

COPPER RIDGE EXPLORATION INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED APRIL 30, 2022
(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

COPPER RIDGE EXPLORATION INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**(Expressed in Canadian Dollars)

	April 30, 2022 (Unaudited)	October 31, 2021 (Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 29,093	\$ 115,610
Other receivables	341	8,944
	29,434	124,554
Deferred finance costs	30,000	30,000
Exploration and evaluation asset (Note 5)	133,481	133,481
	\$ 192,915	\$ 288,035
LIABILITIES		
Current		
Accounts payable	\$ 0	\$ 10,000
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	320,000	320,000
Contributed surplus	30,000	30,000
Deficit	(157,085)	(71,965)
	192,915	278,035
	\$ 192,915	\$ 288,035

NATURE OF CONTINUANCE OF
OPERATIONS (Note 1)
SUBSEQUENT EVENTS (NOTE 11)Approved and authorized for issue on behalf
of the board on June 14, 2022:

“Richard Dale Ginn” Director

“Paul Coltura” Director

COPPER RIDGE EXPLORATION INC.**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

UNAUDITED

	Three months ended April 30, <u>2022</u>	Six months ended April 30, <u>2022</u>
EXPENSES		
Management fees	\$ 9,000	\$ 18,000
Office and miscellaneous	6,176	9,900
Professional fees	4,682	49,022
Rent	—	8,198
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Net loss and comprehensive loss end of period	\$ 24,358	\$ 85,120
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Loss per share (basic and diluted)	\$ (0.00)	\$ (0.00)
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Weighted average number of common share outstanding	11,200,000	11,200,000
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Comparative figures (Note 12)

COPPER RIDGE EXPLORATION INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

UNAUDITED

	Common Shares		Contributed Surplus	Deficit	Total
	Number of Shares	Amount			
		\$	\$	\$	\$
Balance, October 31, 2021	11,200,000	320,000	30,000	(71,965)	278,035
Comprehensive loss for the period	–	–	–	(85,120)	(85,120)
Balance, April 30, 2022	11,200,000	320,000	30,000	(157,085)	192,915

Comparative figures (Note 12)

COPPER RIDGE EXPLORATION INC.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

UNAUDITED

**Six month
ended
April 30
2022**

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Net loss for the period	\$	(85,120)
Items not involving cash:		
Stock - based payments		—
		<hr/> (85,120)
Changes in non-cash working capital balances:		
Other receivable		8,603
Accounts payable and accrued liabilities		(10,000)
		<hr/> (86,517)
Cash used in operating activities		(86,517)
DECREASE IN CASH DURING THE PERIOD		(86,517)
CASH, BEGINNING OF PERIOD		115,610
CASH, END OF PERIOD	\$	<hr/> 29,093

SUPPLEMENTAL DISCLOSURES

Interest paid	\$	—
Income taxes paid	\$	—
Shares issued for and evaluation and exploration costs	\$	—

Comparative figures (Note 12)

1. NATURE OF OPERATIONS

Copper Ridge Exploration Inc. ("the Company") was incorporated on May 26, 2021, under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at April 30, 2022, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had deficit of \$157,085 as at April 30, 2022, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These condensed financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended October 31, 2021.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on June 14, 2022.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's October 31, 2021 annual financial statements.

4. ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET ADOPTED

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's financial statements.

5. EXPLORATION AND EVALUATION ASSET

Solitude Property option

On June 2, 2021, the Company (the "Optionee") entered into a Purchase Option Agreement (the "Agreement") with parties which included a non-arm's length party (the "Optionors"). Pursuant to the Agreement, the Optionee has an option to acquire 100% interest in seven mineral claims comprising 55 cells and encompassing 2,750 acres known as Solitude Property located near the Savant Lake area of the Patricia Mining Division, Ontario, Canada (the "Claims") from the Optionors.

Under the terms of the Agreement, the Optionors have granted the Optionee the option to acquire all rights, title and interest in the Claims. In addition, the Claims are subject to Net Smelter Return of 1.5% of which 0.50% can be purchased at any time for \$500,000 by the Optionee.

