilities

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.

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 include 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.

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, ii) warrants and iii) flow-through share premium, equal to the estimated premium, if any, investors paid for the flow-through feature, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. The required flow-through expenditures as at June 30, 2018 of $885,449 (2017- $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 portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately in Note 11.

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 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.

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

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 the 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:

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

Recent and Future Accounting Pronouncements

The standards listed below include only those which the Company reasonably expects may be applicable to the Company at a future date. The Company is currently assessing the impact of the standards on the financial statements.

IFRS 9 Financial Instruments

IFRS 9 will replace IAS 39 Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

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

Recent and Future Accounting Pronouncements (cont'd)

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

- *Derecognition:*
  The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

This standard is applicable to annual periods beginning on or after July 1, 2018.

IFRS 16 Leases

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

This standard is applicable to the Company's annual period beginning on July 1, 2019.

IFRS 15 Revenue Recognition

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which supersedes IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC 31 Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for the Company's annual periods beginning on July 1, 2018. The Company expects no impact on its consolidated financial statements upon adoption of this standard.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Significant Accounting Judgements, Estimates and Assumptions

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

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

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

Going Concern

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

Impairment of Exploration and Evaluation Assets

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

Fair Value of Consideration

The fair value of consideration to acquire 0897043 BC Ltd. comprised common shares, options and warrants. Common shares were valued on the date of issuance of the shares, and the options and warrants were valued using the Black-Scholes option pricing model. The Company applied IFRS 2 Share-based Payment in accounting for and assessing the Transaction.

Determination of control in the Transaction

The determination of the acquirer in the Transaction is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power, exposure or rights to variable returns from its involvement with the acquiree; and ability to use its powers over the acquiree to affect the amount of its returns. In exercising this judgment, management reviewed the representation on the Board of Directors and key management personnel, the party that initiated the transaction, and each of the entities' activities. 0897043 BC Ltd. was deemed to be the acquirer in the Transaction. The assessment of whether an acquisition constitutes a business is also subject to judgment and requires the Company to review whether the acquired entity contains all three elements of a business, including inputs, processes and the ability to create output. The Transaction was accounted for as a reverse acquisition and the difference between the fair value of net assets acquired and the consideration paid was recorded as a listing cost expense in the consolidated statement of loss and comprehensive loss (Note 5).

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

Significant Accounting Judgements, Estimates and Assumptions (cont'd)

Impairment of Available-for-Sale Investments

Management assesses at the end of each reporting period whether there had been any other-than-temporary impairments on its investments, using objective evidence to determine if the marketable securities are impaired. Listed prices on public stock exchanges are used to determine if the fair value is at a significant or prolonged decline below the historical cost of the marketable securities.

At June 30, 2018, there were no indications that suggest that the Company's marketable securities are impaired.

Valuation of Share-based Payments

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

5 ACQUISITION

On July 18, 2017 the Company entered into a share purchase agreement (the "SPA") to acquire 100% of the issued and outstanding securities of 0897043 BC Ltd. (formerly Golden Ridge Resources Ltd.) by means of reverse takeover in exchange for common shares of the Company on a one-for-one basis (the "Transaction"). As such, 0897043 BC Ltd. is the continuing entity for accounting purposes. The transaction was considered a reverse takeover since the legal acquiree is the accounting acquirer and its former shareholders end up controlling the consolidated entity after the completion of this transaction. Consequently, the historical results of operations are those of 0897043 BC Ltd.

At the time of the Transaction, the Company's assets consisted primarily of cash, taxes recoverable and receivable, prepaid expenses and reclamation bond, and it did not have any processes capable of generating outputs; therefore, the Company did not meet the definition of a business. Accordingly, as the Company did not qualify as a business in accordance with IFRS 3 Business Combinations, the Transaction did not constitute a business combination; however, by analogy it has been accounted for as a reverse takeover. Therefore, 0897043 BC Ltd., the legal subsidiary, has been treated as the accounting parent company, and the Company, the legal parent, has been treated as the accounting subsidiary in these consolidated financial statements. As 0897043 BC Ltd. was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values.

(Expressed in Canadian Dollars)

5. ACQUISITION (cont'd)

On October 18, 2017 the parties completed the Transaction and the shareholders of 0897043 BC Ltd. received 16,154,002 common shares of the Company in exchange for all the issued and outstanding shares of the 0897043 BC Ltd.

