RIDGELINE MINERALS

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States dollars)

Three and six month periods ended June 30, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING

The accompanying condensed consolidated interim financial statements of Ridgeline Minerals Corp. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by a company's auditor.

Ridgeline Minerals Corp.

Condensed Consolidated Interim Statements of Financial Position

As at June 30, 2021 and December 31, 2020 (Unaudited)

(expressed in United States dollars, except where indicated)

	Note	June 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		$ 4,423,274	$ 2,758,526
Restricted cash		64,697	22,581
Prepaids		65,156	25,746
Receivables		29,822	29,638
Notes receivable	7	35,232	95,031
		4,618,181	2,931,522
Non-current assets			
Property and equipment		233,348	88,345
Exploration and evaluation assets	3	4,631,126	3,669,936
		4,864,474	3,758,281
Total assets		$ 9,482,655	$ 6,689,803
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 232,197	$ 168,051
Current portion of loans payable	5	19,482	-
Current portion of lease liability	4	9,288	17,900
		260,967	185,951
Non-current liabilities			
Loans payable	5	84,064	-
Lease liability	4	-	3,105
Total liabilities		345,031	189,056
Shareholders' equity			
Share capital	6	10,224,696	7,218,204
Reserves		674,848	663,916
Accumulated other comprehensive income		262,616	165,356
Deficit		(2,024,536)	(1,546,729)
Total shareholders' equity		9,137,624	6,500,747
Total liabilities and shareholders' equity		$ 9,482,655	$ 6,689,803

Nature of operations (Note 1)

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

Ridgeline Minerals Corp.

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and six months ended June 30, 2021 and 2020 (Unaudited)

(expressed in United States dollars, except where indicated)

	Note	Three months ended June 30		Six months ended June 30	
		2021	**2020**	**2021**	**2020**
General and administrative expenses					
Administration and office		**$ 14,327**	$ 3,334	**$ 29,813**	$ 25,159
Corporate advisory		**3,470**	-	**3,470**	-
Investor relations		**80,911**	12,616	**148,732**	64,315
Personnel costs		**78,624**	63,614	**155,535**	125,702
Professional fees		**5,684**	67,621	**41,558**	111,906
Filing fees		**10,046**	7,828	**11,772**	7,828
Insurance		**11,137**	4,321	**18,400**	4,321
Depreciation		**12,072**	-	**20,105**	-
Other		**2,899**	449	**4,052**	1,563
Share-based compensation	6	**19,852**	1,931	**25,503**	100,786
Operating loss		**239,022**	171,035	**458,940**	441,580
Foreign exchange loss (gain)		**18,321**	(69,730)	**25,758**	(92,936)
Interest income		**(6,565)**	(4,644)	**(6,891)**	(5,075)
Loss for the period		**250,778**	96,661	**477,807**	343,569
Other comprehensive (income) loss					
Foreign currency translation		**(17,945)**	(134,621)	**(97,260)**	135,120
Comprehensive loss (income) for the period		**$ 232,833**	$ (37,960)	**$ 380,547**	$ 478,689
Loss per common share					
Basic and fully diluted		**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding					
Basic and fully diluted		**50,546,324**	36,839,836	**50,546,324**	31,962,333
Total common shares issued and outstanding		**55,666,116**	36,839,836	**55,666,116**	36,839,836

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

Ridgeline Minerals Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the six months ended June 30, 2021 and 2020 (Unaudited)

(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, 2020		48,128,616	$ 7,218,204	$ 663,916	$ 165,356	$ (1,546,729)	$ 6,500,747
Issuance of share capital – private placement	6	**7,500,000**	**3,123,140**	**-**	**-**	**-**	**3,123,140**
Issuance of share capital – warrant exercise	6	**37,500**	**14,571**	**(14,571)**	**-**	**-**	**-**
Share issue costs		**-**	**(131,219)**	**-**	**-**	**-**	**(131,219)**
Net loss and comprehensive income		**-**	**-**	**-**	**97,260**	**(477,807)**	**(380,547)**
Share-based compensation		**-**	**-**	**25,503**	**-**	**-**	**25,503**
Balance at June 30, 2021		**55,666,116**	**$ 10,224,696**	**$ 674,848**	**$ 262,616**	**$ (2,024,536)**	**$ 9,137,624**

	Note	Number of Shares	Share capital	Reserves	Accumulated other comprehensive income (loss)	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 $0.22 per common share		7,797,262	1,277,421	-	-	-	**1,277,421**
Issuance of share capital – property acquisition agreement		113,681	18,621	-	-	-	**18,621**
Issuance of share capital – property acquisition agreement		15,000	2,457	-	-	-	**2,457**
Share issue costs		-	(20,388)	-	-	-	**(20,388)**
Net loss and comprehensive loss		-	-	-	(135,120)	(343,569)	**(478,689)**
Share-based compensation		-	-	100,786	-	-	**100,786**
Balance at June 30, 2020		**36,839,836**	**$ 3,891,042**	**$ 205,165**	**$ (125,708)**	**$ (616,176)**	**$ 3,354,323**

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

Ridgeline Minerals Corp.

