



---

**CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in United States dollars)**

**December 31, 2023**

## 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, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### *Basis for Opinion*

We conducted our audit 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 audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at December 31, 2023, the Company has accumulated net losses of \$4,634,966 since inception and has working capital of \$563,501. The operations of the Company have primarily been funded by the issuance of common shares and have not generated revenues. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

### *Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")*

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$10,814,038 as of December 31, 2023. As more fully described in Note 4 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements.
- Evaluating on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

### ***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.

### ***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 Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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:

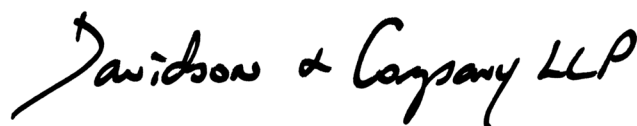
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 26, 2024

**Ridgeline Minerals Corp.**  
**Consolidated Statements of Financial Position**  
As at December 31, 2023 and 2022

(expressed in United States dollars, except where indicated)

	Note	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 505,053	\$ 1,186,036
Restricted cash		63,237	62,727
Prepays		97,923	50,661
Receivables		16,210	17,141
		<b>682,423</b>	1,316,565
<b>Non-current assets</b>			
Property and equipment	5	200,408	180,699
Exploration and evaluation assets	6	10,814,038	8,248,139
		<b>11,014,446</b>	8,428,838
<b>Total assets</b>		<b>\$ 11,696,869</b>	\$ 9,745,403
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 79,028	\$ 681,494
Current portion of loan payable	8	19,482	19,482
Current portion of lease liability	7	20,412	5,625
		<b>118,922</b>	706,601
<b>Non-current liabilities</b>			
Loan payable	8	41,082	59,774
Lease liability	7	35,141	-
		<b>76,223</b>	59,774
<b>Total liabilities</b>		<b>195,145</b>	766,375
<b>Shareholders' equity</b>			
Share capital	9	14,989,220	11,874,458
Reserves	9	1,256,230	1,265,646
Accumulated other comprehensive loss		(108,760)	(429,795)
Deficit		(4,634,966)	(3,731,281)
<b>Total shareholders' equity</b>		<b>11,501,724</b>	8,979,028
<b>Total liabilities and shareholders' equity</b>		<b>\$ 11,696,869</b>	\$ 9,745,403

Nature of operations and going concern (Note 1)

Subsequent event (Note 16)

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

**Ridgeline Minerals Corp.**  
**Consolidated Statements of Comprehensive Loss**  
For the years ended December 31, 2023 and 2022

(expressed in United States dollars, except where indicated)

		2023	2022
<b>General and administrative expenses</b>			
Administration and office		\$ 84,690	\$ 80,661
Investor relations		255,871	242,792
Personnel costs		316,128	253,225
Professional fees		94,000	100,063
Filing fees		40,713	42,950
Insurance		24,310	30,170
Depreciation	5	56,205	79,425
Other		12,763	17,537
Share-based compensation	9,11	17,005	170,076
<b>Operating loss</b>		<b>901,685</b>	1,016,899
Foreign exchange loss (gain)		41,076	(24,365)
Interest income		(39,076)	(22,284)
<b>Loss for the year</b>		<b>903,685</b>	970,250
<b>Other comprehensive (gain) loss</b>			
Foreign currency translation		(321,035)	490,217
<b>Comprehensive loss for the year</b>		<b>\$ 582,650</b>	\$ 1,460,467
<b>Loss per common share</b>			
Basic and fully diluted		\$ (0.01)	\$ (0.02)
<b>Weighted average number of common shares outstanding</b>			
Basic and fully diluted		83,906,296	58,983,027
<b>Total common shares issued and outstanding</b>		<b>91,196,115</b>	68,552,780

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

## Ridgeline Minerals Corp.

### Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2023 and 2022

(expressed in United States dollars, except where indicated)

