CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States dollars)

December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Ridgeline Minerals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Ridgeline Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2020 and the period from incorporation on March 18, 2019 to December 31, 2019, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the year ended December 31, 2020 and the period from incorporation on March 18, 2019 to December 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

Vancouver, Canada

Chartered Professional Accountants

March 12, 2021

Ridgeline Minerals Corp.

Consolidated Statements of Financial Position

As at December 31, 2020 and 2019

(expressed in United States dollars, except where indicated)

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents		$ **2,758,526**	$ 1,227,329
Restricted cash		**22,581**	-
Prepaids		**25,746**	6,123
Receivables		**29,638**	-
Notes receivable	10	**95,031**	-
		2,931,522	1,233,452
Non-current assets			
Property and equipment	5	**88,345**	-
Exploration and evaluation assets	6	**3,669,936**	1,249,244
		3,758,281	1,249,244
Total assets		$ **6,689,803**	$ 2,482,696
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	$ **168,051**	$ 28,581
Current portion of lease liability	7	**17,900**	-
		185,951	28,581
Non-current liabilities			
Lease liability	7	**3,105**	-
Total liabilities		**189,056**	28,581
Shareholders' equity			
Share capital	8	**7,218,204**	2,612,931
Reserves		**663,916**	104,379
Accumulated other comprehensive income		**165,356**	9,412
Deficit		**(1,546,729)**	(272,607)
Total shareholders' equity		**6,500,747**	2,454,115
Total liabilities and shareholders' equity		$ **6,689,803**	$ 2,482,696

Nature of operations (Note 1)

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

Ridgeline Minerals Corp.

Consolidated Statements of Comprehensive Loss

For the year ended December 31, 2020 and the period from incorporation on March 18, 2019 to December 31, 2019

(expressed in United States dollars, except where indicated)

		2020	2019
General and administrative expenses			
Administration and office		$ **45,771**	$ 8,694
Investor relations		**243,990**	15,847
Personnel costs	10	**274,251**	88,838
Professional fees		**237,568**	22,595
Filing fees		**82,760**	-
Insurance		**17,768**	-
Depreciation	5	**18,503**	-
Other		**6,501**	9,407
Share-based compensation	8,10	**349,031**	104,379
Operating loss		**1,276,143**	249,760
Foreign exchange loss		**8,738**	24,125
Interest income		**(10,759)**	(1,278)
Loss for the period		**1,274,122**	272,607
Other comprehensive income			
Foreign currency translation		**(155,944)**	(9,412)
Comprehensive loss for the period		$ **1,118,178**	$ 263,195
Loss per common share			
Basic and fully diluted		$ **(0.03)**	$ (0.01)
Weighted average number of common shares outstanding			
Basic and fully diluted		**39,942,295**	19,858,552
Total common shares issued and outstanding		**48,128,616**	28,913,893

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

Ridgeline Minerals Corp.

Consolidated Statements of Changes in Shareholders' Equity

For the year ended December 31, 2020 and 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 December 31, 2019		28,913,893	$ 2,612,931	$ 104,379	$ 9,412	$ (272,607)	$ 2,454,115
Issuance of share capital – private placement at $0.22 per common share	8(b)	7,797,262	1,277,421	-	-	-	**1,277,421**
Share issue costs – private placement		-	(20,388)	-	-	-	**(20,388)**
Issuance of share capital – property acquisition agreement	6(b)	113,681	18,621	-	-	-	**18,621**
Issuance of share capital – property acquisition agreement	6(a)	15,000	2,457	-	-	-	**2,457**
Issuance of share capital – initial public offering	8(b)	11,200,000	3,864,672	-	-	-	**3,864,672**
Share issue costs – initial public offering		-	(340,087)	-	-	-	**(340,087)**
Share issue costs – initial public offering – corporate finance fee	8(b)	55,555	-	-	-	-	**-**
Share issue costs – initial public offering – agent's warrants	8(b)	-	(213,475)	213,475	-	-	**-**
Issuance of share capital – share purchase warrant exercise	8(d)	33,225	16,052	(2,969)	-	-	**13,083**
Net loss and comprehensive income		-	-	-	155,944	(1,274,122)	**(1,118,178)**
Share-based compensation	8(c)	-	-	349,031	-	-	**349,031**
Balance at December 31, 2020		**48,128,616**	**$ 7,218,204**	**$ 663,916**	**$ 165,356**	**$ (1,546,729)**	**$6,500,747**