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended June 30, 2021 and 2020 (Unaudited)

(expressed in United States dollars, except where indicated)

	Note	2021	2020
Cash flows used in operating activities			
Loss for the period		$ **(477,807)**	$ (343,569)
Items not affecting cash:			
Depreciation		**20,105**	-
Share-based compensation		**25,503**	100,786
Non-cash repayment of notes receivable	7	**59,103**	51,380
Unrealized foreign exchange gain		**(65,042)**	(30,553)
Interest on lease liability		**873**	-
		(437,265)	(221,956)
Changes in non-cash operating working capital:			
Increase in receivables and prepaids		**(81,095)**	(14,343)
Increase in accounts payable and accrued liabilities		**50,142**	16,690
		(468,218)	(219,609)
Cash flows used in investing activities			
Purchase of property and equipment		**(58,768)**	(11,175)
Payment for exploration and evaluation assets	3	**(856,042)**	(479,738)
		(914,810)	(490,913)
Cash flows (used in) from financing activities			
Repayment of lease liability	4	**(12,590)**	-
Proceeds from issuance of share capital- private placement		**3,106,500**	1,048,551
Proceeds from issuance of share capital- warrant exercise		**16,640**	-
Share issuance costs	6	**(131,219)**	-
Repayment of loans payable	5	**(2,773)**	-
		2,976,558	1,048,551
Increase in cash and cash equivalents		**1,593,530**	338,029
Effect of exchange rate changes on cash and cash equivalents		**71,218**	(61,194)
Cash and cash equivalents - beginning of period		**2,758,526**	1,227,329
Cash and cash equivalents - end of period		$ **4,423,274**	$ 1,504,164

Cash and cash equivalents is represented by:

Cash		**$ 4,423,274**	$ 1,504,164
Cash equivalents		**-**	-
Total cash and cash equivalents		$ **4,423,274**	$ 1,504,164

Supplemental cash flow information (Note 8)

The accompanying notes are an integral part of these condensed consolidated interim 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 also trades in the United States on the Over-the-Counter OTCQB Venture Market ("OTCQB") under the symbol "RDGMF".

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 condensed consolidated interim 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 June 30, 2021, the Company has accumulated net losses of $2,024,536 since inception and has working capital of $4,357,214. The operations of the Company have primarily been funded by the issuance of common shares. These condensed consolidated interim 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 condensed consolidated interim 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

The Company prepares its condensed consolidated interim financial statements in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC"). These should be read in conjunction with the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2020 ("annual financial statements"). The accounting policies and critical estimates and judgements applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements, unless otherwise stated.

These condensed consolidated interim 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 condensed consolidated interim financial statements and authorized them for issue on August 5, 2021.

Basis of consolidation

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

3 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**

Carlin-East (the "Carlin-East Project"), is a Carlin-type gold exploration project located within the prolific Carlin Trend, a 200 kilometre ("km") (125 mile) long, north-northwest alignment of predominantly carbonate hosted gold deposits located in northeastern Nevada. The 35 km^2 property straddles the Eureka and Elko County lines and is comprised of 427 contiguous Bureau of Land Management ("BLM") lode claims totaling 8,628 acres of surface and mineral rights on-trend of the currently producing Leeville-Turf deposit, which is owned by Nevada Gold Mines ("NGM"), a joint venture between Barrick Gold Corp and Newmont Corp.

On April 10, 2019, the Company entered into the Carlin-East Option Agreement to acquire a 100% interest in 243 unpatented claims, which are part of the Carlin-East property comprised of an aggregate of 427 contiguous unpatented mining claims. On September 11, 2020, the Company fulfilled its obligations and acquired its 100% interest in the Carlin-East Project.

The Carlin-East Project is subject to a 3.25% production royalty and annual advance minimum royalty ("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 Carlin-East Option Agreement has an underlying term of 99 years unless sooner terminated or the option is exercised, with AMR 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 (paid); $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 AMR's 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").

b) **Bell Creek Property, Nevada, United States**

Bell Creek (the "Bell Creek Project") is a Carlin-Type exploration project located directly west of the original Carlin-East claims and adjacent to NGM's Goldstrike, Meikle-Rodeo and Ren-Banshee deposits on the western edge of Little Boulder Basin. The property has seen limited historic exploration and is comprised of 1,300 acres of semi-contiguous private mineral rights totaling 5 km^2.

On February 25, 2020, the Company 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.

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 (paid);
- $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.

