GOLDEN RIDGE RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE SIX-MONTH PERIOD ENDED

December 31, 2018

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The following management's discussion and analysis ("MDA") has been prepared as of February 22, 2019 and should be read in conjunction un-audited condensed consolidated interim financial statements for the three and six months ended December 31, 2018 and the comparative period December 31, 2017. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and all numbers are reported in Canadian dollars, unless otherwise stated.

Throughout the report we refer to Golden Ridge, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Golden Ridge Resources Ltd. All amounts stated are in Canadian dollars unless otherwise stated.

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Golden Ridge assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Overview Performance and Operations

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*.) ("RTO Transaction") wherein 0897043 BC Ltd. became a wholly owned subsidiary of the Company. 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.

Corporate

Appointment of Additional Director

On January 17, 2019 the board of directors appointed an additional director Mr. Duane Lo. Mr. Lo is a financial executive in the mining industry with 20 years of experience in financing, business development, management and administration of mining operations and development projects in multiple jurisdictions including USA, Africa, Brazil, Mongolia. Currently, Mr. Lo is the Chief Financial Officer of Entrée Resources Ltd and recently was the CFO of Mason Resources Corp, which was sold to Hudbay. Prior to Entrée Resources Ltd. and Mason Resources Corp., Mr. Lo was the Executive Vice President and Chief Financial Officer of Luna Gold Corp., which built and operated a gold mine in Brazil and previous to Luna, was the Corporate Controller for First Quantum Minerals Ltd. between 2004 and 2009. Mr. Lo was also employed at Deloitte in the assurance and advisory practice and holds a Canadian Chartered Professional Accountant (CA) designation from the Institute of Chartered Accountants of British Columbia

Stock Options

On January 17, 2019 the Company granted 2,000,000 stock options to directors, officers and consultants at an exercise price of $0.12 for a period of five years.

Mineral Properties

Hank Property

On June 25, 2014 the Company and Lac Properties Inc. ("Lac") entered into an option agreement, subsequently amended on June 16, 2016 (collectively 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 an aggregate of $2,000,000 in required exploration expenditures on or before November 25, 2019 (completed). With the exploration commitments completed the Company on November 13, 2018 exercised the Option and acquired a 100% interest in the Property

Lac will retain a 2% nets smelter return royalty (the "NSR") and maintain 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.

Exploration

During the quarter ended December 31, 2018 the Company's technical team continued to review the collective data from the 2018 field program which will assist with the planning of the anticipated work program and budget for the 2019 field season that is expected to commence in early June 2019 as weather and funding permit. The Company will need to raise additional funds for any future substantive drilling program.

For details on the results reported from the 2018 including assay results, maps and figures please refer to the Company's MD&A reports along with the news releases of July 18, 2018, August 14 and 27, 2018, September 10, 2018, October 15, 2018 and November 28, 2018, that include the Company's QA/QC methods, all of which can be found on the Company's website and filed under the Company's profile on www.SEDAR.com.

Royalle Option

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

Under the terms of the Royalle Option, the Company can earn 100% interest in the Royalle Property by issuing to the vendors an aggregate 480,000 common shares within year one; $160,000 in cash and by incurring exploration work on the Property in aggregate of $580,000 over three years.

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.

On December 17, 2018 the parties amended the Royalle Option to extend the exploration requirements of $50,000 due on or before December 31, 2018 to on or before June 30, 2019. All other terms and conditions remained the same.

Exploration

Receipt of the exploration permit for the Royalle Property remains outstanding as at the date of this report. Accordingly, the Company was unable to fulfill the $50,000 expenditure requirement by December 31, 2018. As such the parties mutually agreed to extend the requirement for the Company to complete the initial program to June 30, 2019 in anticipation of the approved permit.

Expenditures to date on Exploration and Evaluation Assets include:

The following table outlines the details of capitalized exploration expenditures for the six-month period ended December 31, 2018:

		Hank		Royalle		Total
Balance as at June 30, 2018	$	2,203,265	$	50,014	$	2,253,279
Acquisition Costs						
Cash payments		-		15,000		15,000
Share payments		-		-		-
Staking		-		-		-
Total Acquisition Costs	$	-	$	15,000	$	15,000
Exploration Costs						-
Assaying		107,543		-		107,543
Community relations		34,000				34,000
Drilling		871,514		-		871,514
Field equipment and supplies		54,453		-		54,453
Fieldwork		299,967		-		299,967
Geological		218,856		-		218,856
GIS mapping and reports		1,175				1,175
Camp/site costs		183,292		-		183,292
IP survey & geophysics		62,475		-		62,475
Permitting & legal		1,494		3,563		5,057
Transport, helicopter & rental equipment		617,333		-		617,333
Travel/site		16,964		-		16,964
Total Exploration Costs		2,469,066		3,563		2,472,629
Total Costs		2,469,066		18,563		2,487,629
Balance at December 31, 2018	$	4,672,331	$	68,577	$	4,740,908