The fair value of the net assets of Golden Ridge Resources Ltd., the accounting acquire, is estimated as follows:

Fair Value of 8,896,988 common shares issued	$1,112,124
Fair value of 106,000 stock options issued	12,373
Fair value of 4,693,750 warrants issued	170,901
Transaction costs	20,758
Total Purchase Price	$1,316,156

Cash	$5,603
Receivables	18,811
Prepaids and advances	152,830
Reclamation bond	10,000
Due to related party	(8,575)
Loan payable	(7,645)
Trade and other payables	(62,196)
Net assets assumed	108,828
Public listing costs expensed	1,207,328
	$1,316,156

The total consideration has been estimated based on $0.125 per common share. The total purchase price as described above results in a share capital increase of $1,112,124 which represents the fair value of the Company's common shares issued to 0897043 BC Ltd. shareholders to effect the Transaction.

The fair value of consideration paid exceeds the fair value of net assets assumed by $1,207,328 which is treated as a public company listing cost and expensed for year ended June 30, 2018. The public listing costs have been included in the consolidated statement of loss and comprehensive loss.

For the options and warrants exchanged for the Transaction, the following inputs to the Black-Scholes option pricing model were used:

Options - stock price of $0.125, an exercise price of $0.60 an expected life of 6.43 years, an interest rate without risk of 1.84%, no expected dividend yield and an estimated volatility of 167.77% which results in a fair value of $12,373; and

Warrants - stock price of $0.125, an exercise price of $0.60 and an expected life of 1.57 year an interest rate without risk of 1.46%, no expected dividend yield and an estimated volatility of 135.50% which results in fair value of $170,901.

Pursuant to the Transaction, principals entered into escrow agreements whereby 2,211,046 shares were held in escrow with the release of 10% on October 17, 2017 and the remaining balance to be released 15% every six months until October 18, 2020.

(Expressed in Canadian Dollars)

6. RECEIVABLES

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

		June 30 2018		June 30 2017
Sales taxes receivable	$	**155,066**	$	8,430
Rental deposit receivable		**-**		1,280
Other - Note 16		**22,127**		2,020
	$	**177,193**	$	11,730

7. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments consist of:

a) an investment in 5,556 Cobalt 27 Capital Corp. shares pursuant to the grant of a net smelter return royalty (See Note 9). The fair value of the available-for-sale investments has been determined by reference to published price quotations in an active market, a Level 1 valuation. As at June 30, 2018, these shares have a fair value of $49,059 (2017 - $Nil). During the year ended June 30, 2018, the Company recorded $941 as an unrealized loss (2017 - $Nil) on investment on marketable securities that was recognized in other comprehensive loss; and

b) an investment in 75,000 Fireweed Zinc. Ltd. shares pursuant to the grant of an option (See Note 9). The fair value of the available-for-sale investments has been determined by reference to published price quotations in an active market, a Level 1 valuation. As at June 30, 2018, these shares have a fair value of $105,000 (2017 - $Nil). During the year ended June 30, 2018, the Company recorded $8,250 as an unrealized loss (2017 - $Nil) on investment on marketable securities that was recognized in other comprehensive loss.

8. EQUIPMENT

		Field Equipment		Furniture & Fixtures		Total
Cost						
Balance at June 30, 2016	$	-	$	2,843	$	2,843
Assets acquired		-		-		-
Balance June 30, 2017	$	-	$	2,843	$	2,843
Assets acquired		110,000		3,581		113,581
Balance at June 30, 2018	$	110,000	$	6,424	$	116,424
Depreciation and impairment losses						
Balance at June 30, 2016	$	-	$	2,419	$	2,419
Depreciation for the year		-		424		424
Balance at June 30, 2017	$	-	$	2,843	$	2,843
Depreciation for the year		8,197		542		8,739
Balance at June 30, 2018	$	8,197	$	3,385	$	11,582
Carrying amounts						
Carrying value at June 30, 2017	$	-	$	-	$	-
Carrying value at June 30, 2018	$	101,803	$	3,039	$	104,842

