Roughrider
EXPLORATION LIMITED

FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Expressed in Canadian dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Roughrider Exploration Limited

Opinion

We have audited the accompanying financial statements of Roughrider Exploration Limited (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has no regular source of revenue, has an accumulated deficit of $5,975,153 at December 31, 2019, and expects to incur further losses in order to explore its mineral properties. 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.

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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Stephen Hawkshaw.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada Chartered Professional Accountants

April 28, 2020

ROUGHRIDER EXPLORATION LIMITED

STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian Dollars

AS AT DECEMBER 31

	2019	2018
ASSETS		
Current assets		
Cash	$ 159,010	$ 187,337
Receivables	5,021	11,139
Prepaid expenses	-	375
	164,031	198,851
Non-current assets		
Exploration property acquisition costs (Note 4)	-	6,189
	$ 164,031	$ 205,040
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 411,360	$ 157,225
Shareholders' equity (deficiency)		
Capital stock (Note 6)	5,209,518	5,209,518
Other equity reserves (Note 6)	518,306	518,306
Deficit	(5,975,153)	(5,680,009)
	(247,329)	47,815
	$ 164,031	$ 205,040

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

On behalf of the Board of Directors on April 28, 2020

Signed "Scott Gibson" — Director

Signed "Dale Wallster" — Director

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

ROUGHRIDER EXPLORATION LIMITED

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in Canadian Dollars

FOR THE YEARS ENDED DECEMBER 31

	2019	2018
EXPENSES		
Exploration expenses (Note 4)	$ 17,564	$ 211,207
Filing fees	12,648	22,894
Flow-through premium recovery (Note 5)	-	(32,982)
Marketing (Note 9)	973	730
Office expenses (Note 9)	14,113	16,955
Professional fees (Note 9)	51,633	37,767
Salaries and personnel costs (Note 9)	229,853	200,174
Write-off exploration property acquisition costs (Note 4)	6,189	1,378,338
Recovery on write-off of accounts payable and accrued liabilities	(37,829)	-
	(295,144)	(1,835,083)
Consulting revenue	-	100,000
Loss and comprehensive loss for the year	$ (295,144)	$ (1,735,083)
Basic and diluted loss per common share	$ (0.02)	$ (0.16)
Weighted average number of common shares outstanding – basic and diluted	13,806,551	10,667,400

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

ROUGHRIDER EXPLORATION LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
Expressed in Canadian Dollars

	Capital Stock				
	Number of Shares	**Amount**	**Other Equity Reserves**	**Deficit**	**Total Equity**
Balance, December 31, 2017	**9,416,551**	**$4,792,713**	**$ 518,306**	**$(3,944,926)**	**$ 1,366,093**
Private placement	4,390,000	439,000	--	--	439,000
Issuance costs	--	(22,195)	--	--	(22,195)
Loss for the year	--	--	--	(1,735,083)	(1,735,083)
Balance, December 31, 2018	**13,806,551**	**$5,209,518**	**$ 518,306**	**$(5,680,009)**	**$ 47,815**
Loss for the year	--	--	--	(295,144)	(295,144)
Balance, December 31, 2019	**13,806,551**	**$5,209,518**	**$518,306**	**$(5,975,153)**	**$ (247,329)**

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

ROUGHRIDER EXPLORATION LIMITED
STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
FOR THE YEARS ENDED DECEMBER 31

	2019	2018
OPERATING ACTIVITIES		
Loss for the year	$ (295,144)	$ (1,735,083)
Items not affecting cash:		
Recovery on write-off of accounts payable and accrued liabilities	(37,829)	-
Flow-through premium	-	(32,982)
Write off exploration property acquisition costs	6,189	1,378,338
Changes in non-cash working capital items:		
Receivables	6,118	5,199
Prepaid expenses	375	3,624
Accounts payable and accrued liabilities	291,964	(130,896)
Net cash used in operating activities	(28,327)	(511,800)
INVESTING ACTIVITIES		
Exploration property acquisition costs	-	(12,378)
Net cash used in investing activities	-	(12,378)
FINANCING ACTIVITIES		
Shares and warrants issued in private placements	-	439,000
Share issuance costs	-	(22,195)
Net cash generated through financing activities	-	416,805
Decrease in cash for the year	(28,327)	(107,373)
Cash, beginning of year	187,337	294,710
Cash, end of year	$ 159,010	$ 187,337
Cash paid during the year for interest and taxes	$ 1,393	$ 4,093