The following table outlines the details of capitalized exploration expenditures for the year ended June 30, 2018:

	Hank	Royalle	Total
Balance as at June 30, 2017	$ 283,874	$ -	$ 283,874
Acquisition costs			
Cash payments	-	15,000	15,000
Share payments	-	31,200	31,200
Staking		2,614	2,614
Total Acquisition Costs	$ -	$ 48,814	$ 48,814
Exploration Costs			0
Assaying	73,254	-	73,254
Drilling	570,524	-	570,524
Fieldwork	166,636	-	166,636
Field supplies & Equipment	107,203	-	107,203
Geological	257,611	1,200	258,811
Camp/Site Costs	138,230	-	138,230
IP Survey & Geophysics	40,715	-	40,715
Permitting & Legal	1,740	-	1,740
Technical report	4,200	-	4,200
Transport & Rental Equipment	543,922	-	543,922
Travel/Site	15,355	-	15,355
Total Expenditures	1,919,391	1,200	1,920,591
Balance at June 30, 2018	$ 2,203,265	$ 50,014	$ 2,253,279

Outlook

The Company's technical team will look to complete the proposed 2019 exploration programs and related budgets for the anticipated 2019 field season as well as its funding options for said programs.

Results of Operations

Financial Results for the three and six months ended December 31, 2018 and 2017

The Company has no operating revenues and relies on external financings to generate capital for its continued operations. As a result of its activities, the Company continues to incur annual net losses.

For the three months ended December 31, 2018, the Company reported a $205,538 net comprehensive loss or $0.00 basic and diluted loss per share compared to a $1,875,349 net comprehensive loss or $0.03 loss per share for the same comparative period ended December 31, 2017. The primary component of the current period loss was general and administration costs of $176,923 (2017 - $508,411) and share-based payments of $Nil (2017 - $263,136). These expenses were offset with other income of $226,215 (2017 - $Nil) for the extinguishment of the liability for flow through expenditures incurred. For the comparative period ended 2017, expenditures included $1,120,173 with the RTO Transaction completed during the comparable period. Additionally, the Company recorded a fair value loss on available-for-sale investments of $32,335 compared to a gain of $16,557 in the comparable period.

For the six months ended December 31, 2018, the Company reported a $300,408 net comprehensive loss or $0.00 basic and diluted loss per share compared to a $2,177,384 net comprehensive loss or $0.03 loss per share for the same comparative period ended December 31, 2017. The primary component of the current period loss was general and administration costs of $346,766 (2017 - $863,228) and share-based payments of $101,364 (2017 - $263,136). These expenses were offset with other income of $226,215 (2017 - $Nil) for the extinguishment of the liability for flow through expenditures incurred. For the comparative period ended 2017 expenditures included $1,120,173 with the RTO Transaction completed during the comparable period. During the comparable period ended December 31, 2017, the Company recorded a gain on sale of exploration and evaluation assets of $50,000 in connection with the grant of a net smelter return royalty on its Yukon North Canol project. Additionally, the Company recorded a fair value loss on available-for-sale investments of $70,474 compared to a gain of $19,339.

The summary of expenditures included:

	Three Months Ended December 31		Six Months Ended December 31	
	2018	2017	**2018**	2017
Administrative and General Expenses:				
Accounting and legal	$ **30,137**	$ 340	$ **34,129**	$ 37,413
Consulting - Note 17	**50,225**	31,875	**110,413**	81,263
Conferences	**1,709**	16,382	**32,198**	57,862
Corporate development	**-**	71,850	**-**	71,850
Office and administration fees	**24,241**	26,483	**37,602**	39,700
Investor relations, website development and marketing	**32,094**	337,271	**86,081**	542,271
Rent	**8,541**	971	**9,956**	3,882
Filing fees	**1,902**	5,272	1,902	5,306
Shareholder communication	**(275)**	8,122	**3,550**	8,122
Transfer agent fees	**4,395**	5,596	**5,790**	6,273
Travel	**23,954**	4,249	**25,145**	9,286
	$ **176,923**	$ 508,411	$ **346,766**	$ 863,228

During the current period ended December 31, 2018 working capital was directed at exploration and evaluation expenditures as described herein in comparison to the prior period in 2017 where the Company had engaged marketing consultants and participated in advertising campaigns, in connection with the RTO Transaction. As a result, the Company saw a decrease in expenditures for these costs in the current period. The Company recorded an increase in consulting fees with the initial increase of personnel in building out the Company's management team. Conferences and travel increased in connection with the Company's attendance at mineral exploration conferences subsequent to the RTO Transaction to profile its Hank Property.