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

		Hank		Royalle		Total
Costs						
Balance at June 30, 2016	$	92,351	$	-	$	92,351
Exploration costs		191,523		-		191,523
Balance at June 30, 2017	$	283,874	$	-	$	283,874
Acquisition costs		**-**		**48,814**		**48,814**
Exploration costs		**1,919,391**		**1,200**		**1,920,591**
Balance at June 30, 2018	**$**	**2,203,265**	**$**	**50,014**	**$**	**2,253,279**

British Columbia

Hank Property

On June 25, 2014 (the "Effective Date"), the Company and Lac Properties Inc. ("Lac") entered into an option agreement (the "Option") for the Company to acquire a 100% interest in the Hank property (the "Property"), located in the Liard district of British Columbia, subject to a 2% net smelter return ("NSR") to Lac. The terms of the Option include:

(a) incurring $100,000 in exploration expenditures as defined in the Option (the "Expenditures") 12 months following the Effective Date (hereafter called the "Expenditure Anniversary Date") (completed);

(b) incurring an additional $200,000 in Expenditures on or before the second Expenditure Anniversary Date (completed);

(c) incurring an additional $700,000 in Expenditures on or before the third Expenditure Anniversary Date (completed); and

(d) incurring an additional $1,000,000 in Expenditures on or before the fourth Expenditure Anniversary Date (completed).

The Company, as operator, is entitled to record a 5% management fee (the "Management "Fee") on the Expenditures incurred in accordance with the terms of the Option. The Company did not record any Management Fee during the year ended June 30, 2018 and 2017.

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

9. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia *(Cont'd)*

Royalle Option

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

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

Share Payments
- 240,000 shares upon Exchange approval (issued); and
- 240,000 shares on or before April 18, 2019.

Cash Payments
- Cdn$15,000 upon Exchange approval (paid);
- Cdn$15,000 on or before December 31, 2018;
- Cdn$30,000 on or before December 31, 2019;
- Cdn$50,000 on or before December 31, 2020;
- Cdn$50,000 on or before December 31, 2021.

Exploration Requirements
- Cdn$50,000 on or before December 31, 2018;
- Cdn$100,000 on or before December 31, 2019;
- Cdn$200,000 on or before December 31, 2020;
- Cdn$230,000 on or before December 31, 2021.

There is a 2.5% NSR royalty in favour of the vendors of which 1% is purchasable by the Company for $1,700,000 any time prior to the commencement of commercial production. In addition, the Vendors will receive an additional $150,000 on completion of a positive feasibility study and an additional $250,000 upon achievement of commercial production. The Vendors include non-arms' length parties: Mike Blady, a director and the President and CEO of the Company and Chris Paul, the Company's VP of Exploration.

Yukon - North Canol

Fireweed Option

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

9. EXPLORATION AND EVALUATION ASSETS (cont'd)

***Yukon** - **North Canol** (cont'd)*

***Fireweed Option** (cont'd)*

Under the terms of the NC Agreement, Fireweed Zinc can earn 100% interest in the NC Property by paying an aggregate $500,000 in cash and issuing 450,000 common shares in the capital of Fireweed Zinc to Golden Ridge and by incurring exploration work on the NC Property during the course of the NC Agreement such that the claims remain in good standing for at least 12 months with the Yukon Mining Recorder from notification of cancellation of the NC Agreement.

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

During the year ended June 30, 2018, the Company received $75,000 cash and 75,000 common shares with a fair value of $113,250 on the date the common shares were received. These amounts have been recorded as a gain on the consolidated statement of loss and comprehensive loss.

<u>Additional Payment</u>

Fireweed Zinc agrees to pay the Company an additional $750,000 upon receiving a resource calculation of at least 2M 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.

<u>NSR Royalty</u>

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 3.0% 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).

Cobalt NSR Agreement

On April 18, 2017 the Company entered into a NSR royalty agreement with Cobalt 27 Capital Corp. ("Cobalt 27") wherein the Company has granted a 2% NSR on certain mineral claims known as the North Canol BR Property and North Canol NS Property located in the Yukon. Consideration for the NSR is $50,000 (the "Royalty Purchase Price"). Cobalt 27 completed a public financing and satisfied the Royalty Purchase Price by the issuance 5,556 Cobalt shares (Note 7). The fair value of the common shares of $50,000 on the date the payment was satisfied is recorded as a gain on the consolidated statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

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. The reclamation deposits are held with the Minister of Energy and Mines in British Columbia ("MEM"). During the year ended June 30, 2018, the Company issued a refundable bond to the MEM amounting to $27,500. In addition, as at June 30, 2018, a $10,000 (2017 - $Nil) refundable bond acquired as part of the Transaction (Note 5) is held with the Ministry of Finance for the Hank Property.