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

Swift (the “Swift Project”), is a Carlin-type gold exploration project within the prolific Cortez district of the Battle Mountain – Eureka Trend in Lander County, Nevada. The project covers an area of approximately 12,220 contiguous acres (50 km²) and is a mix of 471 unpatented BLM administered lode claims (8,520 acres) and private “fee” lands (3,700 acres). The project has seen limited historic exploration and is located approximately 7 km to the northwest and directly on-strike of NGM’s Gold Acres, Pipeline, Cortez Hills and Goldrush deposits.

On April 10, 2019, the Company entered into the Swift and Selena Option Agreement to earn a 100% interest in the Swift property comprised of a mix of 471 unpatented BLM administered federal lode claims and 3,700 acres of federal fee lands covering approximately 12,220 acres located in Lander County, Nevada (the "Swift Property") and the Selena property comprised of 311 unpatented BLM administered contiguous federal lode claims covering approximately 6,282 acres located in White Pine County, Nevada. 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 Swift and Selena projects are subject to a 3.25% production royalty. 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.

Marvel Property

In October 2019, the Company, 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.

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);
- $25,000 on the second anniversary (paid);
- $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.

(amounts expressed in United States dollars, except per share amounts and where indicated)

Expenditures for the six months ended June 30, 2021 were as follows:

	Carlin-East / Bell Creek	Swift	Selena	Total
Additions:				
Geophysics	$ -	$ -	$ 2,600	**$ 2,600**
Geochemistry	-	-	2,910	**2,910**
Drilling	38,690	300	372,656	**411,646**
Assays	-	13,030	27,451	**40,481**
Land fees and permitting	21,598	1,217	33,507	**56,322**
Technical report	-	5,845	-	**5,845**
Geology salaries and fees	104,268	72,234	102,877	**279,379**
Property administration	32,905	12,926	11,028	**56,859**
Total additions for the period	197,461	105,552	553,029	**856,042**
Balance at December 31, 2020	1,054,368	1,651,145	964,423	3,669,936
	1,251,829	1,756,697	1,517,452	**4,525,978**
Movement in foreign exchange	29,083	40,812	35,253	**105,148**
Balance at June 30, 2021	**$ 1,280,912**	**$ 1,797,509**	**$ 1,552,705**	**$ 4,631,126**

Expenditures for the six months ended June 30, 2020 were as follows:

	Carlin-East / Bell Creek	Swift	Selena	Total
Balance, December 31, 2019	$ 711,475	$ 367,464	$ 170,305	$ 1,249,244
Additions:				
Property acquisition costs	8,767	7,528	4,786	21,081
Geophysics	5,448	41,926	1,138	48,512
Geochemistry	-	40,622	44,560	85,182
Drilling	6,320	6,320	46,930	59,570
Assays	-	-	7,987	7,987
Land fees and permitting	18,991	11,215	26,871	57,077
Technical report	5,103	4,842	5,132	15,077
Geology salaries and fees	65,821	65,109	77,700	208,630
Property administration	-	-	17,080	17,080
Total additions for the period	821,925	545,026	402,489	1,769,440
Movement in foreign exchange	(26,234)	(17,396)	(12,848)	(56,478)
Balance, June 30, 2020	$ 795,691	$ 527,630	$ 389,641	$ 1,712,962

(amounts expressed in United States dollars, except per share amounts and where indicated)

4 Leases

Lease liability

	June 30, 2021	December 31, 2020
Lease liability	**$ 9,288**	$ 21,005
Less: current portion	**9,288**	17,900
Long-term portion	**$ -**	$ 3,105

Undiscounted lease payments

	June 30, 2021	December 31, 2020
Less than one year	**$ 12,800**	$ 19,200
One to five years	**-**	3,200
	$ 12,800	$ 22,400

For the six months ended June 30, 2021, interest expense on the lease liability and lease payments made amounted to $873 and $9,600 respectively (2020 – $1,090 and $6,400).

5 Loans payable

During the six months ended June 30, 2021, the Company acquired two vehicles through financing agreements. The loan payable balance was as follows:

	June 30, 2021
Balance, December 31, 2020	**$ -**
Additions	**106,319**
Repayments	**(2,773)**
Balance, June 30, 2021	**$ 103,546**
Less: current portion	**(19,482)**
Long term portion	**$ 84,064**

The financing agreement bears interest rates with a range of 5.99% to 6.34% per annum over terms ranging from five to six years. For the six months ended June 30, 2021, interest expense on the loans payable and loan payments made amounted to $1,069 and $3,871 respectively.