Summary of quarterly results

FY 2019	**Q1 Sept 18 $**	**Q2 Dec 18 $**
Revenue	—	—
Comprehensive loss	(89,000)	(205,538)
Comprehensive loss per share	(0.01)	(0.02)

FY 2018	Q1 Sept 17 $	Q2 Dec 17 $	Q3 Mar 18 $	Q4 June 18 $
Revenue	—	—	—	—
Comprehensive (loss) income	(302,035)	(1,875,349)	47,242	110,493
Comprehensive (loss) income per share	(0.01)	(0.02)	0.00	0.00

As a result of the RTO Transaction the Company has not reported on any earlier quarters.

Significant variances to note included:

During the three months ended June 30, 2018, the Company reported an income of $110,493 or $0.00 per share. The income was the result of reclassification of certain expenses from general and administration to RTO costs and share issue costs that were capitalized as well as some costs recorded in prior periods that were reclassified to prepaids. There were quarter results reported for the prior year as the RTO took effect in October 2017 and the Company for reporting purposes was a private entity at that time.

During the third quarter March 31, 2018, the Company recorded an income of $47,242 or $0.00 per share. The income was the result of $183,904 recorded as other income in connection the extinguishment of the liability for flow through expenditure requirements.

During the second quarter December 31, 2017, the Company reported a loss of $1,875,349 or $0.02 per share. The loss was primarily attributed to the listing cost expense of $1,120,173 recorded in connection with the RTO transaction and share based payments expense of $263,136 in connection with options granted on October 17, 2017.

Liquidity and capital resources

Financial position:		December 31 2018		June 30 2018
Cash and cash equivalents	$	**1,290,022**	$	2,079,214
Working capital	$	**1,724,013**	$	3,050,399
Equipment	$	**93,104**	$	104,842
Exploration and evaluation assets	$	**4,740,908**	$	2,253,279
Total Assets	$	**6,690,673**	$	5,961,442
Shareholders' equity	$	**6,599,582**	$	5,450,077

As at December 31, 2018, the Company's working capital balance was $1,724,013 (June 30, 2018 - $3,050,399). Included in the working capital balance was a restricted cash requirement to complete the flow through expenditure requirements of $Nil (June 30, 2018 - $885,449) on or before December 31, 2018. As at December 31, 2018, the Company has completed its flow through expenditure requirements.

The Company has not yet generated revenue to date and will not generate funds from operations for the foreseeable future as such the Company is primarily reliant upon the issuance of equity securities in order to fund 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 and deferred exploration expenditures. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company will continue to have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company's policy is to invest its cash in highly liquid, short term, interest bearing investments with maturities of 90 days or less from the date of acquisition or for longer periods where such investment may be redeemable after 30 days. The Company is not subject to externally imposed capital requirements.

The Company believes that its cash and cash equivalents on hand will enable the Company to fund future working capital and initial exploration commitments for the next 12 months. The Company will require additional funding to complete any significant development of its exploration and evaluation assets.

Off balance-sheet arrangements

There are currently no off balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

Transactions with related parties

Key Management Compensation

a) Key Management Compensation

		December 31 2018		December 31 2017
Key management personnel compensation comprised:				
Administration and labour	$	17,063	$	12,668
Consulting fees		172,755		81,263
	$	189,817	$	93,930

i) Consulting fees of $45,000 (2017 – $22,500) 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 President and CEO on October 18, 2017.
ii) Consulting fees of $55,500 (2017 - $Nil) were paid or accrued to Ridgeline Exploration Inc. ("Ridgeline") a company held 50% by Chris Paul, the Company's VP Exploration, for services provide by the VP Exploration of which $55,500 (2017 - $Nil) was capitalized to exploration and evaluation assets.
iii) Consulting fees of $22,625 (2017 – $30,000) 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 $39,788 (2017 - $28,763) were paid or accrued to Minco for services provided by the Chief Financial Officer;
v) Administration fees of $17,063 (2017 – 12,666) were paid or accrued to Minco in relation to providing administrative and accounting employment services.
vi) Management fees of $9,842 (2017 - $Nil) were paid or accrued to Ridgeline (a company held 50% each by Mr. Blady and Mr. Paul) were paid or accrued in connection with the supply of exploration personnel and services of which $9,842 ($2017 - $Nil) are capitalized to exploration and evaluations assets.

