CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars)

December 31, 2019

AUDIT REPORT

Ridgeline Minerals Corp.

Consolidated Statement of Financial Position

As at December 31, 2019

(expressed in United States dollars, except where indicated)

	Note	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents		$ 1,227,329
Prepaids		6,123
		1,233,452
Non-current assets		
Exploration and evaluation assets	5	1,249,244
Total assets		$ 2,482,696
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities		$ 28,581
Total liabilities		28,581
Shareholders' equity		
Share capital	6	2,612,931
Reserves		104,379
Accumulated other comprehensive income		9,412
Deficit		(272,607)
Total shareholders' equity		2,454,115
Total liabilities and shareholders' equity		$ 2,482,696

Nature of operations (Note 1)

Subsequent events (Note 14)

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

Ridgeline Minerals Corp.

Consolidated Statement of Comprehensive Loss

For the period from incorporation on March 18, 2019 to December 31, 2019

(expressed in United States dollars, except where indicated)

	Note	2019
General and administrative expenses		
Administration and office		$ 8,694
Consulting	8	31,445
Investor relations, communications and travel		15,847
Personnel costs	8	57,393
Professional fees		22,595
Other		9,407
Foreign exchange loss		24,125
Share-based compensation	6	104,379
Operating loss		273,883
Interest income		(1,278)
Net loss for the period		272,607
Other comprehensive (income) loss		
Foreign currency translation		(9,412)
Comprehensive loss per the period		$ 263,195
Net loss per common share		
Basic and fully diluted		$ (0.01)
Weighted average number of common shares outstanding		
Basic and fully diluted		19,858,552
Total common shares issued and outstanding		28,913,893

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

Ridgeline Minerals Corp.

Consolidated Statement of Changes in Shareholders' Equity

For the period from incorporation on March 18, 2019 to December 31, 2019

(expressed in United States dollars, except where indicated)

	Note	Number of Shares	Share capital	Reserves	Accumulated other comprehensive income	Deficit	Total
Balance at March 18, 2019		-	$ -	$ -	$ -	$ -	$ -
Issuance of share capital		6,250,000	7,670	-	-	-	7,670
Issuance of share capital – private placement at $0.12 per common share		12,659,333	1,136,390	-	-	-	1,136,390
Issuance of share capital – Property acquisition agreement	5	2,077,718	191,230	-	-	-	191,230
Issuance of share capital – Private placement at $0.22 per common share		7,091,273	1,163,914	-	-	-	1,163,914
Issuance of share capital – Property acquisition agreement	5	785,569	132,505	-	-	-	132,505
Issuance of share capital – property acquisition agreement		50,000	8,437	-	-	-	8,437
Share issue costs		-	(27,215)				(27,215)
Net loss and comprehensive loss		-	-	-	9,412	(272,607)	(263,195)
Share-based compensation		-	-	104,379	-	-	104,379
Balance at December 31, 2019		28,913,893	$ 2,612,931	$ 104,379	$ 9,412	$ (272,607)	$ 2,454,115

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

Ridgeline Minerals Corp.

Consolidated Statement of Cash Flows

For the period from incorporation on March 18, 2019 to December 31, 2019

(expressed in United States dollars, except where indicated)

	Note		2019
Cash flows used in operating activities			
Loss for the period		$	(272,607)
Items not affecting cash:			
Share-based compensation	6		104,379
Unrealized foreign exchange loss			(4,505)
			(172,733)
Changes in non-cash operating working capital:			
Increase in prepaid expenses			(6,123)
Increase in accounts payable and accruals			22,986
			(155,870)
Cash flows used in investing activities			
Payment for mineral property activities			(902,065)
			(902,065)
Cash flows from financing activities			
Proceeds from issuance of common shares, net			2,280,759
			2,280,759
Increase in cash and cash equivalents			1,222,824
Effect of exchange rate changes on cash and cash equivalents			4,505
Cash and cash equivalents - beginning of period			-
Cash and cash equivalents - end of period		$	1,227,329

Cash and cash equivalents is represented by:

Cash		$	1,227,329
Cash equivalents			-
Total cash and cash equivalents		$	1,227,329

Supplemental cash flow information (Note 9)

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

1 Nature of operations

Nature of operations

Ridgeline Minerals Corp. together with its subsidiary (collectively referred to as the "Company" or "Ridgeline"), is focused on the exploration of mineral property interests in the state of Nevada, United States. The Company is in the process of completing an Initial Public Offering ("IPO") and listing on the TSX Venture Exchange ("TSX-V").