	Note	Number of Shares	Share capital	Reserves	Accumulated other comprehensive loss	Deficit	Total
<b>Balance at December 31, 2022</b>		68,552,780	\$ 11,874,458	\$ 1,265,646	\$ (429,795)	\$ (3,731,281)	\$ 8,979,028
Issuance of share capital – private placement	9	22,535,000	3,311,049	-	-	-	3,311,049
Issuance of share capital – RSU redemption	9	108,335	26,421	(26,421)	-	-	-
Share issue costs – private placement	9	-	(222,708)	-	-	-	(222,708)
Loss and comprehensive gain		-	-	-	321,035	(903,685)	(582,650)
Share-based compensation	9	-	-	17,005	-	-	17,005
<b>Balance at December 31, 2023</b>		<b>91,196,115</b>	<b>\$ 14,989,220</b>	<b>\$ 1,256,230</b>	<b>\$ (108,760)</b>	<b>\$ (4,634,966)</b>	<b>\$ 11,501,724</b>

	Note	Number of Shares	Share capital	Reserves	Accumulated other comprehensive loss	Deficit	Total
<b>Balance at December 31, 2021</b>		55,678,616	\$ 10,032,492	\$ 1,134,130	\$ 60,422	\$ (2,761,031)	\$ 8,466,013
Issuance of share capital – private placement		12,732,500	1,857,810	-	-	-	1,857,810
Issuance of share capital – RSU redemption		141,664	38,560	(38,560)	-	-	-
Share issue costs – private placement		-	(54,404)	-	-	-	(54,404)
Loss and comprehensive loss		-	-	-	(490,217)	(970,250)	(1,460,467)
Share-based compensation		-	-	170,076	-	-	170,076
<b>Balance at December 31, 2022</b>		<b>68,552,780</b>	<b>\$ 11,874,458</b>	<b>\$ 1,265,646</b>	<b>\$ (429,795)</b>	<b>\$ (3,731,281)</b>	<b>\$ 8,979,028</b>

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

**Ridgeline Minerals Corp.**  
**Consolidated Statements of Cash Flows**

For the years ended December 31, 2023 and 2022

(expressed in United States dollars, except where indicated)

	Note	2023	2022
<b>Cash flows used in operating activities</b>			
Loss for the year		\$ (903,685)	\$ (970,250)
Items not affecting cash:			
Depreciation	5	56,205	79,425
Share-based compensation	9	17,005	170,076
Unrealized foreign exchange loss		49,609	63,553
Interest on lease liability	7	3,590	6,079
		(777,276)	(651,117)
Changes in non-cash operating working capital:			
Decrease in receivables and prepaids		(46,331)	11,538
Decrease in accounts payable and accrued liabilities		28,740	(34,473)
		(794,867)	(674,052)
<b>Cash flows used in investing activities</b>			
Purchase of property and equipment	5	-	(21,274)
Payment for exploration and evaluation assets	6	(2,953,319)	(1,745,381)
		(2,953,319)	(1,766,655)
<b>Cash flows from financing activities</b>			
Repayment of loan payable	8	(18,692)	(17,568)
Lease payments	7	(14,000)	(17,079)
Proceeds from issuance of share capital - private placements	9	3,311,049	1,857,810
Share issuance costs – private placements	9	(222,708)	(54,404)
		3,055,649	1,768,759
<b>Decrease in cash</b>		(692,537)	(671,948)
Effect of exchange rate changes on cash		11,554	(65,241)
<b>Cash - beginning of year</b>		<b>1,186,036</b>	1,923,225
<b>Cash - end of year</b>		<b>\$ 505,053</b>	\$ 1,186,036

Supplemental cash flow information (Note 12)

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



# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

---

### 1 Nature of operations and going concern

#### 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 states of Nevada and Idaho, United States.

The Company’s common shares are trading on the TSX Venture Exchange (the “TSX-V”) under the symbol “RDG”. The Company’s common shares also trade in the United States on the Over-the-Counter OTCQB Venture Market under the trading 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 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, 2023, the Company has accumulated net losses of \$4,634,966 since inception and has working capital of \$563,501. The operations of the Company have primarily been funded by the issuance of common shares. The Company will require additional funding to maintain its operations for the upcoming fiscal year. 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. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

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 IFRS Accounting Standards 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 years ended December 31, 2023 and 2022.