	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		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		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 Statements of Cash Flows

For the year ended December 31, 2020 and the period from incorporation on March 18, 2019 to December 31, 2019

(expressed in United States dollars, except where indicated)

	Note	2020	2019
Cash flows used in operating activities			
Loss for the period		$ **(1,274,122)**	$ (272,607)
Items not affecting cash:			
Depreciation	5	**18,503**	-
Share-based compensation	8	**349,031**	104,379
Non-cash repayment of notes receivable	10	**112,027**	-
Unrealized foreign exchange gains		**(34,712)**	(4,505)
Interest on lease liability	7	**2,387**	-
		(826,886)	(172,733)
Changes in non-cash operating working capital:			
Restricted cash		**(22,581)**	-
Increase in receivables and prepaids		**(49,261)**	(6,123)
Increase in accounts payable and accrued liabilities		**82,575**	22,986
		(816,153)	(155,870)
Cash flows used in investing activities			
Purchase of property and equipment	5	**(72,175)**	-
Payment for exploration and evaluation assets	6	**(2,174,662)**	(902,065)
		(2,246,837)	(902,065)
Cash flows from financing activities			
Repayment of lease liability		**(16,055)**	-
Proceeds from exercise of share purchase warrants	8	**13,083**	-
Proceeds from issuance of share capital- private placements	8	**1,068,939**	2,307,974
Share issuance costs – private placements	8	**(20,388)**	(27,215)
Proceeds from issuance of share capital – initial public offering	8	**3,864,672**	-
Share issuance costs – initial public offering	8	**(340,087)**	-
		4,570,164	2,280,759
Increase in cash and cash equivalents		**1,507,174**	1,222,824
Effect of exchange rate changes on cash and cash equivalents		**24,023**	4,505
Cash and cash equivalents - beginning of period		**1,227,329**	-
Cash and cash equivalents - end of period		$ **2,758,526**	$ 1,227,329

Cash and cash equivalents is represented by:

Cash		$ **2,758,526**	$ 1,227,329
Cash equivalents		**-**	-
Total cash and cash equivalents		$ **2,758,526**	$ 1,227,329

Supplemental cash flow information (Note 11)

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.

On August 17, 2020, the Company completed an initial public offering ("IPO") and the Company's common shares commenced trading on the TSX Venture Exchange (the "TSX-V") under the symbol "RDG". The Company was incorporated on March 18, 2019 in British Columbia, Canada. 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, 2020, the Company has accumulated net losses of $1,546,729 since inception and has working capital of $2,745,571. 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

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 year ended December 31, 2020 and 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 or amortized cost.

The Board of Directors of the Company approved these consolidated financial statements and authorized them for issue on March 5, 2021.

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.
IV. The determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations.
V. 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 downturn. 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, results of operations and the timing of proposed transactions at this time.

4 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company and its wholly owned subsidiary for to the periods 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,

restricted cash, receivables, notes receivable, accounts payables, accrued liabilities and lease liability 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) Property and equipment

Items of property and equipment are recorded at cost less accumulated depletion and amortization. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management, including estimated decommissioning and restoration costs and, where applicable, borrowing costs. If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment.

Depreciation is recorded on a straight-line balance basis over the estimated useful lives of the individual assets.