The Company was incorporated on March 18, 2019 in British Columbia. The Company's registered office is at 355-1632 Dickson Avenue, Kelowna, BC, V1Y 7T2, Canada.

All amounts are expressed in United States dollars, except for certain amounts denoted in Canadian dollars ("C$").

The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that 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 operations.

The Company has not generated revenues from its operations to date. As at December 31, 2019, the Company has accumulated net losses of $272,607 since inception and has working capital of $1,204,871. The operations of the Company have primarily been funded by the issuance of common shares. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Management estimates its current working capital will be sufficient to fund its current level of activities for the next twelve months.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2 Basis of presentation

Basis of presentation

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

These consolidated financial statements have been prepared on a going concern basis, and in making the assessment that the Company is a going concern, management have taken into account all available information about the future, which is at least, but is not limited to, the period from incorporation on March 18, 2019 to December 31, 2019.

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for financial instruments measured at fair value.

The Board of Directors of the Company approved these consolidated financial statements and authorized them for issue on April 1, 2020.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Ridgeline Minerals Corporation ("Ridgeline NV"), from its incorporation on March 18, 2019. All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

3 Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

Significant areas requiring the use of management estimates and judgments include:

I. The determination of the fair value of the shares of the Company for the calculation of the share-based compensation.
II. The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to identify new business opportunities and working capital requirements, the outcome of which is uncertain.
III. The determination that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

4 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company and its wholly owned subsidiary and to the period presented in these consolidated financial statements.

a) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's cash and cash equivalents and accounts payables and accrued liabilities are classified as amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss.

Financial assets at FVTOCI

Financial assets at FVTOCI are initially recorded at fair value adjusted for transaction costs. Dividends are recognized as income in the consolidated statements of comprehensive income (loss) unless the dividend clearly represents a recovery of

part of the cost of the investment. Gains or losses recognized on the sale of FVOTCI investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive income (loss).

b) Cash and cash equivalents

Cash and cash equivalents include cash in banks and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value.

c) Exploration and evaluation assets

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property is put into production, sold, abandoned, or determined to be impaired. Administration costs and general exploration costs are expensed as incurred.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation costs are tested for impairment and subsequently transferred to property and equipment. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

d) Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, legal or constructive obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning obligation is recognized at its net present value in the period in which it is incurred, using a discounted cash flow technique with market-based risk-free discount rates and estimates of the timing and amount of the settlement of the obligation.

Upon initial recognition of the liability, the corresponding decommissioning cost is added to the carrying amount of the related asset. Following initial recognition of the decommissioning obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to significant estimates including the current discount rate, the amount or timing of the underlying cash flows needed to settle the obligation and the requirements of the relevant legal and regulatory framework. Subsequent changes in the provisions resulting from new disturbance, updated cost estimates, changes to estimated lives of operations and revisions to discount rates are also capitalized to the related asset. Amounts capitalized

are depreciated over the lives of the assets to which they relate. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to expense and is included within finance costs in the consolidated statement of comprehensive loss.

e) Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

f) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred taxes are recognized in the consolidated statements of comprehensive income (loss) except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of unused tax losses and credits, as well as temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on enacted or substantively enacted laws at the reporting date.

The Company computes the provision for deferred income taxes under the liability method. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are estimated using an income forecast derived from cash flow projections, based on detailed life-of-mine plans and corporate forecasts. Where applicable, the probability of utilizing tax losses or credits is evaluated by considering risks relevant to future cash flows, and the expiry dates after which these losses or credits can no longer be utilized.

Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is subject to assessments by various taxation authorities, who may interpret tax legislation differently from the Company. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. Such differences are accounted for based on management's best estimate of the probable outcome of these matters.

The Company must make significant estimates and judgments in respect of its provision for income taxes and the composition and measurement of its deferred income tax assets and liabilities. The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question that may, upon resolution in the future, result in adjustments to the amount of deferred income tax assets and liabilities; those adjustments may be material.

g) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bud price on the issued date. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as reserves.

h) Share-based compensation

The Company's stock option plan allows the Company's directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Where options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based compensation expense is recognized over the tranche's vesting period by a charge to profit or loss. For employees, the compensation expense is amortized on a straight-line basis over the requisite service period which approximates the vesting period. Compensation expense for share options granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the options vest. Compensation associated with unvested options granted to non-employees is re-measured on each statement of financial position date.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

i) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average common shares outstanding are increased to include additional shares for the assumed exercise of share options and share purchase warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

j) Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

j) Foreign currency translation

These consolidated financial statements are presented in United States Dollars ("USD"). The functional currency of the Company and its subsidiary is the Canadian dollar. Accordingly, monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the statement of financial position date while non-monetary assets and liabilities denominated in a foreign currency are translated at historical rates. Revenue and expense items denominated in a foreign currency are translated at exchange rates prevailing when such items are recognized in the statement of comprehensive loss. Exchange gains or losses arising on translation of foreign currency items are included in the statement of comprehensive loss.

The Company follows the current rate method of translation with respect to its presentation of these consolidated financial statements in the reporting currency, which is the United States dollar. Accordingly, assets and liabilities are translated into United States dollars at the period-end exchange rates while revenue and expenses are translated at the prevailing exchange rates during the period. Related exchange gains and losses are included in a separate component of shareholders' deficiency as accumulated other comprehensive loss / income.

k) Right-of-use assets and lease liability

The Company has applied IFRS 16, Leases since its inception. The Company assess whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months

or less) and leases of low value assets. For these leases, the Company uses its incremental borrow rate. The lease liability is subsequently measure by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. The are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

The Company does not currently have any leases that satisfy the conditions under IFRS 16 to record a right-of-use assets and lease liability.

5 Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mineral properties. The Company has investigated title to its mineral properties, to the best of its knowledge, title to the mineral property assets remains in good standing.

a) **Carlin-East Project, Nevada, United States**

On April 10, 2019, the Company, through Ridgeline NV, entered into the Carlin-East Option Agreement with Carlin East LLC ("CEL") to acquire a 100% interest in 243 federal unpatented claims, which compromise part of the Carlin-East Project for cash and share consideration over a three-year period ending May 2022, as further set forth below:

- Paying $53,000 to CEL (which amount has been paid);
- Paying annual advance minimum royalty ("AMR") payments of $5,000 per year on or prior to each anniversary of the effective date of the Carlin-East Option Agreement, starting on the second anniversary;
- Paying milestone payments totaling $2,200,000 in cash or shares, at the discretion of Ridgeline NV, dependent on the Carlin-East Project reaching certain milestones, such milestones including the issuance of a preliminary economic analysis, the earlier of the issuance of a pre-feasibility study, and the date that the Board of Directors proceeds with development of a mine and associated facilities on the Carlin-East Project; and
- Paying the obligations under the lease and option agreement between CEL and the underlying landowner Genesis Gold Corporation ("Genesis") dated effective August 8, 2017 (the "Lease and Option Agreement") to the extent coming due during the option period.

The term of the option is the earlier of three years and successful completion of the IPO, during which time, the Company must satisfy certain conditions precedent or CEL will have the option to terminate the Carlin-East Option Agreement (the “Option Period”). The conditions precedent include (i) completion of the IPO; (ii) satisfaction of any AMR and milestone payments that become due prior to the end of the Option Period; and (iii) the raising of a minimum of $2,500,000 for exploration on the Company’s projects (the “Minimum Capital Raise”). To date, the Company has confirmed with CEL that the Minimum Capital Raise condition has been satisfied. The Company has 90 days following the completion of the conditions to exercise the option.