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 April 26, 2024.

# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

### **Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its significant wholly owned subsidiaries, being Ridgeline Minerals Corporation (“Ridgeline NV”), Ridgeline Silver Corporation, Ridgeline Exploration Corporation and Big Blue Nevada Corporation.

All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

## **3 Use of estimates and judgments**

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

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

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

## **4 Material accounting policy information**

The accounting policies set out below have been applied consistently by the Company and its wholly owned subsidiary for 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, restricted cash, receivables, accounts payable, accrued liabilities, loan payable and lease liability are classified as amortized cost.

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

---

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

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).

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired.

**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.

As at December 31, 2023 and 2022, the Company did not hold any cash equivalents.

# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

---

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

### 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 calculated using the straight-line method over the estimated useful lives of the assets as follows:

Vehicles - 5 years  
Equipment - 5 years

### 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 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

# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

---

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. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserve.

# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

---

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

### **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) Earnings (loss) per share**

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similarly to basic earnings (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.

# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

---

### **o) Foreign currency translation**

The functional currency of the Company and its subsidiaries 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 (“USD”). 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.

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

**q) Standards issued or amended but not yet effective**

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current and Noncurrent Liabilities with Covenants. These amendments increase the disclosure required to enable users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company does not expect these amendments to have a material effect on its consolidated financial statements, however, the Company does expect an increase to the accounting information disclosed.

As of December 31, 2023, there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

**5 Property and equipment**

	<b>Right-of-use asset</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Total</b>
<b>Cost</b>				
Balance at December 31, 2021	\$ 40,973	\$ 177,319	\$ 66,302	\$ 284,594
Additions	47,290	-	21,274	68,564
Lease modification	(25,482)	-	-	(25,482)
As at December 31, 2022	<b>\$ 62,781</b>	<b>\$ 177,319</b>	<b>\$ 87,576</b>	<b>\$ 327,676</b>
Additions	75,914	-	-	75,914
As at December 31, 2023	<b>\$ 138,695</b>	<b>\$ 177,319</b>	<b>\$ 87,576</b>	<b>\$ 403,590</b>
<b>Accumulated depreciation</b>				
Balance at December 31, 2021	\$ 31,784	\$ 24,259	\$ 11,509	\$ 67,552
Depreciation for the year	11,641	27,464	40,320	79,425
As at December 31, 2022	<b>\$ 43,425</b>	<b>\$ 51,723</b>	<b>\$ 51,829</b>	<b>\$ 146,977</b>
Depreciation for the year	12,826	27,464	15,915	56,205
As at December 31, 2023	<b>\$ 56,251</b>	<b>\$ 79,187</b>	<b>\$ 67,744</b>	<b>\$ 203,182</b>
<b>Carrying amounts</b>				
As at December 31, 2022	\$ 19,356	\$ 125,596	\$ 35,747	\$ 180,699
As at December 31, 2023	<b>\$ 82,444</b>	<b>\$ 98,132</b>	<b>\$ 19,832</b>	<b>\$ 200,408</b>

**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) Selena Project - Nevada, United States**

Selena (the “Selena Project”) is an exploration project located in White Pine County, Nevada. The Selena Project is subject to a production royalty of 3.25%. The Company can purchase up to 1% of the production royalty (leaving 2.25%) for



# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

\$3,000,000 in the first 8 years since acquiring the Selena Project. All advance minimum royalty (“AMR”) payments will be offset against 70% of the production royalty payments as they become due.

### b) **Swift Project - Nevada, United States**

Swift (the “Swift Project”) is an exploration project within Battle Mountain – Eureka Trend in Lander County, Nevada. The Swift Project is subject to the NGM Earn-In-Agreement.

#### Nevada Gold Mines Corporation Earn-In-Agreement

On September 22, 2021, the Company announced that it had entered into a transaction with Nevada Gold Mines Corporation (“NGM”) (the “NGM Earn-In-Agreement”) pursuant to which NGM can acquire an interest in the Company’s Swift Project. NGM can incur a minimum of \$20 million (of which \$4 million is guaranteed) in qualifying work expenditures over an initial five-year term to earn an initial 60% interest in Swift and will have further options to increase its interest to a total 75% interest. NGM assumed operatorship of the project immediately.