There were no non-cash transactions during the years ended December 31, 2019 and 2018.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Roughrider Exploration Limited (“Roughrider” or the "Company") was incorporated on December 7, 2011 under the *British Columbia Business Corporations Act*. The Company is listed on the TSX Venture Exchange as a Tier 2 Mining Issuer. The principal business of the Company is the exploration and evaluation of mineral properties. The principal focus of the Company is exploring its portfolio of mineral properties, including the Golden Triangle properties (Note 13) in central British Columbia.

The address of the Company’s head office is Suite 420 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The address of the Company’s registered office is 2500 - 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has no regular source of revenue, has an accumulated deficit of $5,975,153 at December 31, 2019, and expects to incur further losses in order to explore its mineral properties. These factors cast significant doubt upon the Company’s ability to continue as a going concern and, therefore suggest that the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

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

The Company’s continuing operations are dependent upon its ability to obtain sufficient financing to explore the Golden Triangle properties, and upon the successful exploration and development or sale of the Company’s exploration projects. Although the Company has been successful in obtaining financing to begin this process, there is no assurance that it will be able to obtain adequate financing in the future, or that such financing will be on terms that are advantageous to the Company.

2. BASIS OF PREPARATION

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS applicable to the preparation of financial statements as issued by the International Accounting Standards Board (“IASB”) and are consistent with interpretations by the International Financial Reporting Interpretations Committee (“IFRIC”) which were effective as of April 28, 2020, the date the Board of Directors authorized these financial statements for issuance.

The preparation of these financial statements required management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. See Note 7 for a description of the Company’s significant estimates and judgments.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

These financial statements are expressed in Canadian dollars, the Company's functional and presentation currency, the currency of the primary economic environment in which it operates. These financial statements have been prepared on a historical cost basis, except for financial instruments classified as *financial instruments at fair value through profit and loss* and *financial instruments at fair value through other comprehensive income*, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b. Exploration property acquisition costs

Costs related to the acquisition of exploration properties are capitalized and deferred until such time as the property is either sold, or put into production. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Costs related to the exploration and evaluation of properties are recognized in profit or loss as incurred, up to the time a decision is made to proceed with the development of the related exploration property due to the existence of economically recoverable reserves. A mineral resource is considered to have economic potential when it is expected that a documented resource can be legally and economically developed considering forecast metal prices.

Incoming option payments, or proceeds from the sale of royalty interests received by the Company are first applied to capitalised costs, with any excess recognized in profit or loss. Tax credits received are applied against the costs that generated the tax credit. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

c. Impairment of non-financial assets

The recoverability of amounts expended on exploration property acquisition costs is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the Company's ability to overcome the regulatory, financing and other hurdles in order to complete their development and future profitable production or proceeds from the disposition thereof.

The Company performs impairment tests on exploration property interests when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on a project-by-project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized if the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's value in use or the asset's fair value less costs to sell.

An impairment loss is reversed if there is an indication that there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amounts that would have been determined (net of depreciation) if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, amortized cost or fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVTPL") are initially recognized at fair value with changes in fair value recorded in profit or loss. The Company does not have any financial assets designated as FVTPL.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and receivables are recorded at amortized cost.

Fair value through other comprehensive income ("OCI")

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income as a component of equity. This election is available for each separate investment. Under this FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss, rather transferred to deficit. The Company does not have any financial assets designated as FVOCI.

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows.

