



BIG RIDGE GOLD CORP.
(formerly Alto Ventures Ltd.)
(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended December 31, 2020 and 2019

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of unaudited interim financial statements by an entity's auditor.

RESPONSIBILITY FOR CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Big Ridge Gold Corp. (formerly Alto Ventures Ltd.) and all information in this financial report are the responsibility of the Board of Directors and Management. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and, where appropriate, include management’s best estimates and judgments.

Management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that financial information is timely and reliable. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board of Directors carries out this responsibility principally through its Audit Committee. The Board of Directors appoints the Audit Committee, the majority of whose members are independent directors. The Audit Committee meets periodically with Management to review the financial reporting process and financial statements, together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders. The Board of Directors approves the financial statements on recommendation from the Audit Committee.



Michael Bandrowski
President and Chief Executive Officer



Jim Kirke
Chief Financial Officer

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)*(An Exploration Stage Company)***Condensed Interim Consolidated Statements of Financial Position***Unaudited - Expressed in Canadian Dollars*

		December 31, 2020	June 30, 2020
	Note	\$	\$
ASSETS			
Current assets			
Cash		2,702,698	140,025
Funds held in trust	7	-	2,232,500
Receivables		24,368	12,006
Marketable securities	5	4,382	254,333
Prepays and deposits		6,095	8,241
Due from related parties	10	-	4,062
		2,737,543	2,651,167
Non-current assets			
Property and equipment		728	-
Exploration and evaluation assets	6	2,156,161	2,156,161
		4,894,432	4,807,328
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		65,019	54,430
Subscriptions received in advance	10	-	20,000
Due to related parties	10	4,765	5,000
		69,784	79,430
SHAREHOLDERS' EQUITY			
Share capital	7	24,346,047	21,853,469
Shares allotted but not issued	7	-	2,232,500
Commitment to issue shares	7	-	25,000
Contributed surplus - options	9	1,707,915	1,542,434
Contributed surplus - warrants	8	1,514,819	1,057,065
Deficit		(22,744,133)	(21,982,570)
		4,824,648	4,727,898
		4,894,432	4,807,328

Going concern and nature of operations (Note 1)

Subsequent events (Note 11)

Approved and authorized by the Board of Directors on February 25, 2021

“Richard Mazur”, Director“Michael Bandrowski”, Director

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

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

Unaudited - expressed in Canadian Dollars

	Note	Three months ended December 31		Six months ended December 31	
		2020 \$	2019 \$	2020 \$	2019 \$
General and administrative					
Exploration and evaluation expenditures	6	5,236	30,902	11,936	68,357
Investor and shareholder relations		15,000	3,456	25,475	6,990
Salaries, consulting and management fees		88,383	42,848	172,165	84,982
Office administration		20,925	22,656	46,582	42,742
Professional fees		43,752	24,247	69,830	39,940
Share-based compensation	9	6,329	-	165,481	-
Transfer agent and filing fees		4,010	2,357	23,644	3,183
Travel and promotion		1,033	4,212	1,033	4,568
Amortization		365	-	730	-
Loss before the following		185,033	130,678	516,876	250,762
Interest income		(2,833)	-	(5,583)	-
Unrealized loss on marketable securities		13,233	19,028	19,554	54,771
Loss and comprehensive loss for the period		195,433	149,706	530,847	305,533
Loss per share					
				\$	\$
- Basic		0.00	0.01	0.01	0.03
- Diluted		0.00	0.01	0.01	0.03
Weighted average number of common shares outstanding					
				#	#
- Basic		46,438,868	11,274,657	45,168,160	11,274,657
- Diluted		46,438,868	11,274,657	45,168,160	11,274,657

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

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

Unaudited - Expressed in Canadian Dollars

	Six months ended December 31	
	2020	2019
	\$	\$
Operating activities		
Loss for the period	(530,847)	(305,533)
Items not affecting cash:		
Amortization	730	-
Share-based compensation	165,481	-
Unrealized loss on marketable securities	19,554	54,771
	(345,082)	(250,762)
Decrease in amounts receivable	3,522	9,341
Decrease (Increase) in prepaids and deposits	3,127	(4,460)
Decrease in amounts due from related party	4,062	-
Decrease in accounts payable and accrued liabilities	(191,587)	(13,438)
Increase in amounts due to related parties	(235)	5,064
Cash used in operating activities	(526,193)	(254,255)
Investing activities		
Purchase of capital assets	(1,458)	-
Cash acquired upon completion of acquisition of Empress	1,060,676	-
Cash provided by investing activities	1,059,218	-
Financing activities		
Common share units issued for cash	2,232,500	-
Share issuance costs incurred in cash	(202,533)	-
Withholding taxes on dividend	(319)	-
Cash provided by financing activities	2,029,648	-
Net increase in cash	2,562,673	(254,255)
Cash - Beginning of period	140,025	789,245
Cash - End of period	2,702,698	534,990
Supplementary Disclosure		
Interest paid in cash	-	-
Income taxes paid in cash	-	-