- initial earn-in option: NGM will assume operatorship of the project and can earn-in to a 60% interest in the project by incurring a minimum of \$20 million in qualifying work expenditures over five years, including.
  - \$4 million in guaranteed work expenditures before December 31, 2023 (met).
  - \$16 million in work expenditures and preparation of a technical report in compliance with the requirements of National Instrument 43-101 before December 31, 2026.
  - NGM and Ridgeline will each elect two representatives to a Swift technical steering committee, which will meet quarterly to review budgets and exploration progress.
- Second Earn-In Option: NGM will retain a one-time option to earn an additional 10% interest in the project by sole-funding an additional \$10 million in work expenditures before December 31, 2029.

As part of the NGM Earn-In-Agreement, NGM reimbursed a total of \$372,762 to Ridgeline as consideration for work expenditures at Swift. This amount was received in October 2021 and recorded as a recovery of exploration and evaluation assets of the Swift Property.

### c) **Black Ridge Project (previously Carlin-East), Nevada, United States**

Black Ridge (the “Black Ridge Project”) is a Carlin-type exploration project located in northeastern Nevada. The Black Ridge Project is subject to the NGM Black Ridge Earn-In-Agreement.

#### Nevada Gold Mines Corporation Black Ridge Earn-In-Agreement

On July 17, 2023, the Company entered into an earn-in agreement with NGM (the “NGM Black Ridge Earn-In-Agreement”) pursuant to which NGM can acquire an interest in the Company’s Black Ridge Project. NGM can incur a minimum of \$4.5 million (of which \$1.5 million is guaranteed) in qualifying work expenditures over an initial five-year term to earn an initial 60% interest in Black Ridge and will have further options to increase its interest to a total 75% interest. NGM assumed operatorship of the project immediately.

- initial earn-in option: NGM will assume operatorship of the project and can earn-in to a 60% interest in the project by incurring a minimum of \$4.5 million in qualifying work expenditures over five years, including.
  - \$1.5 million in guaranteed work expenditures before December 31, 2025.
  - \$3.0 million in work expenditures before July 14, 2028.
  - NGM and Ridgeline will each elect two representatives to a Black Ridge technical steering committee, which will meet quarterly to review budgets and exploration progress.
- Second Earn-In Option: NGM will retain a one-time option to earn an additional 10% interest in the project by sole-funding an additional \$5 million in work expenditures before July 14, 2030.

As part of the NGM Earn-In-Agreement, NGM reimbursed a total of \$100,000 to Ridgeline as consideration for work expenditures at Black Ridge. This amount was received in July 2023 and recorded as a recovery of exploration and evaluation assets of the Black Ridge Property.

# Ridgeline Minerals Corp.

## Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

### d) Bell Creek Property, Nevada, United States

Bell Creek (the "Bell Creek Project") is a Carlin-Type exploration project located directly west of the original Black Ridge 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 (paid);
- \$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.

### e) Robber Gulch, Idaho, United States

Robber Gulch (the "Robber Gulch Project") is an exploration project located near Burley, Cassia County, Idaho. On January 26, 2022, the Company entered into an exploration earn-in option agreement to acquire a 100% interest in the Robber Gulch Project from Bronco Creek Exploration, a wholly-owned subsidiary of EMX. Pursuant to the agreement, Ridgeline may earn a 100% interest in the project by:

- Making the initial execution payment of \$50,000 (paid) and all option payments totaling \$750,000 over a five-year period (of which up to \$350,000 may be payable in common shares of the Company); and
- Delivering 150,000 common shares in Ridgeline to EMX by the second anniversary of the agreement; and
- Completing \$650,000 in exploration expenditures before the fifth anniversary of the agreement.

Upon closing of the exploration earn-in option agreement, EMX will retain a 3.25% NSR royalty on the project. Ridgeline can reduce the NSR royalty to 2.25% by:

- Completing an initial 0.5% royalty buyback with a payment of \$1,500,000 to EMX prior to the third anniversary of the option exercise (year 8); and
- Paying \$2,000,000 to EMX anytime thereafter for the remaining 0.5%.