a) **Rental Payments**

Equipment rental payments of $57,230 (2017 - $Nil) were paid or accrued to Ridgeline which was capitalized to exploration and evaluation assets.

b) **Related Party Liabilities**

Amounts due to:	Service for:	**December 31 2018**	**June 30** 2018
Minco	Consulting & Administration Fees	$28,101	$7,308
43983 Yukon Inc.	Consulting Fees	-	-
Colorado Resources Ltd.	Administrative	-	325
Ridgeline Exploration	Service Fees	-	56,988
Ridgeline Exploration	Expenses	4,799	54,088
Tank Enterprises	Consulting Fees	36,750	44,625
		$69,650	$163,334

Colorado Resources Ltd. has a common officer of the Company and expenses are incurred for former 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:	**December 31 2018**	June 30 2018
Damara	Rent & Expenses	**-**	$11,790
Ridgeline	Rent & Expenses	**-**	$10,337
		-	$22,127

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.

Critical Accounting Policies and Estimates

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 prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year 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.

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 December 31, 2018, market value of the available for sale investments had declined over a short term which the Company will continue to monitor same however there were no other indications that suggest that the Company's marketable securities are impaired at this time.

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.

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:

- *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 annual periods beginning on or after July 1, 2018.

Applicable to annual periods beginning on or after July 1, 2017.

- *Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)*

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Financial instruments and other instruments

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

- Market risk
- Credit risk
- Liquidity risk

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 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.

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 objectives and policies it sets out 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 due to changes in market prices. Market prices are comprised of interest rate, commodity price risk and foreign currency risk. The Company is not exposed to significant market 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 no 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 with its cash management policy. The Company is not exposed to significant interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investment in securities. The Company is not exposed to significant other price risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party 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.

The carrying amount of the cash and receivables represents the maximum credit exposure. The Company is not exposed to significant credit risk.

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 ensure that it will always 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. 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.

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 statements of financial position carrying amounts for cash, 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).

Cash is measured as Level 1 financial instruments.

Capital Management

The Company considers its share capital as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company is not exposed to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended December 31, 2018.

Outstanding Share Data

Golden Ridge's authorized capital is unlimited common shares without par value. As at the date of this report 79,191,834 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Share Purchase warrants:

Number	Price Per Share	Expiry Date
835,341	$0.25	November-10-18
1,000,000	$0.80	May-20-19
2,963,050	$0.25	August-17-19
12,222,181	$0.25	August-31-19
17,020,572		

Agents Warrants

Number	Price Per Share	Expiry Date
46,700	$0.80	May-20-19
64,000	$0.25	August-17-19
2,042,992	$0.25	August-17-19
225,000	$0.25	December-22-18
74,192	$0.25	December-29-18
2,453,192		

Stock Options

1,735,000 options at an exercise price of $0.15 expiring on October 18, 2020; 10,000 options at an exercise price of $0.60 expiring on June 4, 2024 and 1,800,000 options at an exercise price of $0.125 expiring on April 5, 2023, 50,000 options at an exercise price of $0.17 expiring on July 17, 2023 and 2,000,000 options at an exercise price of $0.12 expiring on January 17, 2024.

Shares in Escrow

As at the date of this report hereof there 1,326,628 common shares held in escrow in connection with the Transaction as described herein. The remaining balance in escrow will be release 331,657 every six months from April 18, 2019 until October 18, 2020.

Risks and uncertainties

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and is subject to fluctuations in market sentiment, metal prices, foreign exchange and interest rates. There is no certainty that properties which the Company has described as assets on its balance sheet will be realized at the amounts recorded. The only sources of future funds for further exploration programs or, if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company has been successful in accessing the equity market during the past years, there is no assurance that such sources of financing will be available on acceptable terms, if at all.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all professional consultants carry their own insurance to cover any potential liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.

Going Concern

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 $1,724,013 (June 30, 2018 - $3,050,399) of which the Company has flow through expenditure requirements of $Nil (June 30, 2018 - $885,449) 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.

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.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained under the Company's profile on SEDAR at www.sedar.com.