11. OTHER LIABILITIES

	Issued on September 7, 2017	Issued on December 22, 2017	Issued on December 29, 2017	Total
Balance at June 30, 2016 and 2017	$ -	$ -	$ -	$ -
Liability incurred on flow-through shares issued	**189,592**	**244,500**	**239,750**	**673,842**
Settlement of flow-through share liability on incurring expenditures	**(189,592)**	**(244,500)**	**(13,535)**	**(447,627)**
Balance at June 30, 2018	**$ -**	**$ -**	**$ 226,215**	**$ 226,215**

On September 7, 2017 the Company completed a private placement for 7,583,673 flow-through common shares at a price of $0.15 per FT Share, for gross proceeds of $1,137,551. The Company determined that these shares were issued at a premium of $0.025 per share based on the share price of $0.125 on the date of issuance. The liability incurred on flow-through shares was $189,592.

The Company completed a private placement in two tranches for an aggregate 7,500,000 flow-through common shares at a price of $0.20 per share for gross proceeds of $1,500,000. The Company determined that these shares were issued at a premium of $0.06 and $0.07 per share based on the share price of $0.14 and $0.13 on the date of issuance. The liability incurred on flow-through shares was an aggregate of $484,250.

As at June 30, 2018, the Company had incurred $1,752,102 of qualifying Canadian Exploration Expenditures ("CEE") thereby fulfilling a portion of the obligation and had extinguished $447,627 of the liability. The extinguishment of the liability was recognized as other income of $447,627 in the consolidated statements of loss and comprehensive loss during the year ended June 30, 2018 (2017 - $Nil). As at June 30, 2018, the Company has until December 29, 2019 to incur the remaining expenditures of $889,449 (2017 - $Nil).

12. TRADE AND OTHER PAYABLES

	June 30 2018	June 30 2017
Trade payables	$ **121,816**	$ 40,948
Due to related parties - Note 16	**163,334**	24,736
Total	$ **285,150**	$ 65,684

(Expressed in Canadian Dollars)

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, 2017 to June 30, 2018.

	Note	Number	Issue Price		Total
Balance as at June 30, 2016		14,083,332	-	$	1,551,730
Private placement		2,070,680	$0.10		207,068
Share issue costs		-	-		(1,873)
Balance as at June 30, 2017		16,154,012	-	$	1,756,925
Fair value of common share issued for the Acquisition	5	8,896,988	$0.125		1,112,124
Transaction financing	13	32,864,500	$0.125		4,108,063
Transaction financing	13	7,583,673	$0.150		1,137,551
Private placement	13	7,500,000	$0.200		1,500,000
Shares issued for exploration and evaluation assets		240,000	$0.130		31,200
Deemed price premium on flow-through shares	11	-	-		(673,842)
Exercise of warrants	13	357,500	$0.250		89,375
Fair value of warrants transferred on exercise	13	-	-		13,017
Share issue costs		-	-		(1,036,550)
Balance at June 30, 2018		**73,596,673**		**$**	**8,037,863**

During the year ended June 30, 2018, the Company issued the following:

Private Placement

In connection with the Transaction completed on September 7, 2017 the parties completed a non-brokered private placement for gross proceeds of $5,245,614 by issuing 32,864,500 units (each a "Unit"), at a price of $0.125 per Unit, for proceeds of $4,108,063; and 7,583,673 "flow-through" common shares (each a "FT Share"), at a price of $0.15 per FT Share, for gross proceeds of $1,137,551 on September 7, 2017. Each Unit consisted of one common share and one-half of one common share purchase warrant ("Warrant"), with each Warrant being exercisable to acquire one common share of the Company at a price of $0.25 until August 31, 2019.