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

- Ridgeline will make Annual Advance Royalty payments of \$50,000 that increase to \$75,000 upon completion of a Preliminary Economic Assessment or Order of Magnitude Study with payments to cease upon commencement of commercial production.
- Ridgeline will make project milestone payments (payable in cash or, at the election of the Company, in common shares) consisting of:
  - a. \$250,000 upon completion of a Preliminary Economic Assessment,
  - b. \$500,000 upon completion of the earlier of a Prefeasibility or Feasibility Study, and
  - c. \$1,000,000 upon a positive development decision.

On February 21, 2024, the Company entered into an agreement to sell its 100% interest in Robber Gulch to Scout Discoveries Corp. (“Scout”) for cash and securities. The consideration received from Scout consisted of a one time payment of \$50,000 and 200,000 common shares of Scout. This transaction was completed on March 20, 2024.

f) **Big Blue, Nevada, United States**

The Company has a 100% interest in the exploration prospect in Elko County, Nevada. The project is 100% retains no underlying lease payments, work commitments or royalty obligations.

Expenditures for the year ended December 31, 2023 were as follows:

	Swift / Black Ridge	Selena	Big Blue	Robber Gulch / Bell Creek	Total
Additions:					
Geophysics	\$ -	\$ 51,467	\$ -	\$ -	\$ 51,467
Geochemistry	-	6,967	-	-	6,967
Drilling	-	1,136,328	-	-	1,136,328
Assays	-	109,462	3,033	-	112,495
Land fees and permitting	40,938	133,972	219,564	79,451	473,925
Geology salaries and fees	-	356,474	284,457	-	640,931
Property administration	-	-	-	-	-
Acquisition payment	-	-	-	-	-
<b>Total additions for the year</b>	<b>40,938</b>	<b>1,794,670</b>	<b>507,054</b>	<b>79,451</b>	<b>2,422,113</b>
Balance at December 31, 2022	4,295,716	3,713,964	-	238,459	8,248,139
	4,336,654	5,508,634	507,054	317,910	10,670,252
Recovery of exploration and evaluation expenditures from NGM	(100,000)	-	-	-	(100,000)
Movement in foreign exchange	97,712	127,048	11,694	7,332	243,786
<b>Balance at December 31, 2023</b>	<b>\$ 4,334,366</b>	<b>\$ 5,635,682</b>	<b>\$ 518,748</b>	<b>\$ 325,242</b>	<b>\$ 10,814,038</b>

## Ridgeline Minerals Corp.

### Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

Expenditures for the year ended December 31, 2022 were as follows:

	Swift / Black Ridge	Selena	Big Blue	Robber Gulch / Bell Creek	Total
Additions:					
Geophysics	\$ -	\$ 54,410	\$ -	\$ -	\$ 54,410
Geochemistry	-	11,734	-	-	11,734
Drilling	203	1,012,097	-	-	1,012,300
Assays	-	92,345	-	5,896	98,241
Land fees and permitting	121,938	252,349	-	25,000	399,287
Geology salaries and fees	19,827	677,246	-	16,591	713,664
Property administration	-	37,526	-	-	37,526
Acquisition payment	-	-	-	69,305	69,305
Total additions for the year	141,968	2,137,707	-	116,792	2,396,467
Balance at December 31, 2021	4,410,702	1,798,413	-	135,932	6,345,047
	4,552,670	3,936,120	-	252,724	8,741,514
Movement in foreign exchange	(256,954)	(222,156)	-	(14,265)	(493,375)
Balance at December 31, 2022	\$ 4,295,716	\$ 3,713,964	\$ -	\$ 238,459	\$ 8,248,139

## 7 Leases

Lease liability

	December 31, 2023	December 31, 2022
Lease liability	\$ 55,553	\$ 5,625
Less: current portion	(20,412)	(5,625)
Long-term portion	\$ 35,141	\$ -

Undiscounted lease payments

	December 31, 2023	December 31, 2022
Less than one year	\$ 25,071	\$ 5,696
One to five years	40,119	-
	\$ 65,190	\$ 5,696

The Company's leased asset is the right of use of an office space in Nevada, USA. The lease liability is discounted at the Company's incremental borrowing rate of 10%. Interest expense on the lease liability and lease payments made amounted to \$3,590 and \$14,000, respectively, for the year ended December 31, 2023 (2022 – \$6,079 and \$34,176, respectively).