During the Option Period, the Company will be the operator of the Carlin-East Project.

If a party (or an affiliate of a party) to the Carlin-East Option Agreement acquires directly or indirectly any mining claim, lease, license or other form of interest in minerals, or surface or water rights located in whole or in part within the two-mile area around the outside border of the Carlin-East Project, such party or affiliate will promptly offer such interest to the other party and the other party may accept this offer (within 60 days of such notice) to make that after-acquired property subject to the Carlin-East Option Agreement.

In addition, pursuant to the Carlin-East Option Agreement, upon exercise of the option, CEL will be granted a 3.25% production royalty on the Carlin-East Project and will be eligible to receive AMR payments until commercial production is announced. The Company can purchase up to 1% of the production royalty (leaving 2.25%) for $3,000,000 in the first eight years of the Carlin-East Option Agreement. All AMR payments will be offset against 70% of the production royalty payments as they become due.

The underlying Lease and Option Agreement with Genesis has a term of 99 years unless sooner terminated or the option is exercised, with annual advance royalty payments as follows: $10,000 on or before August 8, 2018 (paid); $10,000 on or before August 8, 2019 (paid); $20,000 on or before August 8, 2020; $30,000 on or before August 8, 2021; $40,000 on or before August 8, 2022; $60,000 on or before August 8, 2023; $80,000 on or before August 8, 2024 and $100,000 per year on the eighth anniversary and thereafter. These advance royalty payments will cease upon commencement of commercial production. The underlying option to acquire a 100% interest in the Carlin-East Project pursuant to the Lease and Option Agreement can be exercised prior to commercial production for $1,000,00 (the "Purchase Price"). Genesis is entitled to a 0.5% production royalty with any previous advance royalty payments being deducted from production royalty amounts owing. This 0.5% production royalty and all financial obligations of CEL are extinguished upon the exercise of the option to purchase through payment of the Purchase Price provided that the option to purchase is exercised prior to the start of commercial production.

b) **Swift and Selena Projects, Nevada, United States**

On April 10, 2019, the Company and Ridgeline NV entered into the Swift and Selena Option Agreement with Bronco Creek Exploration Inc. ("Bronco"), a subsidiary of EMX Royalty Corporation ("EMX") (EMX together with Bronco, the "EMX Group"). Pursuant to the Swift and Selena Option Agreement, the Company has the option to earn a 100% interest in the Swift Property and Selena Property by:

- Paying $20,000 to the EMX Group (which amount has been paid);
- Paying AMR payments of $10,000 per year starting on the second anniversary of the effective date and on each anniversary thereafter increasing by $5,000 per year, up to a maximum of $75,000 per year;
- Pay milestone payments totaling $2,200,000 for each of the Swift and Selina Projects in cash or shares, at the discretion of Ridgeline NV, dependent on the Swift and Selena Projects reaching certain milestones;
- Issue that number of common shares to give the EMX Group a 9.9% interest in the issued share capital of the Company on the date of issue. In May 2019 the Company issued 2,077,718 common shares at a value of C$0.12 per common share for C$249,326; and
- Issuing additional shares to the EMX Group (the "Anti-Dilution Right") to maintain its 9.9% interest (on a non-diluted basis and on a $2,500,000 post-money basis) until the earlier of (i) the Company completing the Minimum Capital Raise, and(ii) three years from the effective date of the Swift and Selena Option Agreement (the "Anti-Dilution Period").

The term of the option is the earlier of three years and successful completion of the IPO. The Company must also complete the Minimum Capital Raise within three years of the effective date of the Swift and Selena Option Agreement, otherwise Bronco will have the option to terminate the Swift and Selena Option Agreement. Conditions precedent to exercising the option include the completion of the Minimum Capital Raise and completion of the IPO. To date, the Company has confirmed with Bronco that the Minimum Capital Raise has been satisfied. The Company has 90 days following completion of the conditions precedent to exercise the option.