6 Share capital

a) **Common shares**

The Company's authorized share capital consists of unlimited common shares without par value. At June 30, 2021, the Company had 55,666,116 common shares issued and outstanding (December 31, 2020 – 48,128,616).

b) **Private placement**

On April 30, 2021, the Company closed a non-brokered private placement ("Private Placement") consisting of 7,500,000 units ("Unit") at a price of C$0.50 per Unit which raised gross proceeds of C$3,745,000. Each Unit consists of one common share of the Company (a "Share") and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one Share at a price of C$0.75 for a period of two years from the closing date provided that, commencing on the date that is four months and one day after the closing date, if the closing price of the Shares on the TSX-V, is at a price equal to or greater than C$1.50 for a period of ten consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants that the Warrants will expire on the date that is not less than thirty (30) days from the date notice is provided. All securities issued in the Private Placement is subject to a four (4) month hold period from April 30, 2021. The Company paid a finder's fee of C$145,650 and recognized net proceeds of C$3,599,350 million after deducting share issuance costs.

(amounts expressed in United States dollars, except per share amounts and where indicated)

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 Condensed Consolidated Interim Statements of Comprehensive Loss.

	Number of share options	**Weighted average exercise price (C$)**
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
Granted	**60,000**	**0.50**
Outstanding as at June 30, 2021	**3,605,000**	**$0.17**

At June 30, 2021, 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
60,000	0.50	Apr 2026
3,605,000		

(amounts expressed in United States dollars, except per share amounts and where indicated)

	June 30, 2021
Weighted average exercise price for exercisable options	**C$0.17**
Weighted average share price for options exercised	**-**
Weighted average years to expiry for exercisable options	**3.40 years**

d) **Share purchase warrants**

Share purchase warrant transactions for the six months ended June 30, 2021 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
Granted	**3,750,000**	**0.75**
Exercised	**(37,500)**	**0.55**
Outstanding as at June 30, 2021	**9,857,375**	**$0.62**

At June 30, 2021, the following share purchase warrants were outstanding:

Number of share purchase warrants	Exercise price (C$)	Expiry date
5,537,500	0.55	February 2023
569,875	0.45	February 2023
3,750,000	0.75	April 2023
9,857,375		

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 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).

At June 30, 2021, the following DSUs were outstanding:

Number of DSUs	Weighted average grant date fair value per DSU (C$)
570,000	0.36

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

(amounts expressed in United States dollars, except per share amounts and where indicated)

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 the Company shall decide, at its sole discretion whether 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).

At June 30, 2021, the following RSUs were outstanding:

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

7 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 six months ended June 30, 2021 and 2020 are as follows:

	2021	2020
Salaries and benefits – personnel costs	**$ 211,440**	$ 195,000
Directors' fees – personnel costs	**$ 24,949**	$ 14,603
Share-based compensation	**$ -**	$ 93,178

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. 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**
Repayments	**(59,103)**
Foreign exchange	**(696)**
Balance at June 30, 2021	**$ 35,232**

(amounts expressed in United States dollars, except per share amounts and where indicated)

Name	Position	Initial Loan Amounts C$	Repayments C$	Balance at June 30, 2021 C$
Chad Peters	Director and CEO	$ 99,000	**$ (69,341)**	**$ 29,659**
Duane Lo	Director and CFO	77,000	**(77,000)**	**-**
Michael Harp	VP of Exploration	40,040	**(29,481)**	**10,559**
Mike Blady	Independent Director	29,920	**(26,771)**	**3,149**
Lew Teal	Independent Director	29,920	**(29,621)**	**299**
		$ 275,880	**$ (232,214)**	**$ 43,666**

As of June 30, 2021, included in the accounts payable and accrued liabilities balance on the condensed consolidated interim statement of financial position is C$5,000 (December 31, 2020 – C$5,913) due to the Company's directors and key management personnel.

8 Supplemental cash flow information

	Note	June 30, 2021	June 30, 2020
Non-cash investing activity			
Exploration and evaluation assets	(i)	**$ 14,005**	**$ -**
Issuance of share capital – property acquisition agreement	(ii)	**$ -**	**$ 21,078**
Non-cash financing activity			
Related party transaction – issuance of common shares	(iii)	**$ -**	**$ 208,482**

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

(ii) During the six months ended June 30, 2020, 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.

(iii) During the six months ended June 30, 2020, the Company issued common shares with a value of $208,482 to related parties in exchange for notes receivable (Note 6).

9 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.

10 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).

(amounts expressed in United States dollars, except per share amounts and where indicated)

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, notes receivable, accounts payable and accrued liabilities, lease liability and loans payable.

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 June 30, 2021:

	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash and cash equivalents	$ -	$ 4,423,274	$ -	$ 4,423,274
Restricted cash	-	64,697	-	64,697
Receivables	-	29,822	-	29,822
Notes receivables	-	35,232	-	35,232
Total financial assets	$ -	$ 4,553,025	$ -	$ 4,553,025
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 232,197	$ 232,197
Loans payable	-	-	103,546	103,546
Lease liability	-	-	9,288	9,288
Total financial liabilities	$ -	$ -	$ 345,031	$ 345,031

There have been no transfers between fair value levels during the reporting period.