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

## 8 Loans payable

In fiscal, the Company acquired two vehicles through financing agreements. The loan payable balance was as follows:

Balance, December 31, 2022	\$ 79,256
Repayments	(18,692)
Balance, December 31, 2023	\$ 60,564
Less: current portion	(19,482)
Long term portion	\$ 41,082

### Undiscounted loan payments

Total	Less than 1 year	1 - 3 years	3-5 years	More than 5 years
\$ 60,564	\$ 19,482	\$ 38,964	\$ 2,118	\$ -

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 year ended December 31, 2023, interest expense on the loans payable and loan payments made amounted to \$4,355 and \$18,692, respectively (2022– \$5,472 and \$17,576, respectively).

## 9 Share capital

### a) Common shares

The Company’s authorized share capital consists of unlimited common shares without par value. At December 31, 2023, the Company had 91,196,115 common shares issued and outstanding (December 31, 2022 – 68,552,780) and nil common shares (2022 – 2,421,150) held in escrow.

### b) Issued share capital

On April 27, 2023, the Company closed a non-brokered private placement consisting of 22,535,000 units (“Unit”) at a price of C\$0.20 per Unit which raised gross proceeds of C\$4,507,000. 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\$0.30 for a period of two years from the closing date. The Company paid an aggregate finder’s fee of C\$240,958 and recognized net proceeds of C\$4,203,928 after deducting share issuance costs. The warrants were determined to have a value of \$nil using the residual value method.

The Company issued share capital for the year ended December 31, 2022 as follows:

- In September 2022, the Company closed a non-brokered private placement consisting of 12,732,500 units at a price of C\$0.20 per unit which raised gross proceeds of C\$2,546,500. Each unit consisted of one common share of the Company and one-half of one non-transferable common share purchase warrant. Each whole warrant exercisable to acquire one share at a price of C\$0.30 until September 29, 2024. The Company paid a finder’s fee of C\$45,900. The warrants were determined to have a value of \$nil using the residual value method.

### 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.

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

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 December 31, 2021	4,285,000	\$0.21
Granted	700,000	\$0.23
Outstanding as at December 31, 2022	4,985,000	\$0.21
Granted	-	-
<b>Outstanding and exercisable as at December 31, 2023</b>	<b>4,985,000</b>	<b>\$0.21</b>

At December 31, 2023, the following stock options were outstanding and exercisable:

Number of stock 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
680,000	0.37	Dec 2026
450,000	0.22	Oct 2027
250,000	0.25	Dec 2027
<b>4,985,000</b>		

	2023	2022
Weighted average exercise price for exercisable options	<b>C\$0.21</b>	C\$0.21
Weighted average share price for options exercised	-	-
Weighted average years to expiry for exercisable options	<b>1.58 years</b>	2.58 years

For the year ended December 31, 2023, no share options were granted (2022 – 700,000). Share-based compensation recorded in the statement of comprehensive loss was related to equity based compensation vesting during the year.

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

The weighted average fair value at date of grant for the options granted during the year ended December 31, 2022 was C\$0.23 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:

	<b>2022</b>
Risk-free interest rate	3.46%
Expected life of share option	5 years
Expected volatility	106.27%
Expected dividend	0.00%

**d) Share purchase warrants**

At December 31, 2023, the following share purchase warrants were outstanding:

Number of share purchase warrants	Exercise price C\$	Expiry date
6,366,250	0.30	September 2024
11,267,500	0.30	April 2025
<b>17,633,750</b>		

Share purchase warrant transactions are summarized as follows:

	Number of share purchase warrants	Weighted average exercise price C\$
Outstanding as at December 31, 2021	9,844,875	0.62
Granted	6,366,250	0.30
Outstanding as at December 31, 2022	16,211,125	0.49
Expired	(9,844,875)	0.62
Granted	11,267,500	0.30
<b>Outstanding as at December 31, 2022</b>	<b>17,633,750</b>	<b>0.30</b>

On April 27, 2023, the Company completed a unit private placement which included 11,267,500 share purchase warrants exercisable at \$0.30 per share for a period of two years. The share purchase warrants were determined to have a value of \$nil using the residual value method.