Share issue costs include agent's fees of $329,690 in cash and the grant of 2,524,584 Agent's Warrant exercisable to acquire one common share at an exercise price of $0.25 in relation to the Units and FT Shares. The fair value of the non-cash share issuance costs of $245,517 for the Agent's Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of $0.14, exercise price of $0.25, risk-free interest rate of 1.46%, average projected volatility of 167.77%, dividend yield of nil, average expected life of the options of 2 years and the fair value of the warrants of $0.10. See note 24.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL AND RESERVES (cont'd)

a) Common Shares

On December 22, 2017 and December 29, 2017, the Company completed a private placement in two tranches for an aggregate 7,500,000 flow-through common shares at a price of $0.20 per share for gross proceeds of $1,500,000.

Share issue costs include $83,100 in cash and the grant of 415,500 Agent's Warrant exercisable to acquire one common share at an exercise price of $0.25 in relation to the flow-through shares. The fair value of the non-cash share issuance costs of $17,916 for the Agent's Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of $0.13, exercise price of $0.25, risk-free interest rate of 1.64%, average projected volatility of 132.22%, dividend yield of nil, average expected life of the options of 1 year and the fair value of the warrants of $0.04.

Additional corporate finance, legal fees and filing fees in the amount of $360,327 were incurred in connection with the financings completed during the year ended June 30, 2018.

On May 7, 2018 the Company issued 240,000 common shares pursuant to the Royalle Agreement as described in Note 9 hereinabove. The common shares were valued at $31,200 as determined by the market price when issued being $0.13 per share.

During the year ended June 30, 2018, the Company issued an aggregate 357,500 common share pursuant the exercise of 330,000 common share purchase warrants and 27,500 agents warrants at an exercise price of $0.25 per share. Fair value of $13,017 was transferred from contributed surplus to capital stock for these warrants exercised.

During the year ended July 1, 2016 and June 30, 2017 the Company issued the following:

Private Placement
On November 10, 2016, the Company completed a private placement for 2,070,680 units at a price of $0.10 per unit (the "Unit") for aggregate gross proceeds of $207,068. Each Unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share at a price of $0.25 for 24 months.

b) Share Purchase Warrants

The following is a summary of changes in share purchase warrants from July 1, 2016 – June 30, 2018:

	Number	Weighted Average Price
Balance, June 30, 2016	-	-
Granted	1,035,341	$0.25
Balance June 30, 2017	1,035,341	$0.25
Granted	16,432,250	$0.33
Granted as part of Transaction (Note 5)	4,493,050	$0.33
Exercised	(330,000)	$0.25
Balance June 30, 2018	**21,630,641**	**$0.28**

(Expressed in Canadian Dollars)

13. SHARE CAPITAL AND RESERVES (cont'd)

b) Share Purchase Warrants (cont'd)

As at June 30, 2018 the following share purchase warrants were outstanding:

Number	Price Per Share	Expiry Date
1,035,341	$0.25	November-10-18
1,000,000	$0.80	May-20-19
3,163,050	$0.25	August-17-19
16,432,250	$0.25	August-31-19
21,630,641		

As at June 30, 2018 21,630,641 (2017– $Nil) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 1.11 years.

c) Agents' Warrants

	Number	Weighted Average Price
Balance, June 30, 2016 and June 30, 2017	-	-
Granted	2,940,084	$0.58
Granted as part of Transaction (Note 5)	200,700	$0.58
Exercised	(27,500)	$0.25
Balance, June 30, 2018	**3,113,284**	**$0.26**

Number	Price Per Share	Expiry Date
46,700	$0.80	May-20-19
126,500	$0.25	August-17-19
2,524,584	$0.25	August-17-19
225,000	$0.25	December-22-18
190,500	$0.25	December-29-18
3,113,284		

As at June 30, 2018, 3,113,284 (2017 – $Nil) agent's warrants were outstanding and exercisable with a weighted average remaining contractual life of 1.07 years.

d) Escrow Shares

As at June 30, 2018, 1,658,285 (June 30, 2017 – Nil) common shares held in escrow in connection with the Transaction as described herein (Note 5). The remaining balance in escrow will be release 331,657 every six months from October 18, 2018 until October 18, 2020.