Under the terms of the Agreement, the Optionee will make cash payments to the Optionors totaling \$83,000 and issue 300,000 common shares as follows:

- a. made a cash payment of \$15,000 ("Initial Payment") upon execution and delivery of this Agreement;
- b. make a further cash payment of \$18,000 and issue 300,000 common shares on the earlier of the first anniversary of the Initial Payment and the date upon which the common shares are listed on a stock exchange in Canada;
- c. make a further cash payment of \$20,000 on the first anniversary date of the Initial Payment; and
- d. make a further cash payment of \$30,000 on the second anniversary date of the Initial Payment.

The Company has paid \$15,000 acquisition costs, incurred \$57,320 in geo-survey costs, \$48,295 in geological costs and \$12,866 in consulting fees.

On September 14, 2021, with the consent of the Company, the Optionors have sold and transferred the interest in the Solitude Property to Solstice Gold Corp. ("Solstice"), an arm's length party. Subsequent to the sale and transfer, all terms and conditions pertaining to the Agreement remain the same. The Company has the commitments as noted above to Solstice.

6. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% every six months from date of listing. As at April 30, 2022, there were 1,800,000 common shares held in escrow.

c) Issued and outstanding as at April 30, 2022: 11,200,000 common shares.

During the period ended October 31, 2021, the Company had the following transactions:

During the period, the Company issued 2,000,000 common shares at a price of \$0.005 per share for gross proceeds of \$10,000 to the founders. The founder shares had a fair value of \$40,000 and as a result, the Company recorded share-based compensation of \$30,000 and a corresponding increase to contributed surplus.

During the period, the Company issued 4,200,000 common shares for gross proceeds of \$210,000.

During the period, the Company issued 5,000,000 flow-through common shares at a price of \$0.02 per share for gross proceeds of \$100,000.

Under the terms of the flow-through share private placements, the Company must incur \$100,000 of Canadian Exploration Expenditures and renounce them to the shareholders of the Company. As of April 30, 2022, the Company incurred and renounced the full amount of the expenditures.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be 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. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had incurred the following key management personnel costs from related parties:

	2022
	\$
Management fees	18,000

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and family members that are considered related to key management.

During the period ended April 30, 2022, the Company incurred management fees of \$18,000 from a company controlled by a person related to the CFO and a director of the Company. The company also incurred professional fees of \$5,075 paid to a company controlled by the CFO.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

As at April 30, 2022, the Company's financial instruments consist of cash, loan receivable and accounts payable.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at April 30, 2022, cash was assessed to be a Level 1 instrument and loan receivable as Level 3.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and term deposits held by high credit quality banking institutions in Canada. The Company has no significant concentration of credit risk arising from operations as the Company has no business operations.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2022, the Company had cash of \$29,093 to settle the total current liabilities of \$nil.

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material market risk.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK – continued

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions.

10. COMMITMENT

The Company is committed to certain cash payments and share issuances as described in Note 5.

11. SUBSEQUENT EVENTS

- a) During the period ended April 30, 2022, the Company adopted a Stock Option Plan ("Plan") for directors, officers, employees and consultants of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

On November 16, 2021, the Company granted 500,000 stock options to the directors of the Company and a consultant who is related to the CFO of the Company. The options are exercisable at \$0.10 per share with expiry date on or before November 16, 2031. The options become effective on completion of the Initial Public Offering.

- b) On June 13, 2022, the Company completed its Initial Public Offering ("IPO"), pursuant to which 5,171,000 common shares were issued at a price of \$0.10 each for gross proceeds of \$517,100. Pursuant to the terms of an Agency Agreement dated March 15, 2022, the Company paid various Agents a cash commission of \$51,710, representing 10% of the gross proceeds of the IPO. The Company granted the Agents warrants entitling the Agents to purchase an aggregate of 517,000 common shares of the Company at a purchase price of \$0.10 each for a period of 24 months from the date of issuance. In addition, the Company paid the remaining balance of the corporate finance fee of \$25,000, as well as the Agents' expenses under the IPO.

12. COMPARATIVE FIGURES

Comparative figures are not available as the Company was incorporated on May 26, 2021.