No depletion and amortization is recorded until the asset is substantially complete and available for its intended use.

e) Impairment of non-current assets

The Company reviews the carrying amounts of its non-financial assets every reporting period. If there is any indication that the assets or cash-generating unit ("CGU") may not be fully recoverable, the recoverable amount of the asset or CGU is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those at market. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

f) 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.

g) 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.

h) 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.

i) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and equity settled instruments 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 most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserve.

j) 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 and equity settled instruments 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 and equity settled instruments 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 and equity settled instruments 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 options and equity settled instruments granted to non-employees is recognized over the contract services period or, if none exists, from the date of grant until the options and

equity settled instruments vest. Compensation associated with unvested options and equity settled instruments 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 and equity settled instruments 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.

k) Deferred share units

The Company has established a deferred share plan under which deferred share units ("DSUs") are granted to directors of the Company as part of long-term incentive compensation. DSUs are classified as equity settled share-based payment transactions as the participants will receive either common shares of the Company or payment of cash, or any combination of the foregoing, as determined by the Company in its sole discretion, following a redemption event. As such, the Company recognizes the expense based on the quoted market price of the Company's common shares at the grant date and a corresponding increase in equity for the eventual redemption when the DSUs are issued.

l) Restricted share units

The Company has established a restricted share plan under which restricted share units ("RSUs") are granted to eligible directors, employees and contractors of the Company. The RSUs are considered equity-settled and are measured using the quoted market price of the Company's common shares at the grant date and recognized as share-based compensation over the vesting period, with a corresponding amount recognized as equity.

m) 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 equity settled instruments, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and equity settled instruments were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

n) 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.

o) 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' equity as accumulated other comprehensive loss / income.

p) Right-of-use assets and lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

5 Property and equipment

	Right-of-use asset	Equipment	Total
Cost			
Balance at March 18, 2019	$ -	$ -	$ -
Balance at December 31, 2019	-	-	-
Additions	34,673	72,175	106,848
As at December 31, 2020	$ 34,673	$ 72,175	$ 106,848
Accumulated depreciation			
Balance at March 18, 2019	$ -	$ -	$ -
Balance at December 31, 2019	-	-	-
Depreciation for the year	14,447	4,056	18,503
As at December 31, 2020	$ 14,447	$ 4,056	$ 18,503
Carrying amounts			
As at March 18, 2019	$ -	$ -	$ -
As at December 31, 2019	-	-	-
As at December 31, 2020	$ 20,226	$ 68,119	$ 88,345

6 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 and, to the best of its knowledge, titles 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 unpatented claims, which compromise part of the Carlin Trend in northern Nevada (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 was the earlier of three years and successful completion of the IPO, during which time, the Company was required to satisfy certain conditions precedent or CEL will have the option to terminate the Carlin-East Option Agreement (the “Option Period”). The conditions precedent included: (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"). The Company previously confirmed with CEL that the Minimum Capital Raise condition has been satisfied.

On September 11, 2020, the Company exercised its option under the Carlin-East Option Agreement and acquired its 100% interest in the 243 federal unpatented claims which comprise part of the Carlin-East Project, for which the Company has been the operator.

Pursuant to the Carlin-East Option Agreement, upon exercise of the option, CEL was granted a 3.25% production royalty on the Carlin-East Project and is 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 (paid); $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 $1,000,000 (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.

Bell Creek Property, Nevada, United States

On February 25, 2020, the Company, through Ridgeline NV, entered into the Bell Creek Mining Lease with Marvel-Jenkins Ranch, LLC ("Marvel") and Marvel Minerals, LLC (together with Marvel, the "Lessor") to lease certain mineral rights in fee 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 Bell Creek 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 (paid);
- $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 eighth anniversary and each subsequent anniversary date.

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

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 the 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 common 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 was the earlier of three years and successful completion of the IPO. The Company was also required to 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 included the completion of the Minimum Capital Raise and completion of the IPO. The Company confirmed with Bronco that the Minimum Capital Raise has been satisfied.

On September 11, 2020, the Company exercised its option under the Swift and Selena Option Agreement and acquired its 100% interest in the Swift property and the Selena property, for which the Company has been the operator.

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 common shares that the Company may issue for the same price and on the same terms as the new common shares to enable the EMX Group to maintain its percentage ownership that it holds immediately prior to the issuance of such new common shares. This right will expire once the EMX Group holds less than 5% of the issued and outstanding common shares of the Company.