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

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Unaudited - expressed in Canadian dollars

	Share Capital		Contributed Surplus		Shares allotted but not issued	Commitment to issue shares	Deficit	Total
	Number (#)	Amount \$	Options \$	Warrants \$				
Balance - July 1, 2019	11,274,657	21,893,673	1,542,434	1,057,065	-	-	(21,332,288)	3,160,884
Loss for the period	-	-	-	-	-	-	(305,533)	(305,533)
Balance - December 31, 2019	11,274,657	21,893,673	1,542,434	1,057,065	-	-	(21,637,821)	2,855,351
Balance - July 1, 2020	11,274,657	21,853,469	1,542,434	1,057,065	2,232,500	25,000	(21,982,570)	4,727,898
Loss for the period	-	-	-	-	-	-	(530,847)	(530,847)
Stock based compensation	-	-	165,481	-	-	-	-	165,481
Issuance of common share units pursuant to private placement	22,325,000	1,892,532	-	339,968	(2,232,500)	-	-	-
Issuance of common shares pursuant to the acquisition of Empress Resources Ltd.	12,214,211	795,272	-	25,093	-	-	-	820,365
Issuance of common shares pursuant to a debt settlement with a former officer	250,000	25,000	-	-	-	(25,000)	-	-
Issuance of common shares pursuant to a finder's fee agreement	375,000	37,500	-	-	-	-	-	37,500
Share issuance costs	-	(257,726)	-	92,693	-	-	-	(165,033)
Dividend paid pursuant to the terms of the Transaction	-	-	-	-	-	-	(230,716)	(230,716)
Balance -December 31, 2020	46,438,868	24,346,047	1,707,915	1,514,819	-	-	(22,744,133)	4,824,648

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

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

1. GOING CONCERN AND NATURE OF OPERATIONS

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.) (“the Company”) is engaged in the acquisition, exploration and evaluation of Canadian gold projects. The Company’s head office is located at Suite 1801, 1 Yonge Street, Toronto, Ontario M5E 1W7, and the Company’s registered and records office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date, less amounts written down or written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon raising financing, the sale or joint venturing of the exploration and evaluation assets, and/or the attainment of profitable operations.

On July 2, 2020, the Company completed a 1:5 share consolidation. All references in these financial statements to number of shares and per share amounts have been retroactively restated where necessary to reflect the consolidation.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume 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.

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.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), including International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting*. These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended June 30, 2020, which have been prepared in accordance with IFRS. The accounting policies and methods of application adopted are consistent with those disclosed in Note 3 of the Company’s financial statements for the year ended June 30, 2020.

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on February 25, 2021.

Basis of presentation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Empress Resources Ltd. The financial statements of Empress are prepared for the same period as those of the Company using consistent accounting policies for all periods presented. All intercompany balances and transactions have been eliminated.

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of all liabilities in the normal course of business.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value through profit or loss, as disclosed in Note 3 of the Company's annual financial statements for the year ended June 30, 2020.

Critical Accounting Estimates and Judgments

Areas of judgment that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are disclosed in Note 4 of the Company's annual financial statements for the year ended June 30, 2020.

3. SUMMARY OF ACCOUNTING POLICIES

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those disclosed in Note 3 of the Company's annual financial statements for the year ended June 30, 2020.

New Accounting Standards Effective 2020

The Company has adopted the following new and revised standards, effective July 1, 2020. These changes were made in accordance with the applicable transitional provisions.

The IASB has made amendments to IAS 1 – *Presentation of Financial Statements* and IAS 8 – *Accounting Policies, Changes in Account Estimates and Errors*, which use a consistent definition of materiality throughout International Reporting Standards and the Conceptual Framework for Financial Reporting, clarifying when information is material. In particular, the amendments clarify:

- That the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- The meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

There was no accounting impact to these condensed interim consolidated financial statements on adoption of this standard.