Level 1 Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and

Level 3 Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Financial instruments (continued)

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

e. Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to capital stock when the related shares are issued. Deferred share issuance costs related to financing transactions that are not eventually completed are charged to profit or loss.

f. Share-based payments

The Company applies the fair value method of accounting for all stock option awards. Under this method, compensation expense attributed to the award of options to employees is measured at the fair value of the award on the date of grant, and is recognized over the vesting period of the award. Share-based payments to non-employees are valued based on the fair value of the service received, if reliably determinable, otherwise based on the fair value of the award granted. Valuation is calculated based on the date at which the Company receives the service. If and when the stock options are ultimately exercised, the applicable amounts of other equity reserves are transferred to capital stock.

The fair value of instruments granted is measured using the Black-Scholes Option Pricing Model, taking into account the terms and conditions under which the instruments are granted. The fair value of the awards is adjusted by an estimate of the number of awards that are expected to vest as a result of non-market conditions. At each statement of financial position date, the Company revises its estimates of the number of options that are expected to vest based on the non-market conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity.

Warrants issued with a common share, as part of a unit offering, are valued using the residual value method. A value representing the premium to the market-price that is obtained (if any) during the issuance is attributed to the warrant.

g. Flow-through shares

Tax law in Canada permits the Company to transfer certain corporate tax losses to investors for their deduction, through a mechanism known as flow-through shares. When an investor purchases flow-through shares from the Company, the Company recognizes a liability for the premium paid for the flow-through shares that is in excess of the market value of shares without flow-through features at the time of issue. As qualifying expenditures are incurred, the Company decreases the liability for the flow-through share premium on a pro-rata basis and transfers the amounts to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i. Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

j. Foreign currency translation

Any transaction denominated in a foreign currency is translated into the functional currency using the exchange rate prevailing at the date of the transaction or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

k. Decommissioning and restoration provisions

Decommissioning and restoration provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted for the market discount rate.

Over time the discounted liability is increased for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Decommissioning and restoration provisions (continued)

Changes in reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost.

The Company did not have any decommissioning and restoration provisions for the years presented.

l. New and revised standards and interpretations

IFRS 16, Leases: This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. The Company has no leases as at January 1, 2019 and December 31, 2019, therefore the adoption of IFRS 16 did not have a material impact on the Company's financial statements.

4. EXPLORATION PROPERTY

Acquisition costs

	Genesis property	Iron Butte property	Other Canadian properties	Total
Balance, December 31, 2017	$ 1,333,612	$ 38,537	$ 12,378	$ 1,384,527
Write-off of acquisition costs	(1,333,612)	(38,537)	(6,189)	(1,378,338)
Balance, December 31, 2018	-	-	6,189	6,189
Write-off of acquisition costs	-	-	(6,189)	(6,189)
Balance, December 31, 2019	$ -	$ -	$ -	$ -

Genesis property

On July 16, 2014, the Company entered into an option agreement, subsequently amended, with Kivalliq Energy Corp, ("Kivalliq") under which Roughrider may earn up to an 85% interest in Kivalliq's Genesis uranium project (the "Genesis property") located in the Athabasca Basin region of Canada.

Under the terms of the amended option agreement, the Company may earn an initial 50% interest by making total cash payments of $700,000, incurring total expenditures of $2,100,000, and issuing a total of 787,932 shares.

The Company owns a 50% interest in the Genesis property and may acquire a further 35% interest (for an aggregate 85% interest) by making additional cash payments totaling $700,000 (which may be paid either in cash or in shares, at the Company's election) and incurring additional expenditures of $2,500,000.

During the year ended December 31, 2018, the Company determined that it would not be advancing the Genesis project at this time. Accordingly, the Company wrote off acquisition costs of $1,333,612 as at December 31, 2018.

Iron Butte property

On June 21, 2017, the Company entered into an option agreement under which Roughrider may earn a 100% interest in certain mining claims comprising the Iron Butte oxide gold-silver project in Lander County, Nevada (the "Iron Butte property").