During the term of the option, Ridgeline NV will be the operator of the Swift Project and the Selena Project.

The Company granted to the EMX Group, effective from the end of the anti-dilution period, for as long as the EMX Group maintains at least a 5% equity ownership in the Company, a pre-emptive right to purchase for cash up to that proportion of any new shares that the Company may issue for the same price and on the same terms as the new shares to enable the EMX Group to maintain its percentage ownership that it holds immediately prior to the issuance of such new shares. This right will expire once the EMX Group holds less than 5% of the issued and outstanding shares of the Company.

If a party (or an affiliate of a party) to the Swift and Selena Option Agreement acquires directly or indirectly any mining claim, lease, license or other form of interest in minerals, or surface or water rights located in whole or in part within the two-mile area around the outside borders of each of the Swift Property and the Selena Property, such party or affiliate will promptly offer such interest to the other party and the other party may accept this offer (within 60 days of such notice) to make that after-acquired property subject to the Swift and Selena Option Agreement.

Upon exercise of the option, the EMX Group will retain a 3.25% production royalty on each of the Swift Property and the Selena Property. The Company can purchase up to 1% of the production royalty (leaving 2.25%) for $3,000,000 in the first

8 years of the Swift and Selena Option Agreement. All AMR payments will be offset against 70% of the production royalty payments as they become due.

Pursuant to the Swift and Selena Option Agreement, the Company issued 2,077,718 shares to EMX at a price of C$0.12 per share for a value of C$249,326 on May 4, 2019; 785,569 shares to EMX at a price of C$0.22 per share with a value of C$172,825 on December 20, 2019 and 113,681 shares to EMX at a price of C$0.22 per share with a value of C$25,010 on February 26, 2020. Upon issuance of the 113,681 shares on February 20, 2020, the Company has satisfied its obligations under the Anti-Dilution Right, as the Company has completed the Minimum Capital Raise.

Marvel Property, Nevada, United States

In October 2019, the Company, through Ridgeline NV, entered into a mining lease ("Swift Mining Lease") with Marvel-Jenkins Ranches LLC ("Marvel") for certain mineral lands and unpatented mining claims located in Lander County, Nevada (the "Marvel Property"). The Marvel Property is part of the Swift Project.

As consideration for the first year rental payment, the Company will pay Marvel $17,000 (paid), reimburse Marvel for the annual maintenance/holding fee obligation for the claims including an additional 5% of such costs and issuing Marvel 50,000 common shares (issued at a value of C$11,000) in December 2019.

The primary term of the Swift Mining Lease will be 10 years from the effective date (the "Primary Term"), during which Ridgeline NV has an option and right to: (a) purchase all of Marvel's right, title and interest in the Marvel Property for a purchase price of $10,000,000, subject to Marvel's reservation of a production royalty of 1.5% of the net smelter returns from the production of valuable minerals (the "Option to Purchase"); or (b) extend the Swift Mining Lease for an additional 15 years (the "Option to Extend Lease") for a payment of $100,000. Thereafter Ridgeline has the option to further extend the Swift Mining Lease for additional one-year periods for certain cash payments.

The Company must incur $175,000 of exploration costs during the first two years and an additional $375,000 in the following three years. Marvel will retain a 3% NSR production royalty on the Marvel Property during the term of the Swift Mining Lease from the sale of any valuable minerals extracted, produced and sold from the Marvel Property. Ridgeline NV can reduce the 3% NSR production royalty by: (a) exercising its Option to Purchase the Marvel Property and reducing the NSR royalty to 1.5%, or (b) buy down up to 1% of the NSR production royalty at any time during the Primary Term for $6,000,000 (or $3,000,000 per each 0.5%). Ridgeline NV will also pay Marvel a 1% production royalty for valuable minerals extracted, produced and sold from properties in the area of interest of one mile from any boundary of the Marvel Property (the "AOI Royalty").