Pursuant to the Swift and Selena Option Agreement, upon exercise of the option, the EMX Group retained 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 satisfied its obligations under

the Anti-Dilution Right, as the Company completed the Minimum Capital Raise. As such, the Anti-Dilution Right has been terminated.

Marvel Property

In October 2019, the Company, through Ridgeline NV, entered into a mining lease ("Swift Mining Lease") with 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 (paid in October 2020);
- $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 eighth anniversary and each subsequent anniversary date.

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

Expenditures for the year ended December 31, 2020 were as follows:

	Carlin-East	Swift	Selena	Total
Additions:				
Property acquisition costs	$ 8,767	$ 7,528	$ 4,786	**$ 21,081**
Geophysics	1,150	41,926	1,138	**44,214**
Geochemistry	9,007	53,169	64,224	**126,400**
Drilling	8,858	749,054	272,872	**1,030,784**
Assays	-	500	106,585	**107,085**
Land fees and permitting	114,105	35,600	93,736	**243,441**
Technical report	9,612	5,263	5,551	**20,426**
Geology salaries and fees	148,983	296,728	175,098	**620,809**
Property administration	-	27,495	31,330	**58,825**
Total additions for year ended December 31, 2020	300,482	1,217,263	755,320	**2,273,065**
Balance at December 31, 2019	711,475	367,464	170,305	**1,249,244**
	1,011,957	1,584,727	925,625	**3,522,309**
Movement in foreign exchange	42,411	66,418	38,798	**147,627**
Balance at December 31, 2020	**$ 1,054,368**	**$ 1,651,145**	**$ 964,423**	**$ 3,669,936**

Expenditures for the period from March 18, 2019 to December 31, 2019 were as follows:

	Carlin-East	Swift	Selena	Total
Balance at 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 at December 31, 2019	$ 711,475	$ 367,464	$ 170,305	$ 1,249,244

7 Leases

Lease liability

	December 31, 2020	December 31, 2019
Lease liability	$ 21,005	$ -
Less: current portion	17,900	-
Long-term portion	$ 3,105	$ -

Undiscounted lease payments

	December 31, 2020	December 31, 2019
Less than one year	$ 19,200	$ -
One to five years	3,200	-
	$ 22,400	$ -

Interest expense on the lease liability and lease payments made amounted to $2,387 and $16,055, respectively, for the year ended December 31, 2020 (2019 – nil and nil, respectively).

8 Share capital

a) **Common shares**

The Company's authorized share capital consists of unlimited common shares without par value. At December 31, 2020, the Company had 48,128,616 common shares issued and outstanding (December 31, 2019 – 28,913,893).

b) **Issued share capital**

The Company issued share capital for the year ended December 31, 2020 as follows:

- In February 2020, the Company completed a non-brokered private placement of 7,797,262 common shares at a price of C$0.22 per common share for gross proceeds of C$1,715,398. Commissions in the amount of C$37,499 were paid in connection with this private placement. Included in gross proceeds is C$275,880 of notes receivable with related parties (Note 10).
- In February 2020, the Company issued 113,681 common shares at a price of C$0.22 per common share with a value of C$25,010 to EMX (Note 6(b)).
- In February 2020, the Company issued 15,000 common shares of the Company at a price of C$0.22 per common share with a value of C$3,300 in relation to the Bell Creek Property (Note 6(a)).
- On August 12, 2020, the Company completed an IPO and announced its listing on the TSX-V. The IPO consisted of the issuance of 11,200,000 units of the Company (the "Units") at a price of C$0.45 per Unit for gross proceeds C$5,040,000. Ridgeline's common shares were listed on August 13, 2020 and commenced trading on the TSX-V under the symbol "RDG" on August 17, 2020. Each Unit is comprised of one common share of the Company and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of C$0.55 for a period of 30 months from August 13, 2020. The IPO was managed exclusively by Haywood Securities Inc. (the "Agent"). As compensation, the Agent received cash commission of 6% from the sale of Units, with reduced commission of 2% on president's list purchasers. The Agent also received 578,100 compensation warrants with a fair value of C$278,397 exercisable for

30 months from the closing date, with each compensation warrant exercisable to acquire one common share of the Company at an exercise price of C$0.45 per common share. Further, the Agent received 55,555 common shares of Ridgeline with a value of C$25,000 as corporate finance fee on closing.