Under the terms of the option agreement, the Company could earn a 100% interest by making certain cash payments and issuing shares. During the year ended December 31, 2018, the Company terminated the Iron Butte option agreement and wrote off $38,537 in related acquisition costs as at December 31, 2018.

4. EXPLORATION PROPERTY (CONTINUED)

Acquisition costs (continued)

Silver Ace property

On November 16, 2017, the Company acquired, by staking, the Silver Ace property, located near Houston, BC, at a cost of $6,189. During the year ended December 31, 2018, the Company did not renew the Silver Ace claims; accordingly, the Company wrote off $6,189 in related acquisition costs as at December 31, 2018.

Sterling property

On November 22, 2017, the Company acquired, by staking, the Sterling property, located near Houston, BC, at a cost of $6,189. During the year ended December 31, 2019, the Company determined that it would not be advancing the Sterling property at this time. Accordingly, the Company wrote off $6,189 in related acquisition costs as at December 31, 2019.

Brownell Lake property

On June 6, 2018, the Company entered into an option agreement under which Roughrider may earn up to an 80% interest in the Brownell Lake base metals project near La Ronge, Saskatchewan (the “Brownell Lake property”).

Under the terms of the option agreement, the Company can earn an initial 60% interest by making aggregate cash payments of $500,000 and incurring aggregate exploration expenditures of $3,000,000 ($100,000 incurred as of December 31, 2018).

The Company can earn an additional 20% interest (total 80% interest) by making additional cash payments of $2,000,000 (total $2,500,000) and exploration expenditures of $4,000,000 (total $7,000,000) within two years of the date of election to exercise the initial option. The Brownell Lake property is subject to a 2% NSR.

On March 1, 2019, the Company terminated the Brownell Lake property option agreement.

Olsen property

On June 6, 2018, the Company entered into an option agreement under which the Company may earn up to an 80% interest in the Olsen gold project near La Ronge, Saskatchewan (the “Olsen property”).

Under the terms of the option agreement, the Company can earn an initial 60% interest by making aggregate cash payments of $500,000 and incurring aggregate exploration expenditures of $3,000,000 ($100,000 incurred as of December 31, 2018).

The Company can earn an additional 20% interest (total 80% interest) by making additional cash payments of $2,000,000 (total $2,500,000) and incurring exploration expenditures of $4,000,000 (total $7,000,000) within two years of the date of election to exercise the initial option. The Olsen property is subject to a 2% NSR.

On March 1, 2019, the Company terminated the Olsen property option agreement.

Expressed in Canadian Dollars

4. EXPLORATION PROPERTY (CONTINUED)

Exploration expenses

The Company incurred the following exploration expenditures during the years ended December 31, 2019 and 2018:

	2019	2018
Field equipment and supplies	$ --	$ 49,794
Geological consulting	--	125,646
Geophysical survey (ground)	--	2,208
Geophysical survey (air)	10,000	--
Helicopter	--	23,769
Reporting	9,727	--
Travel	--	9,790
British Columbia Mining Exploration Tax Credit	(2,163)	--
Total	$ 17,564	$ 211,207

5. FLOW-THROUGH PREMIUM LIABILITY

On December 21, 2017, the Company completed a flow-through private placement and recorded a related $33,330 flow-through share premium liability. During fiscal 2018, the Company incurred the qualifying expenditures and extinguished the remaining liability of $32,982, recorded in profit or loss.

6. CAPITAL STOCK AND RESERVES

Authorized

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Effective July 3, 2018, the Company consolidated its issued and outstanding common shares on a basis of one post-consolidation share for 5 pre-consolidation shares. Unless otherwise stated, all share and per share amounts have been restated respectively to reflect this share consolidation.

Issuances

2019 transactions

There were no shares issued during the year ended December 31, 2019.