During the term of the Swift Mining Lease, regardless of whether production is occurring on the Marvel Property, unless Ridgeline NV exercises its Option to Purchase or terminates the Swift Mining Lease, Ridgeline must pay Marvel the following AMR payments on or before each anniversary of the effective date over the term of the Swift Mining Lease:

- $20,000 on the first anniversary;
- $25,000 on the second anniversary;
- $30,000 on the third anniversary;
- $35,000 on the fourth anniversary;
- $40,000 on the fifth anniversary;
- $45,000 on the sixth anniversary;
- $50,000 on the seventh anniversary; and
- $75,000 on the eight anniversary and each subsequent anniversary date.

All AMR payments will be offset against the NSR royalty and the AOI Royalty.

Expenditures for the period related to exploration and evaluation assets located in Nevada, USA were as follows:

	Carlin-East (a)	Swift (b)	Selena (b)	Total
Balance, March 18, 2019	$ -	$ -	$ -	**$ -**
Additions:				
Property acquisition costs	250,618	135,113	59,908	**445,639**
Claim fees	80,725	88,754	59,488	**228,967**
Geochemistry	10,095	14,623	-	**24,718**
Geophysics	33,042	33,043	-	**66,085**
Land fees and permitting	20,826	-	-	**20,826**
Drilling	178,845	-	-	**178,845**
Assays	29,666	1,028	-	**30,694**
Technical report	5,595	-	-	**5,595**
Geology salaries and fees	58,070	50,909	50,909	**159,888**
Property administration	43,993	43,994	-	**87,987**
Balance, December 31, 2019	**$ 711,475**	**$ 367,464**	**$ 170,305**	**$ 1,249,244**

6 Share capital

a) **Common shares**

The Company's authorized share capital consists of unlimited common shares without par value. At December 31, 2019, the Company had 28,913,893 shares issued and outstanding.

b) **Issued share capital**

In March 2019, the Company issued 200 common shares of the Company at a price of $0.01 per common share for gross proceeds of C$2 and 6,249,800 common shares of the Company at a price of C$0.0016 per common share for gross proceeds of C$10,000.

In May 2019 and June 2019, the Company completed a non-brokered private placement of 12,659,333 common shares at a price of C$0.12 per common share for gross proceeds of C$1,519,120. Commissions in the amount of C$39,900 were paid in connection with this private placement.

In May 2019, the Company issued 2,077,718 common shares at a price of C$0.12 per common share with a value of C$249,326 to EMX (Note 5b).

In December 2019, the Company issued 50,000 common shares of the Company at a price of C$0.22 per common share with a value of C$11,000 in relation to the acquisition of the Marvel Property (Note 5b).

In December 2019, the Company completed a non-brokered private placement of 7,091,273 common shares at a price of C$0.22 per common share for gross proceeds of C$1,560,080. Commissions in the amount of C$42,570 were paid in connection with this private placement.

In December 2019, the Company issued 785,569 common shares at a price of C$0.22 per common share with a value of C$172,825 to EMX (Note 5b).

c) **Stock options**

The Company provides share-based compensation to its directors, officers, employees, and consultants through grants of share options.

The Company has adopted a stock option plan (the "Plan") to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding shares of the Company. Vesting is determined at the discretion of the Board of Directors.

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options granted. For employees, the compensation expense is amortized on a graded vesting basis over the requisite service period which approximates the vesting period. Compensation expense for stock options granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the options vest.

The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the stock options. The Company has not paid and does not anticipate paying dividends on its common stock and, therefore, the expected dividend yield is assumed to be zero. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of Nil in determining the expense recorded in the accompanying Consolidated Statements of Comprehensive Loss.

	Number of shares	**Weighted average exercise price C$**
Outstanding - beginning of period	-	-
Granted	2,050,000	$0.12
Exercised	-	-
Outstanding - end of period	**2,050,000**	**$0.12**

At December 31, 2019, the following stock options were outstanding:

Number of shares	**Vested**	**Price per share C$**	**Expiry Date**
2,050,000	2,050,000	0.12	July – Aug 2024

	December 31, 2019
Weighted average exercise price for exercisable options	C$0.12
Weighted average share price for options exercised	-
Weighted average years to expiry for exercisable options	4.55 years

For the period ended December 31, 2019, the total share-based compensation charges relating to 2,050,000 options granted to officers, employees, directors and consultants was $104,379.