The Company issued share capital for the period between the date of incorporation on March 18, 2019 to December 31, 2019 as follows:

- In March 2019, the Company issued 200 common shares of the Company at a price of C$0.01 per common share for gross proceeds of C$2.00 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 September 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 6(b)).
- 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 6(b)).
- 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 6(b)).

c) **Share 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 share 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 share 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 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.

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 share options. The Company has not paid and does not anticipate paying dividends on its common shares and, therefore, the expected dividend yield is assumed to be zero. Companies are required to utilize an estimated forfeiture rate when calculating the compensation expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of Nil in determining the compensation expense recorded in the accompanying Consolidated Statements of Comprehensive Loss.

	Number of share options	Weighted average exercise price C$
Outstanding as at March 18, 2019	-	-
Granted during the period March 18, 2019 to December 31, 2019	2,050,000	$0.12
Outstanding as at December 31, 2019	2,050,000	$0.12
Granted	1,495,000	$0.24
Outstanding as at December 31, 2020	**3,545,000**	**$0.17**

At December 31, 2020, the following share options were outstanding and exercisable:

Number of share options	Exercise price per share C$	Expiry Date
2,050,000	0.12	Jul – Aug 2024
1,225,000	0.22	Mar – Apr 2025
270,000	0.36	Nov 2025
3,545,000		

	2020	2019
Weighted average exercise price for exercisable options	**C$0.17**	C$0.12
Weighted average share price for options exercised	**-**	-
Weighted average years to expiry for exercisable options	**3.87 years**	4.55 years

For the year ended December 31, 2020, the total share-based compensation expense relating to 1,495,000 (2019 - 2,050,000) share options granted to officers, employees, directors and consultants was $169,059 (2019 - $104,379).

The weighted average fair value at date of grant for the options granted during the year ended December 31, 2020 was C$0.16 (2019 – C$0.12) per option. The fair value per share option granted was determined using the following weighted average assumptions at the time of the grant using the Black-Scholes option pricing model:

	2020	2019
Risk-free interest rate	**1.40%**	1.62%
Expected life of share option	**5 years**	5 years
Expected volatility	**78.96%**	147%
Expected dividend	**0.00%**	0.00%

d) **Share purchase warrants**

At December 31, 2020, the following share purchase warrants were outstanding:

Number of share purchase warrants	Exercise price C$	Expiry date
5,575,000	0.55	February 2023
569,875	0.45	February 2023
6,144,875		

Share purchase warrant transactions are summarized as follows:

	Number of share purchase warrants	Weighted average exercise price C$
Outstanding as at December 31, 2019	-	-
Granted	6,178,100	$0.54
Exercised	(33,225)	$0.53
Outstanding as at December 31, 2020	**6,144,875**	**$0.54**

The fair value per compensation share warrant granted to Agent was determined to be C$0.48, using the following weighted average assumptions using the Black-Scholes option pricing model:

	2020
Risk-free interest rate	**0.28%**
Expected life of share purchase warrant	**2.5 years**
Expected volatility	**131%**
Expected dividend	**0.00%**

There were no share purchase warrants granted during the period from incorporation on March 18, 2019 to December 31, 2019.

e) **Deferred share units ("DSU")**

DSUs are granted to the Company's directors and officers as a part of compensation under the terms of the Company's deferred share units plan (the "DSU Plan"). Each DSU entitles the participant to receive the value of one common share of the Company (a "Common Share"). The maximum number of awards of DSU's and all other security based compensation arrangements shall not exceed 10% of the Company's outstanding shares").

Participants are entitled to the value of the Common Share upon termination of their service. In accordance to the DSU Plan, upon each vesting date the Company shall decide at, at its sole discretion whether, participants receive (a) the issuance of Common Shares equal to the number of DSUs vesting, or (b) a cash payment equal to the number of vested DSUs multiplied by the fair market value of a Common Share, calculated as the closing price of the Common Shares on the TSX-V for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

On the grant date of DSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the DSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. If no such obligation exists, DSUs are accounted for as equity settled share-based payments and are valued using the share price of the Common Share on grant date. Since the Company controls the settlement, the DSU's are considered equity settled.