(Expressed in Canadian Dollars)

14. SHARE-BASED PAYMENTS

Option Plan Details

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

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired	Closing Balance	Vested and Exercisable	Unvested
4-Jun-14	4-Jun-24	$0.600	-	106,000	-	(96,000)	10,000	10,000	-
18-Oct-17	18-Oct-20	$0.150	-	2,000,000	-	-	2,000,000	2,000,000	-
5-Apr-18	5-Apr-23	$0.125	-	2,000,000	-	-	2,000,000	2,000,000	-
			-	**4,106,000**	**-**	**(96,000)**	**4,010,000**	**4,010,000**	**-**
Weighted Average Exercise Price				**$0.15**	**-**	**$0.60**	**$0.14**	**$0.14**	**-**
Weighted Average Life remaining				**3.60**	**-**	**-**	**3.54**	**3.54**	**-**

Fair Value of Options Issued During the Year

The weighted average fair value at grant date of options granted during the year ended June 30, 2018 was $0.15 per option (2017 - $Nil).

The expected price volatility is based on the historic volatility (based on the expected life of the options), adjusted for any expected changes to future volatility due to publicly available information.

i) Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognized during the year ended June 30, 2018 were $512,214 (2017 - $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
18-Oct-17	18-Oct-20	$0.14	$0.15	1.70%	5	167.77%	0
5-Apr-18	5-Apr-23	0.135	$0.125	2.18%	5	154.01%	0

(Expressed in Canadian Dollars)

15. ADMINISTRATIVE AND GENERAL EXPENSES

		June 30 2018		June 30 2017
Administrative and General Expenses:				
Accounting and legal	$	**22,107**	$	26,473
Consulting - Note 16		**186,578**		15,175
Conferences		**58,808**		76
Corporate development		**91,143**		-
Office and administration fees		**63,487**		6,442
Interest and penalties		**2,894**		-
Investor relations, website development and marketing		**470,043**		-
Rent		**15,184**		-
Filing fees		**11,243**		1,363
Shareholder communication		**18,936**		-
Transfer agent fees		**6,827**		-
Travel		**30,024**		4,687
	$	**977,274**	$	54,216

16. RELATED PARTY TRANSACTIONS

a. **Key Management Compensation**

		June 30 2018		June 2017
Key management personnel compensation comprised:				
Administration and labour	$	24,016	$	3,425
Consulting fees		324,063		15,175
Share-based payments		347,750		-
	$	695,829	$	18,600

i) Consulting fees of $67,500 (2017 – Nil) were paid or accrued to Tank Enterprises, a company controlled by Mike Blady, the President and CEO and director of the Company. Mr. Blady was appointed on October 18, 2017.

ii) Consulting fees of $144,800 (2017 - $Nil) were paid or accrued to Ridgeline Exploration Inc. a company held 50% each by Mike Blady and Chris Paul the Company's VP Exploration for exploration and corporate consulting fees of which $55,925 (2017 - $Nil) was capitalized to exploration and evaluation assets.

iii) Consulting fees of $60,000 (2017 – $3,250) were paid or accrued to 43983 Yukon Inc. ("43983 Yukon") a company controlled by Larry Nagy, the former President and CEO and director of the Company. Mr. Nagy resigned as President and CEO on October 18, 2017. Mr. Nagy remains Chairman of the Board.

iv) Consulting fees of $51,763 (2017 - $11,925) were paid or accrued to Minco for services provided by the Chief Financial Officer;

v) Administration fees of $24,016 (2017 - $3,425) were paid or accrued to Minco in relation to providing administrative and accounting employment services.

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS (cont'd)

b. **Related Party Liabilities**

Amounts due to:	Service for:	**June 30 2018**	June 30 2017
Minco	Consulting & Administration Fees	$7,308	$16,025
43983 Yukon Inc.	Consulting Fees	-	5,363
Colorado Resources Ltd.	Administrative	325	3,348
Ridgeline Exploration	Service Fees	56,988	-
Ridgeline Exploration	Expenses	54,088	-
Tank Enterprises	Consulting Fees	44,625	-
		$163,334	$24,736

Colorado Resources Ltd. has a common officer of the Company and expenses are incurred for shared administrative personnel. Amounts due to related parties are without interest or stated terms of repayment.

c. **Related Party Receivables**

Amounts due from:	Service for:	**June 2018**	June 30 2017
Damara	Rent & Expenses	**$11,790**	$2,020
Ridgeline	Rent & Expenses	**10,337**	-
		$22,127	$2,020

Damara Gold Corp. and Ridgeline Exploration Services Inc. have common officers and directors of the Company and expenses are incurred for shared administrative personnel. Amounts due from related parties are without interest or stated terms of repayment.