The weighted average fair value at date of grant for the options granted during the year ended December 31, 2019 was C$0.12 per option. The fair value per option granted was determined using the following weighted average assumptions at the time of the grant using the Black-Scholes option pricing model:

	December 31, 2019
Risk-free interest rate	1.62%
Expected life of option	5 years
Expected volatility	147%
Expected dividend	0.00%

d) **Net loss per common share**

Net loss per common share information in these consolidated financial statements is computed by dividing the net loss attributable to common shares by the weighted average number of common shares outstanding during the period. All share options outstanding at period end have been excluded from the weighted average share calculation as they are anti-dilutive.

7 Income tax

		2019
Loss for the period before income taxes	$	(272,607)
Statutory rate		27.00%
Expected income tax recovery		(74,000)
Permanent differences and other		28,000
Difference in foreign tax rates		9,000
Share issuance costs		(7,000)
Change in valuation allowance		44,000
Total income tax recovery	$	-

The Company's deferred income tax asset and liability consisted of:

		2019
Deferred income tax assets:		
Non-capital loss carryforward	$	38,000
Share issuance costs		6,000
		44,000
Unrecognized tax assets		(44,000)
Net deferred income tax	$	-

The Company has available for deduction against future taxable income non-capital losses of approximately $66,000 in Canada and $94,000 in United States. These losses, if not utilized, will expire through 2039. Subject to certain restrictions, the Company also has foreign resource expenditures available to reduce taxable income in future years. Deferred tax benefits which may arise as a result of these losses, resource expenditures and share issue costs have not been recognized in these consolidated financial statements.

8 Related party transactions

The Company's related parties include key management personnel and directors. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer and Vice President of Exploration.

Direct remuneration paid to the Company's directors and key management personnel during the period from incorporation on March 18, 2019 to December 31, 2019 are as follows:

Salaries and benefits – personnel costs	$	**207,422**
Consulting fees		**16,938**
Share-based compensation		**102,122**

Salaries and benefits are capitalized to exploration and evaluation assets or expensed to personnel costs.

9 Supplemental cash flow information

	Note		December 31, 2019
Non-cash investing and financing activities	(i)	$	**332,172**
	(ii)		**5,595**

i) As outlined in Note 5, the Company issued a total of 2,913,287 common shares of the Company with a value of $332,172 in connection with various mineral property agreements, which was capitalized to mineral properties.

ii) The Company incurred $5,595 in mineral property costs included in accounts payable.

10 Segmented information

The Company operates in one business segment being the exploration of mineral properties. The Company's mineral property assets are all located in the United States.

11 Financial instruments

a) Fair value classification of financial instruments

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3 inputs are for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities.

The carrying values of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair value due to their short terms to maturity.

b) Financial risk management

i) Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with large, highly rated financial institutions.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

ii) Liquidity risk

The Company manages liquidity risk by trying to maintain enough cash balances to ensure that it is able to meet its short term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

The Company's operating results may vary due to fluctuation in commodity price, inflation and foreign exchange rates.

iii) Market risks

Interest rate risk

The Company's interest rate risk arises primarily from the interest received on cash and cash equivalents. The Company does not believe that it is exposed to material interest rate risk on its cash.

As at December 31, 2019, the Company has not entered into any contracts to manage interest rate risk.

Foreign exchange risk

The functional currency of the parent and its subsidiaries is C$. The reporting currency is USD. A portion of the Company`s operating expenses are in USD.

As at December 31, 2019, the Company has not entered into contracts to manage foreign exchange risk.

The Company is exposed to foreign exchange risk through the following assets and liabilities:

	December 31, 2019
Cash	**$ 52,040**
Accounts payable and accrued liabilities	**(1,516)**

As at December 31, 2019, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C$) would result in an insignificant change in net loss.