2018 transactions

On September 18, 2018, the Company closed a non-brokered private placement financing and issued 4,390,000 shares for proceeds of $439,000. The Company paid aggregate cash finders' fees of $19,250 and incurred additional filing fees of $2,945 in connection with this financing.

Stock options

The Company has established a share purchase option plan whereby the Board of Directors may grant options to directors, officers, employees, or consultants.

Expressed in Canadian Dollars

6. CAPITAL STOCK AND RESERVES (CONTINUED)

Stock options (continued)

The Company has been authorized by its shareholders to grant stock options numbering up to ten percent (10%) of the number of common shares issued and outstanding. Under the plan, the exercise price of each option shall be determined by the directors but will in no event be less than the discount market price for the common shares. Stock options granted are subject to a maximum term of 10 years and vest at the discretion of the Board of Directors. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than one quarter of such options vesting in any 3-month period.

Details of stock option activity are as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2017, and 2018	480,000	$1.00
Expired	(390,000)	$1.10
Outstanding, December 31, 2019	90,000*	$0.50

* Cancelled subsequent to December 31, 2019 on closing of the Golden Triangle Acquisition (Note 13).

The following table summarizes information about stock options outstanding and exercisable to directors, officers, employees, and consultants as at December 31, 2019:

Grant date	Expiry date	Exercise price	Number of options outstanding and exercisable	Remaining contractual life
February 1, 2016	February 1, 2021	$0.60	50,000	1.09 years
December 20, 2016	December 20, 2021	$0.35	40,000	1.97 years
Weighted average remaining contractual life				1.48 years

Warrants

Details of warrant activity are as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2017	1,276,777	$0.50
Expired	(774,715)	$0.53
Outstanding, December 31, 2018	502,062	$0.50
Expired	(502,062)	$0.50
Outstanding, December 31, 2019	-	-

As at December 31, 2019, there were nil outstanding stock purchase warrants.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management has made judgments in a number of areas in preparing these financial statements. Those judgments that have the most significant effect on the amounts recognised in the financial statements are the determination whether the entity remains a going concern, and the assessment of impairment indicators for the Company's exploration property acquisition costs. Areas of critical accounting estimates include deferred tax assets.

Critical judgments

a. Going concern

These statements have been prepared on the assumption that the Company is able to continue as a going concern. Additional information relating to the going concern assumption is disclosed in Note 1.

b. Impairment of exploration property acquisition costs

Management's judgement is that there were indicators of impairment of certain exploration property acquisition costs in fiscal 2018 and 2019. Ownership in exploration properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many exploration properties. Also, the Company must periodically apply to the relevant government entities for exploration-licence renewals, extensions and conversions and is subject to those entities' decisions.

Key sources of estimation uncertainty

Deferred tax assets

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected. Actual results may differ from the estimates made. Judgements and estimates, and their underlying assumptions, are reviewed on an ongoing basis. Revisions to accounting estimates or judgements are recognized in the period in which the estimates are revised and in any future periods affected.

Expressed in Canadian Dollars

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2019		2018
Loss for the year	$	(295,144)	$	(1,735,083)
Expected income tax recovery	$	(80,000)	$	(468,000)
Change in statutory, foreign tax, foreign exchange rates and other		1,000		(1,000)
Permanent differences		-		(9,000)
Impact of flow through share		-		53,000
Share issuance cost		-		(6,000)
Adjustment to prior year provision versus statutory tax returns and expiry of non-capital losses		-		(35,000)
Change in unrecognized deferred tax assets		79,000		466,000
Total income tax recovery	$	--	$	--

The significant components of the Company's unrecorded deferred tax assets are as follows:

		2019		2018
Deferred Tax Assets				
Share issuance costs	$	9,000	$	14,000
Exploration expenses		753,000		747,000
Non-capital losses available for future periods		630,000		552,000
		1,392,000		1,313,000
Unrecognized deferred tax assets		(1,392,000)		(1,313,000)
Net deferred tax assets	$	--	$	--