During the year ended December 31, 2020, the Company granted 570,000 DSUs to the Company's directors and executives and recorded share-based compensation of $161,164 (2019 – nil) related to the DSUs.

The fair value per DSU granted during fiscal 2020 was determined to be C$0.36 which is the share price of the Common Share on grant date.

f) **Restricted share units ("RSU")**

RSUs are granted to the Company's directors, officers, and employees as a part of compensation under the terms of the Company's restricted share units plan (the "RSU Plan"). Each RSU entitles the participant to receive the value of one Common Share. The maximum number of awards of RSU's and all other security based compensation arrangements shall not exceed 10% of the Company's outstanding shares.

The number of RSUs awarded and underlying vesting conditions are determined by the Board of Directors in its discretion. In accordance with the RSU Plan, upon each vesting date, participants receive (a) the issuance of Common Shares equal to the number of RSUs vesting, or (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a Common Share, calculated as the closing price of the Common Shares on the TSX-V for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

On the grant date of RSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the RSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. If no such obligation exists, RSUs are accounted for as equity settled share-based payments and are valued using the share price of the Common Share on grant date. Since the Company controls the settlement, the RSU's are considered equity settled.

During the year ended December 31, 2020, the Company issued 175,000 RSUs to officers and employees of the Company all of which vest over approximately 26 months. The Company recorded share-based compensation expense of $18,808 (2019 – nil).

The fair value per RSU granted during fiscal 2020 was determined to be C$0.36 which is the share price of the Common Share on grant date.

Number of RSUs	Number of RSUs vested	Weighted average grant date fair value per RSU C$
175,000	58,333	0.36

g) **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 and equity settled instruments outstanding at period end have been excluded from the weighted average common share calculation as they are anti-dilutive.

9 Income tax

	2020	2019
Loss for the period before income taxes	$ **(1,274,122)**	$ (272,607)
Statutory rate	**27.00%**	27.00%
Expected income tax recovery	**(344,000)**	(74,000)
Permanent differences and other	**(10,000)**	28,000
Difference in foreign tax rates	**93,000**	9,000
Share issuance costs	**(96,000)**	(7,000)
Adjustment to prior year's provision versus statutory tax returns and expiry of non-capital losses	**(72,000)**	-
Change in unrecognized deductible	**429,000**	44,000
Total income tax recovery	$ **-**	$ -

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

	2020	2019
Deferred income tax assets:		
Non-capital loss carryforward	$ 381,000	$ 38,000
Property and equipment	1,000	-
Share issuance costs	91,000	6,000
	473,000	44,000
Unrecognized tax assets	(473,000)	(44,000)
Net deferred income tax	$ -	$ -

The Company has available for deduction against future taxable income non-capital losses of approximately $1,237,000 (2019 – nil) in Canada and $224,000 (2019 – nil) in United States. These losses, if not utilized, will expire through 2040. 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.

10 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 of Directors 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 periods ended December 31, 2020 and 2019 are as follows:

	2020	2019
Salaries and benefits	$ 421,211	$ 224,360
Directors fees – personnel costs	$ 33,381	$ -
Share-based compensation	$ 220,901	$ 102,122

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

In January 2020, the Company provided loans totaling C$275,880 to the Company's directors and key management personnel to participate in the February 2020 non-brokered private placement (Note 8(b)). The loans bear interest at 2% per annum, are subject to periodic repayment and mature on December 31, 2021. The borrowers have pledged the shares in favour of the Company pursuant to a share pledge agreement. The Company will hold the pledged shares as security until full repayment of the notes receivable.