12 Capital management

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. As at December 31, 2019, the Company had working capital of $1,204,781.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets which are revised periodically based on the results of its exploration programs, availability of financing and industry conditions. There are no external restrictions on management of capital. The Company believes it will be able to raise new funds as required in the long term to fund its exploration programs but recognizes there will be risks involved that may be beyond its control.

13 Subsequent events

a) On February 2020, the Company completed a non-brokered private placement of 7,751,262 common shares at a price of C$0.22 per common share for gross proceeds of C$1,705,278. Commissions in the amount of C$27,379 were paid

in connection with this private placement. The Company also issued 113,681 common shares at a price of C$0.22 per common share with a value of C$25,010 to EMX, Bronco's parent company.

b) On February 25, 2020, the Company, through Ridgeline NV, entered into the Bell Creek Mining Lease with Marvel and Marvel Minerals, LLC (together with Marvel, the "Lessor") to lease certain mineral lands located in Elko County, Nevada (the "Bell Creek Property"). The Bell Creek Property is part of the Carlin-East Project.

As consideration for the first year lease payment, the Company paid Marvel $15,000 and issued Marvel 15,000 common shares (issued at a value of C$3,300).

The primary term of the Bell Creek Mining Lease will be 10 years from the effective date (the "Bell Creek Primary Term"), during which Ridgeline NV has an option and right to: (a) purchase all of the Lessor's right, title and interest in the Bell Creek Property for a purchase price of $10,000,000, subject to the Lessor's reservation of a production royalty of 1.5% of the net smelter returns ("NSR") from the production of valuable minerals (the "Bell Creek Option to Purchase"); or (b) extend the Bell Creek Mining Lease for an additional 15 years (the "Bell Creek Option to Extend Lease") for a payment of $100,000. The Bell Creek Option to Purchase and the Bell Creek Option to Extend Lease are exercisable up to 90 days prior to the expiration of the Bell Creek Primary Term. Thereafter Ridgeline has the option to further extend the Swift Mining Lease for additional one-year periods for certain cash payments.

The Company must incur $250,000 of exploration costs during the first five years of the Bell Creek Mining Lease. The Lessor will retain a 3% NSR production royalty on the Bell Creek Property during the term of the Bell Creek Mining Lease from the sale of any valuable minerals extracted, produced and sold from the Bell Creek Property. Ridgeline NV can reduce the 3% NSR production royalty by: (a) exercising the Bell Creek Option to Purchase the Bell Creek Property and reducing the NSR production royalty to 1.5%, or (b) buy down up to 1% of the NSR production royalty at any time during the Bell Creek Primary Term for $6,000,000 (or $3,000,000 per each 0.5%). Ridgeline NV will also pay the Lessor a 1% production royalty for valuable minerals extracted, produced and sold from properties in the area of interest of one mile from any boundary of the Bell Creek Property (the "Bell Creek AOI Royalty").

During the term of the Bell Creek Mining Lease, regardless of whether production is occurring on the Bell Creek Property, unless Ridgeline NV exercises the Bell Creek Option to Purchase or terminates the Bell Creek Mining Lease, Ridgeline must pay the Lessor the following AMR payments on or before each anniversary of the effective date over the term of the Bell Creek Mining Lease:

- $20,000 on the first anniversary;
- $25,000 on the second anniversary;
- $30,000 on the third anniversary;
- $35,000 on the fourth anniversary;
- $40,000 on the fifth anniversary;
- $45,000 on the sixth anniversary;
- $50,000 on the seventh anniversary; and
- $75,000 on the eight anniversary and each subsequent anniversary date.

All AMR payments will be offset against the NSR production royalty and the Bell Creek AOI Royalty.

c) In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downtown. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

d) In March 2020, the Company granted 1,200,000 stock options with an exercise price of C$0.22 expiring in March 2025 to directors, management and consultants of the Company.

e) In April 2020, the Company granted 25,000 stock options with an exercise price of C$0.22 expiring in April 2025 to an employee of the Company.