



**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**(Expressed in Canadian Dollars)**

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## **NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

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

**ROUGH RIDER EXPLORATION LIMITED**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2020	December 31, 2019
<b>ASSETS</b>		\$	\$
<b>Current</b>			
Cash		761,111	159,010
Receivables		10,171	5,021
		<u>771,282</u>	<u>164,031</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8(b)	<u>437,603</u>	411,360
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	4	5,676,748	5,209,518
Share subscriptions received in advance	4(b)	200,000	-
Other equity reserves	4(e)	520,498	518,306
Deficit		<u>(6,063,567)</u>	<u>(5,975,153)</u>
		<u>333,679</u>	<u>(247,329)</u>
		<u>771,282</u>	<u>164,031</u>

Approved on behalf of the Board:  
"Dale Wallster" \_\_\_\_\_, Director  
"Adam Travis" \_\_\_\_\_, Director

**ROUGH RIDER EXPLORATION LIMITED**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED MARCH 31**  
(Unaudited - Expressed in Canadian dollars)

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	Note	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Expenses</b>			
Consulting	8(a)	<b>10,000</b>	-
Exploration expenditures		<b>15,723</b>	-
Investor relations		<b>1,984</b>	205
Office and administration	8(a)	<b>3,520</b>	3,193
Professional fees	8(a)	<b>39,697</b>	7,577
Salaries and personnel costs	8(a)	<b>12,244</b>	50,380
Transfer agent, regulatory and filing fees		<b>5,246</b>	2,269
<b>Loss and comprehensive loss for the period</b>		<b><u>(88,414)</u></b>	<b><u>(63,624)</u></b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Basic and diluted weighted average number of shares outstanding</b>		<b>14,185,397</b>	<b>13,806,551</b>

**ROUGH RIDER EXPLORATION LIMITED**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**  
(Unaudited - Expressed in Canadian dollars)

	Note	Number of shares	Share capital \$	Subscriptions received in advance	Other equity reserves \$	Deficit \$	Total \$
<b>Balance, December 31, 2018</b>		<b>13,806,551</b>	<b>5,209,518</b>	<b>-</b>	<b>518,306</b>	<b>(5,680,009)</b>	<b>47,815</b>
Loss for the period		-	-	-	-	(63,624)	(63,624)
<b>Balance, March 31, 2019</b>		<b>13,806,551</b>	<b>5,209,518</b>	<b>-</b>	<b>518,306</b>	<b>(5,743,633)</b>	<b>(15,809)</b>
Loss for the period		-	-	-	-	(231,520)	(231,520)
<b>Balance, December 31, 2019</b>		<b>13,806,551</b>	<b>5,209,518</b>	<b>-</b>	<b>518,306</b>	<b>(5,975,153)</b>	<b>(247,329)</b>
Loss for the period		-	-	-	-	(88,414)	(88,414)
Private placement, net of share issue costs	4(b)	4,925,000	467,230	-	2,192	-	469,422
Subscriptions received in advance	4(b)	-	-	200,000	-	-	200,000
<b>Balance, March 31, 2020</b>		<b>18,731,551</b>	<b>5,676,748</b>	<b>200,000</b>	<b>520,498</b>	<b>(6,063,567)</b>	<b>333,679</b>

**ROUGH RIDER EXPLORATION LIMITED**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**  
(Unaudited - Expressed in Canadian dollars)

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	Note	<u>2020</u>	<u>2019</u>
<b>Operating Activities</b>			
Net loss for the period		<b>(88,414)</b>	(63,624)
Net change in non-cash working capital	5	<b>21,093</b>	37,463
<b>Cash used in operating activities</b>		<b>(67,321)</b>	(26,161)
<b>Financing Activities</b>			
Proceeds received pursuant to private placement	4(b)	<b>492,500</b>	-
Share issue costs	4(b)	<b>(23,078)</b>	-
Share subscriptions received in advance	4(b)	<b>200,000</b>	-
<b>Cash provided by financing activities</b>		<b>669,422</b>	-
<b>Net increase (decrease) in cash</b>		<b>602,101</b>	(26,161)
Cash, beginning of period		<b>159,010</b>	187,337
<b>Cash, end of period</b>		<b>761,111</b>	161,176
<b>Supplemental cash flow information</b>	5		

**ROUGH RIDER EXPLORATION LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**  
(Unaudited - Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

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 9(a)) 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 condensed interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$88,414 for the three months ended March 31, 2020 (2019: \$63,624). As at March 31, 2020, the Company had an accumulated deficit of \$6,063,567, (December 31, 2019: \$5,975,153). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

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 has incurred operating losses in its exploration operations and its ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete their development and fund their operations until commercially successful and future production or proceeds from the disposition thereof. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the condensed interim statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

**2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with International Financial Reporting Standards ("**IFRS**") as issued by the IASB.

These condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019 which include the accounting policies used in the preparation of these condensed interim financial statements.

**ROUGH RIDER EXPLORATION LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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(Unaudited - Expressed in Canadian dollars)

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**2. BASIS OF PREPARATION (continued)**

These condensed interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Board of Directors (the “**Board**”) approved these condensed interim financial statements on May 28, 2020.

**3. EXPLORATION PROPERTIES**

**GENESIS PROPERTY (SASKATCHEWAN)**

The Company owns a 50% interest in the Genesis property, located in the Athabasca Basin region of Canada. The Company may acquire a further 35% interest from ValOre Metals Corp. (“**ValOre**”) (for an aggregate 85% interest) by making additional payments totaling \$700,000 in either cash or shares to ValOre, at the Company’s election and incurring additional exploration expenditures of \$2,500,000.

At present, the Company has no plans in place to advance the Genesis property. Accordingly, the Company wrote off acquisition costs of \$1,333,612 during the year ended December 31, 2018.

**STERLING PROPERTY (BRITISH COLUMBIA)**

The Company owns a 100% interest in certain claims in the Sterling property, located near Houston, BC. At present, the Company has no plans in place to advance the Sterling property. Accordingly, the Company wrote off acquisition costs of \$6,189 during the year ended December 31, 2019.

**4. SHARE CAPITAL**

**a) Authorized**

An unlimited number of common shares without par value  
An unlimited number of preference shares without par value

**b) Share issuance details**

***Three months ended March 31, 2020***

On March 25, 2020, the Company completed the first tranche of a non-brokered private placement, issuing 4,925,000 common shares at a price of \$0.10 per share for gross proceeds of \$492,500.

Share issue costs totaled \$23,078 including \$10,860 as finders’ fees. In addition, the Company issued 108,600 share purchase warrants as finders’ fees with each warrant exercisable into one common share of the Company at a price of \$0.10 per share with an expiry of March 25, 2022.

Prior to March 31, 2020, the Company received \$200,000 in relation to the second and final tranche of the private placement, which was completed in April 2020. As at March 31, 2020, the amount was recorded as share subscriptions received in advance on the condensed interim statement of financial position. Scott Gibson, CEO of the Company, was the subscriber of all 2,000,000 shares of the second tranche.

***Three months ended March 31, 2019***

There were no share issuances during the three months ended March 31, 2019.

**ROUGH RIDER EXPLORATION LIMITED**  
**NOTES TO THE CONDENSED INTERM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**  
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**4. SHARE CAPITAL** (continued)

**c) Stock options**

The Company has a Rolling Stock Option Plan whereby the Company may grant options to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding at the time of the grant. The exercise price, term and vesting period of each option are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price \$
Balance, December 31, 2019 and March 31, 2020	90,000	0.50

The following stock options were outstanding as at March 31, 2020:

Outstanding	Exercisable	Weighted average Exercise Price \$	Expiry Date	Weighted average remaining life (in years)	
50,000	1	50,000	0.60	February 1, 2021	0.84
40,000	1	40,000	0.35	December 20, 2021	1.72
<u>90,000</u>		<u>90,000</u>	<u>0.49</u>		<u>1.43</u>

1 These stock options were cancelled subsequent to March 31, 2020 on the completion of the Golden Triangle Acquisition (see Note 9).

**d) Share purchase warrants**

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2019	-	-
Issued pursuant to private placement (Note 4(b))	108,600	0.10
Balance, March 31, 2020	<u>108,600</u>	<u>0.10</u>

The fair value of the 108,600 warrants used as finders' fees pursuant to the private placement completed on March 25, 2020 was \$2,192 using the following weighted average assumptions:

Risk-free interest rate	0.66%
Expected stock price volatility	88%
Expected dividend yield	0.0%
Expected option life in years	2.0

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**4. SHARE CAPITAL (continued)**

**d) Share purchase warrants (continued)**

The following warrants were outstanding as at March 31, 2020:

Outstanding	Exercisable	Exercise Price	Expiry Date
		\$	
<u>108,600</u>	<u>108,600</u>	0.10	March 25, 2022

**e) Other equity reserves**

A summary of the changes in other equity reserves is presented below:

Balance, December 31, 2019	\$ 518,306
Fair value of warrants issued pursuant to private placement	<u>2,192</u>
Balance, March 31, 2020	<u><u>520,498</u></u>

**5. SUPPLEMENTAL CASH FLOW INFORMATION**

The net change in non-cash operating working capital balances for the three months ended March 31 consisted of the following:

	2020	2019
	\$	\$
Receivables	(5,150)	(923)
Prepaid expenses	-	(3,525)
Accounts payable and accrued liabilities	<u>26,243</u>	<u>41,911</u>
	<u><u>21,093</u></u>	<u><u>37,463</u></u>

The non-cash financing transaction for the three months ended March 31, 2020 consisted of the Company issuing 108,600 warrants as finders' warrants valued at \$2,192 pursuant to the private placement completed on March 25, 2020.