Principal (C$275,880)	$ 208,482
Repayments	(112,027)
Foreign exchange	(1,424)
Balance at December 31, 2020	$ 95,031

Name	Position	Initial Loan Amounts C$	Repayments C$	Balance at December 31, 2020 C$
Chad Peters	Director and CEO	$ 99,000	$ (49,784)	**$ 49,216**
Duane Lo	Director and CFO	77,000	(49,457)	**27,543**
Michael Harp	VP of Exploration	40,040	(18,225)	**21,815**
Mike Blady	Independent Director	29,920	(17,769)	**12,151**
Lew Teal	Independent Director	29,920	(19,652)	**10,268**
		$ 275,880	**$ (154,887)**	**$ 120,993**

As of December 31, 2020, included in the accounts payable and accrued liabilities balance on the consolidated statement of financial position is C$5,913 (December 31, 2019 – C$3,846) due to the Company's directors and key management personnel.

11 Supplemental cash flow information

	Note	December 31, 2020	December 31, 2019
Non-cash investing activity			
Issuance of share capital – property acquisition agreement	(i)	**$ 21,078**	**$ -**
Exploration and evaluation assets	(ii)	**$ 62,490**	**$ 5,595**
Exploration and evaluation assets – issuance of common shares	(iii)	**$ -**	**$ 332,172**
Non-cash financing activities			
Related party transaction – issuance of common shares	(iv)	**$ 208,482**	**$ -**
Agent compensation warrants	(v)	**$ 213,475**	**$ -**
Share issue costs – initial public offering – corporate finance fee	(vi)	**$ 19,170**	**$ -**

(i) As outlined in Note 6(b), the Company issued a total of 128,681 common shares of the Company with a value of $21,078 in connection with various mineral property agreements, which was capitalized to exploration and evaluation assets.

(ii) These exploration and evaluation asset amounts were included in the accounts payable balance at the statement of financial position date.

(iii) During the year ended December 31, 2019, 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 exploration and evaluation assets.

(iv) The Company issued common shares with a value of $208,482 to related parties in exchange for notes receivable (Note 10).

(v) As outlined in Note 8(b), the Agent received 578,100 compensation warrants with a fair value of C$278,397 upon completion of the IPO (Note 8).

(vi) As outlined in Note 8(b), the Company issued 55,555 common shares of the Company with a value of $19,170 to the Agent as corporate finance fee upon completion of the IPO.

12 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.

13 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, restricted cash, receivables, notes receivable, accounts payable and accrued liabilities and lease liability.

The carrying values of cash and cash equivalent, restricted cash, receivables, notes receivable, accounts payable and accrued liabilities and lease liability approximate their fair value due to their short terms to maturity.

The following tables summarize the classification and carrying values of the Company's financial instruments at December 31, 2020 and 2019:

December 31, 2020	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash and cash equivalents	$ -	$ 2,758,526	$ -	$ 2,758,526
Restricted cash	-	22,581	-	22,581
Receivables	-	29,638	-	29,638
Notes receivables	-	95,031	-	95,031
Total financial assets	$ -	$ 2,905,776	$ -	$ 2,905,776
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 168,051	$ 168,051
Lease liability	-	-	21,005	21,005
Total financial liabilities	$ -	$ -	$ 189,056	$ 189,056

December 31, 2019	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash and cash equivalents	$ -	$ 1,227,329	$ -	$ 1,227,329
Total financial assets	$ -	$ 1,227,329	$ -	$ 1,227,329
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 28,581	$ 28,581
Total financial liabilities	$ -	$ -	$ 28,581	$ 28,581

b) Financial risk management

(i) Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, restricted cash, and notes receivable.

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 credit risk with notes receivable is low since the amounts are owing from related parties and are secured.

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, restricted cash, and notes receivable. The Company does not believe that it is exposed to material interest rate risk on its cash and cash equivalents, restricted cash, and notes receivable.

As at December 31, 2020, 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, 2020, 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, 2020	December 31, 2019
Cash and cash equivalents	**$ 1,539,743**	$ 52,920
Accounts payable and accrued liabilities	**(63,729)**	(1,516)
	$ 1,476,014	$ 51,404

As at December 31, 2020, 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$) would result in an increase or decrease of approximately C$ 188,057 to the net loss for the year ended December 31, 2020.

14 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, 2020, the Company had working capital of $2,745,571.

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.