17. 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, 2018 and 2017. The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	June 30 2018	June 30 2017
Loss before tax	**$ (2,010,458)**	$ (54,209)
Income taxed at local statutory rates - 26.50% (2017 – 26.00%)	**(532,771)**	(14,094)
Items not deductible for tax purposes	**16,402**	78
Change in timing differences	**375,843**	-
Effect of change in tax rates	**(34,713)**	-
Permanent difference for exploration and evaluation assets	**464,307**	-
Unused tax losses and tax offsets not recognized	**(289,068)**	14,016
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:

(Expressed in Canadian Dollars)

17. INCOME TAXES (cont'd)

		June 30 2018		June 30 2017
Deferred tax liability on exploration and evaluation assets	$	**468,663**	$	-
Deferred tax asset recognized to offset liability		**(468,663)**		-
	$	**-**	$	-

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 2018		June 30 2017
Non-capital losses	$	**1,826,792**	$	2,799,092
Exploration and evaluation assets		**329,174**		323,077
Property and equipment		**11,581**		2,843
Share issue costs		**871,849**		38,838
Available-for-sale securities		**4,596**		-
Total	$	**3,043,992**	$	3,163,850

As at June 30, 2018, 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	$	87,000
2032		641,000
2033		361,000
2034		554,000
2035		427,000
2036		291,000
2037		396,000
2038		1,982,000
Total	$	4,739,000

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

18. LOSS PER SHARE

	June 2018	June 2017
Net loss attributable to ordinary shareholders	**($2,010,458)**	($54,209)
Weighted average number of common shares	**61,238,679**	15,399,490
Basic and diluted loss per share	**($0.03)**	($0.00)

19. 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, 2018 and June 30, 2017 are all in Canada.

20. 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, 2018 and 2017 are the following transactions were excluded from the statements of cash flows:

i) A compensation charge of $245,517 (2017 - $Nil) associated with the grant of 2,524,584 (2017 – Nil) Agent Warrants was recorded as share issue costs at December 31, 2017 - see Note 14;
ii) A compensation charge of $17,916 (2017 - $Nil) associated with the grant of 415,500 (2017 – Nil) Agent Warrants was recorded as share issue costs at December 31, 2017 - see Note 14;
iii) The Company issued 240,000 common shares (2017 – Nil) valued at $31,200 (2017 - $Nil) for acquisition of exploration and evaluation assets, as determined by their market prices when issued (Notes 9 and 13);
iv) Included in accounts payable is $214,771 (2017 - $Nil) of exploration expenditures that are capitalized to exploration and evaluation assets;
v) Included in accounts payable is $1,841 (2017 - $Nil) of share issue costs.

21. COMMITMENTS AND CONTINGENCIES

On May 27, 2017 the Company entered into a five-year lease with Vintage Commercial Ltd. effective July 1, 2017 at an annual payable rent of $19,332 in the first year (ten months) and $23,201 effective July 1, 2018 until June 1, 2022. The Company can terminate the agreement prior to year three by providing a three month notice to terminate and providing 3 months base rent and reimburse any unamortized leasehold improvement costs.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

- Market Risk
- Credit Risk
- Liquidity Risk

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.

General Objectives, Policies and Processes

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

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

General Objectives, Policies and Processes (cont'd)

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.

The Company as at June 30, 2018, 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.

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. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

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

General Objectives, Policies and Processes (cont'd)

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 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 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 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 available-for-sale investments (Note 7) and cash and cash equivalents, have been determined by reference to published price quotations in an active market, a Level 1 valuation.

23. 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, 2018

24. EVENTS AFTER THE REPORTING DATE

Options
On July 17, 2018 the Company granted 650,000 options at an exercise price of $0.17 per common share for a period of five years to consultants of the Company.

The Company issued 200,000 common shares pursuant to the exercise of options at an exercise price of $0.125 and 165,000 common shares pursuant to an exercise price of $0.15.

Warrants
The Company issued 5,215,161 common shares pursuant to the exercise of share purchase warrants at an exercise price of $0.25.

Subsequent to June 30, 2018 the Company cancelled 140,000 Agent's warrants at an exercise price of $0.25 in connection with the September 7, 2017 private placement that were issued in error.