No compensation share warrants were granted during the years ended December 31, 2023 and 2022.

**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 DSU awards 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).

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

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

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, 2023, no DSUs were granted by the Company.

During the year ended December 31, 2022, the Company granted 300,000 DSUs to the Company's directors and executives and recorded share-based compensation of \$47,982 related to the DSUs. The fair value per DSU granted during fiscal 2022 was determined to be C\$0.22 which is the share price of the Common Share on grant date.

At December 31, 2023, the following DSUs were outstanding:

Number of DSUs	Weighted average grant date fair value per DSU (C\$)
570,000	0.36
300,000	0.37
300,000	0.22
<b>1,170,000</b>	

**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 RSU awards 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).

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, 2023, no RSUs were granted by the Company.

During the year ended December 31, 2022, the Company issued 75,000 RSUs to officers and employees of the Company all of which vest over 3 years. The Company recorded share-based compensation expense of \$26,636. The fair value per RSU granted during fiscal 2022 was determined to be C\$0.22 which is the share price of the Common Share on grant date.

During the year ended December 31, 2023, 108,335 vested Restricted Share Units with grant date fair value ranging from C\$0.22 to C\$0.37 were redeemed for 108,335 shares of the Company (2022 – 141,664).



**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

At December 31, 2023, the following RSUs were outstanding:

Number of RSUs	Number of RSUs vested	Weighted average grant date fair value per RSU C\$
24,998	-	0.37
50,000	-	0.22
<b>74,998</b>	-	

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.

**10 Income tax**

	2023	2022
Loss for the period before income taxes	\$ (903,685)	\$ (970,250)
Statutory rate	27.00%	27.00%
Expected income tax recovery	(244,000)	(262,000)
Change in statutory, foreign tax, and foreign exchange rates	75,000	(18,000)
Permanent differences and other	21,000	42,000
Share issuance costs	(59,000)	(15,000)
Adjustment to prior year's provision versus statutory tax returns and expiry of non-capital losses	4,000	(152,000)
Change in unrecognized deductible temporary differences	203,000	405,000
<b>Total income tax recovery</b>	\$ -	\$ -

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

	2023	2022
Deferred income tax assets:		
Non-capital loss carryforward	\$ 1,324,000	\$ 1,104,000
Exploration and evaluation assets	73,000	104,000
Property and equipment	12,000	14,000
Share issuance costs	90,000	74,000
	1,499,000	1,296,000
Unrecognized tax assets	(1,499,000)	(1,296,000)
<b>Net deferred income tax</b>	\$ -	\$ -

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

The Company has available for deduction against future taxable income non-capital losses of approximately \$3,948,000 (2022 – \$3,309,000) in Canada and \$1,226,000 (2022 – \$997,000) in United States. These losses, if not utilized, will expire through 2043. 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.

**11 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 years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Salaries and benefits (a)	\$ 435,003	\$ 418,341
Share-based compensation	\$ 12,385	\$ 102,576
Exploration expenditure – drilling (b)	\$ 910,962	\$ -

- a) Salaries and benefits are capitalized to exploration and evaluation assets or expensed to personnel costs. As of December 31, 2023, included in the accounts payable and accrued liabilities balance on the consolidated statement of financial position was C\$6,047 (December 31, 2022 – C\$9,269) due to the Company’s key management personnel.
- b) The Company used the services of Diamondback Drilling LLC, a company that is partially owned by the Company’s Chief Executive Officer and Chief Financial Officer. Diamondback Drilling LLC is a drill services company which provided drilling services on the Selena Project in fiscal 2023. The Company incurred \$910,962 of drilling costs during the year ended December 31, 2023 (2022 - \$nil) which were capitalized to exploration and evaluation assets. As at December 31, 2023, included in the accounts payable and accrued liabilities balance on the consolidated statement of financial position was nil (December 31, 2022 – Nil) due to Diamondback Drilling LLC.