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

		2019	Expiry Date Range		2018	Expiry Date Range
Share issuance costs	$	31,000	2038 to 2041	$	52,000	2023 to 2028
Exploration expenses		2,788,000	No expiry		2,765,000	No expiry
Non-capital losses available for future periods		2,335,000	2026 to 2039		2,046,000	2031 to 2038

9. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

9. RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, the CEO, CFO, and a vice president.

During the year ended December 31, 2019, the Company accrued compensation of $155,000 (2018 - $155,000) to the CEO, which is included in salaries, marketing and exploration expenses; non-executive members of the Company's Board of Directors received no cash compensation or stock options.

Other related parties

During the year ended December 31, 2019:

a) Legal services valued at $28,669 (2018 - $17,167) were provided by a law firm for which one of the directors of the Company is a partner; and

b) The Company paid $40,900 (2018 - $11,379) for administrative services and $12,000 (2018 - $12,000) for rent expense to a company owned by a director and officer of the Company.

As at December 31, 2019, the Company owed $241,857 (December 31, 2018 – $46,948) to related parties, which is included in accounts payable and accrued liabilities.

10. CAPITAL MANAGEMENT

The Company manages its common shares, options and warrants as capital, each components of shareholders' equity (deficiency). As at December 31, 2019, the Company's shareholders' deficiency was $247,329. As the Company is an exploration-stage mining company, its principal source of funds is from the issuance of common shares (See Note 1). When managing the capital structure, the Company's competing objectives are to minimize the number of shares issued and to raise sufficient capital to both safeguard its ability to continue as a going concern, and to execute near-term exploration objectives. The Company has not established any quantitative capital management criteria as the competing objectives require subjective analysis.

There were no changes to the Company's approach to capital management during the year ended December 31, 2019. The Company is not subject to any externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash, receivables and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial instruments (continued)

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company limits its exposure to credit loss by placing its cash with a major Canadian bank. The Company's only significant receivable at December 31, 2019 relates to a sales tax refund from the Government of Canada, who is not considered a default risk.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company is exposed to liquidity risk and manages it through the management of its capital structure, as outlined below. All of the Company's current financial liabilities are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position following its recently completed financing (Note 13). The Company remains exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, equity prices, and foreign currency fluctuations.

a) Interest rate risk

Interest rate risk on cash is minimal because these investments generally have a fixed yield rate. As at December 31, 2019, the Company did not have any interest-bearing debt.

b) Foreign currency risk

The Company could be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2019, the Company did not have any significant exposure to foreign currencies and so considers foreign currency risk insignificant to the Company at present.

c) Price risk

The Company may at times have limited indirect exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

12. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of exploration properties in Canada.

13. SUBSEQUENT EVENTS

Golden Triangle Acquisition

Subsequent to December 31, 2019, the Company entered into a definitive agreement with Cazador Resources Ltd., a private B.C. company, Rene Bernard, an individual, and Elemental Partners LLP, a private B.C. partnership, to acquire a 100% interest in the Gin, Eldorado, and Bonanza properties located in the Golden Triangle area of northern B.C. for an aggregate consideration of 11,000,000 shares (issued subsequent to December 31, 2019) (the "Golden Triangle Acquisition"). Upon closing of the transaction, all outstanding stock options of the Company were cancelled, and each of the three vendors became insiders of the Company, holding greater than 10% of the Company's issued and outstanding shares.

Non-Brokered Private Placement

Subsequent to December 31, 2019, the Company also announced a private placement concurrent with the Golden Triangle Acquisition to include up to 7,625,000 shares at a price of $0.10 per share for aggregate proceeds of up to $762,500. The Company closed a total of two tranches of the private placement and issued an aggregate of 6,925,000 shares at $0.10 per share for aggregate proceeds of $692,500. In connection with the private placement, the Company paid finders fees of $10,860 and issued an aggregate of 108,600 finders warrants exercisable into one common share of the Company at a price of $0.10 for a period of two years.