**6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company examines the various financial instruments to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk (including interest rate, currency and other price risk). The risk related to financial instruments is managed by senior management of the Company under directions approved by the Board. The Company's Board has not approved the use of derivative financial products.

**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.

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**6. 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 condensed interim financial statements is summarized below:

**a) 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.

**b) 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. The Company remains exposed to liquidity risk.

**c) 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.

**(i) 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.

**(ii) 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.

**(iii) 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.

**ROUGH RIDER EXPLORATION LIMITED**  
**NOTES TO THE CONDENSED INTERM FINANCIAL STATEMENTS**  
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**7. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remains unchanged from the year ended December 31, 2019.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary. The annual budgets are approved by the Board.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's treasury management policy is to invest its cash in highly rated liquid short-term interest-bearing investments with an initial term to maturity of twelve months or less.

The Company is not subject to externally imposed capital requirements.

**8. RELATED PARTY TRANSACTIONS**

A related party transaction is a transaction between the issuer and a related party of the issuer at the time the transaction is agreed to as a consequence of which the issuer directly or indirectly enters into specified transactions, including, but not limited to, a purchase or sale of assets, issuing securities or subscribing for securities, borrowing or lending money, and forgiving debts or liabilities.

*Key management compensation*

Key management personnel at the Company are the Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the three months ended March 31, 2020 and 2019:

- Farris LLP is a law firm for which one of the directors of the Company is a partner; and
- Beneath the Surface Capital is a private company controlled by Scott Gibson.

**ROUGH RIDER EXPLORATION LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**  
(Unaudited - Expressed in Canadian dollars)

**8. RELATED PARTY TRANSACTIONS (continued)**

**a) Related Party Transactions**

The Company's related party transactions for the three months ended March 31 were as follows:

		2020	2019
		\$	\$
Consulting fees	1	10,000	-
Legal fees	2	21,506	3,327
Office and administration	3	3,000	4,320
Salaries	3	12,100	-
Share issue costs	2	11,468	-
		<u>58,074</u>	<u>7,647</u>

<sup>1</sup> Consulting fees for the three months ended March 31, 2020 consisted of fees earned by the Chief Financial Officer.

<sup>2</sup> Legal fees and share issue costs consisted of amounts charged by Farris LLP. The legal fees are included in professional fees on the condensed interim statement of loss and comprehensive loss and the share issue costs were netted against share capital (see Note 4(b)).

<sup>3</sup> Office and administration costs and salaries consisted of amounts charged by Beneath the Surface Capital.

**b) Related Party Balances**

The related party balances consisted of the following:

	March 31, 2020	December 31, 2019
	\$	\$
<b>Current liabilities</b>		
Due to Beneath the Surface	81,086	65,231
Due to Dave Tupper, VP of Exploration	5,250	5,250
Due to Farris LLP	38,112	44,980
Due to Scott Gibson, CEO	126,250	126,396
	<u>250,698</u>	<u>241,857</u>

**9. SUBSEQUENT EVENTS**

In addition to subsequent events disclosed elsewhere in these condensed interim financial statements, the following events occurred after March 31, 2020.

**a) Golden Triangle Acquisition**

On April 13, 2020, the Company purchased a 100% interest in the Gin, Eldorado and Bonanza properties from Cazador Resources Ltd. ("**Cazador**"), a private B.C. company, Rene Bernard, an individual and Elemental Partners LLP ("**Elemental**"), a private B.C. partnership in consideration for 11,000,000 common shares of the Company. The properties are located in the Golden Triangle area of northern B.C. Upon completion, all outstanding stock options (see Note 4(c)) were cancelled.

**ROUGH RIDER EXPLORATION LIMITED**  
**NOTES TO THE CONDENSED INTERM FINANCIAL STATEMENTS**  
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(Unaudited - Expressed in Canadian dollars)

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**9. SUBSEQUENT EVENTS** (continued)

**a) Golden Triangle Acquisition** (continued)

In connection the Golden Triangle acquisition, Mr. Adam Travis, controlling shareholder of Cazador, was appointed CEO of the Company, replacing Scott Gibson, who will remain a member of the Company's Board. In addition, Dr. Fletcher Morgan, controlling shareholder of Elemental, was appointed a member of the Board.

**b) Non-Brokered Private Placement**

On April 13, 2020, the Company completed the second and final tranche of a non-brokered private placement (see Note 4(b)), issuing 2,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000.

**c) Scottie West Property Acquisition**

On May 19, 2020, the Company announced that it staked approximately 6,359 hectares of prospective ground on the Scottie West Property located in the Golden Triangle area of northern B.C., approximately 30 kilometres northwest of Stewart, B.C. and immediately west of the Scottie Gold Mine Property.