**12 Supplemental cash flow information**

	Note	December 31, 2023	December 31, 2022
<b>Non-cash investing activity</b>			
Exploration and evaluation assets	(i)	\$ 22,230	\$ 635,630
<b>Non-cash financing activities</b>			
RSU issuance	(ii)	\$ 26,421	\$ 38,560
Lease recognition	(iii)	\$ 75,914	\$ 21,953

- (i) These exploration and evaluation asset amounts were included in the accounts payable and accrued liabilities balance at the statement of financial position date.
- (ii) RSUs redeemed during the year.
- (iii) During the year ended December 31, 2023, a lease was recognized when the lease contract was renewed with the valuation based on the present value of future lease payments over the term of the lease.

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022  
(amounts expressed in United States dollars, except per share amounts and where indicated)

**13 Segmented information**

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

**14 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, restricted cash, receivables, accounts payable and accrued liabilities, loan payable and lease liability.

The carrying values of cash, restricted cash, receivables, accounts payable and accrued liabilities, loan payable and lease liability approximate their fair value due to their short terms to maturity or market rates of interest.

The following tables summarize the classification and carrying values of the Company's financial instruments at December 31, 2023 and 2022:

<b>December 31, 2023</b>	<b>FVTPL</b>	<b>Amortized cost (financial assets)</b>	<b>Amortized cost (financial liabilities)</b>	<b>Total</b>
<b>Financial assets</b>				
Cash	\$ -	\$ 505,053	\$ -	\$ 505,053
Restricted cash	-	63,237	-	63,237
Receivables	-	16,210	-	16,210
<b>Total financial assets</b>	<b>\$ -</b>	<b>\$ 584,500</b>	<b>\$ -</b>	<b>\$ 584,500</b>
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 79,028	\$ 79,028
Loan payable	-	-	60,564	60,564
Lease liability	-	-	55,553	55,553
<b>Total financial liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 195,145</b>	<b>\$ 195,145</b>

**Ridgeline Minerals Corp.**  
**Notes to Consolidated Financial Statements**  
For the years ended December 31, 2023 and 2022

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

December 31, 2022	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
<b>Financial assets</b>				
Cash	\$ -	\$ 1,186,036	\$ -	\$ 1,186,036
Restricted cash	-	62,727	-	62,727
Receivables	-	17,141	-	17,141
Total financial assets	\$ -	\$ 1,265,904	\$ -	\$ 1,265,904
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 681,494	\$ 681,494
Loan payable	-	-	79,256	79,256
Lease liability	-	-	5,625	5,625
Total financial liabilities	\$ -	\$ -	\$ 766,375	\$ 766,375

b) Financial risk management

(i) *Credit risk*

The Company's credit risk is primarily attributable to cash, restricted cash and receivables.

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

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

(ii) *Liquidity risk*

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

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

(iii) *Market risks*

Interest rate risk

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

As at December 31, 2023, 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, 2023, 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:

## Ridgeline Minerals Corp.

### Notes to Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

	December 31, 2023	December 31, 2022
Cash	\$ 100,517	\$ 145,573
Accounts payable and accrued liabilities	(11,432)	(6,087)
	\$ 89,085	\$ 139,486

As at December 31, 2023, 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\$6,000 to the net loss for the year ended December 31, 2023.

## 15 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, 2023, the Company had working capital of \$563,501.

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. There were no changes to the Company's approach to capital management during the current period. 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.

## 16 Subsequent event

The following events occurred subsequent to December 31, 2023:

- On April 19, 2024, the Company announced a non-brokered private placement to raise gross proceeds of up to C\$2,200,000 through the sale of up to 18,333,333 units at the price of C\$0.12 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one additional share of the Company at a price of C\$0.18 per share for a period of 24 months from the date of issue.