4. PLAN OF ARRANGEMENT (THE "TRANSACTION")

On July 7, 2020, the Company completed a Plan of Arrangement agreement with Empress Resources Corp. ("Empress") and Empress Royalty Corp. ("Royalty") pursuant to which the Company issued 12,214,211 common shares to Empress shareholders in exchange for all the issued and outstanding common shares of Empress. In addition, the Company issued a total of 9,557,800 warrants to holders of Empress unit warrants and 242,544 warrants to holders of Empress broker compensation warrants, as the Empress warrants were cancelled upon closing of the Transaction. The details of these warrants are set out in Note 8 to these financial statements.

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

Upon closing, the net assets of Empress were as follows:

	\$
Cash	1,060,676
Amounts receivable	15,884
Prepaid expenses and deposits	981
	<u>1,077,541</u>
Less: Trade accounts payable	(182,176)
Net assets acquired	895,365

The consideration paid by the Company was comprised as follows:

	# of instruments	\$
Fair value of shares	12,214,211	795,272
Replacement warrants	9,800,344	25,093
Finder's fee	-	75,000
		<u>895,365</u>

Pursuant to the Transaction, the Company granted Royalty net smelter returns royalties on claims associated with all of its mineral properties, at rates which ranged from 0.5% to 1.0%, and transferred a retained royalty on the Empress project, which was acquired by Sanatana Resources in the year ended June 30, 2020. No value was attributed to these royalties. The Company also transferred its portfolio of marketable securities to Royalty in exchange for 4,615,384 Royalty common shares, of which 4,607,950 shares were distributed to the Company's shareholders as a dividend amounting to \$230,716 and the remainder retained by the Company in consideration of non-resident withholding taxes required to be paid on certain dividend payments.

5. MARKETABLE SECURITIES

On July 7, 2020, the Company transferred its portfolio of marketable securities to Royalty pursuant to the terms of the Transaction (note 4). The following table sets out the cost and fair value of the Company's marketable securities at December 31, 2020 and June 30, 2020.

December 31, 2020:

Company	Shares	Cost	Fair Value
	#	\$	\$
Empress Royalty Corp.	7,434	371	4,089
		371	4,089

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

June 30, 2020:

Company	Shares #	Cost \$	Fair Value \$
Trakopolis IOT Corp. (TRAK: TSX-V)	7,500	41,000	-
Canoe Mining Ventures Corp. (CLV:CNX)	335,675	1,304,961	95,667
Wescan Goldfields Inc (WGF: TSX-V)	305,000	262,000	15,250
New Age Metals Inc. (NAM: TSX-V)	16,667	33,875	917
Razore Rock Resources Inc. (RZR:CNX)	40,000	21,000	4,000
Osisko Mining Inc. (OSK: TSE)	24,100	110,000	92,299
Sanatana Resources Inc. (STA: TSX-V)	420,000	164,000	46,200
		1,936,836	254,333

6. EXPLORATION AND EVALUATION ASSETS

The following table shows the breakdown of the Company's mineral exploration and evaluation assets:

	December 31, 2020 (\$)	June 30, 2020 (\$)
Quebec		
Destiny	809,100	809,100
Ontario		
Greenoaks	450,000	450,000
Miner Lake	9,568	9,568
Mud Lake	40,163	40,163
Brookbank East	3,810	3,810
Manitoba		
Oxford	843,520	843,520
Total exploration and evaluation assets	2,156,161	2,156,161

On November 27, 2020, the Company entered into a definitive option agreement with Clarity Gold Corp. ("Clarity") pursuant to which Clarity may earn up to a 100% interest in the Company's wholly owned Destiny gold project:

Initially, Clarity may earn a 49% interest in the project by making a series of cash and share-based payments to the Company as described below:

- A deposit of \$50,000, which was received on November 16, 2020;
- A cash payment of \$450,000 and \$1,000,000 in common shares of Clarity on or before January 26, 2021, which was received subsequent to December 31, 2020 (Note 11);
- A cash payment of \$750,000 and \$1,000,000 in common shares of Clarity on or before November 26, 2021; and
- A cash payment of \$750,000 and \$1,000,000 in common shares of Clarity on or before November 26, 2022.

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

Clarity may increase its interest in the Destiny project to 100% by making an additional \$1,000,000 in cash payments and issuing \$2,000,000 in common shares on or before November 26, 2023. In the event that Clarity earns a 100% interest in the project, the Company will retain a 1% net smelter returns royalty which Clarity may buy back for a further payment of \$1,000,000.

The following table details the property acquisition and exploration activity during the periods ended December 31, 2020 and 2019.

	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Opening balance	809,100	-	450,000	9,568	40,163	3,810	-	843,520	-	2,156,161	2,156,161
Acquisition costs	-	-	-	-	-	-	-	-	-	-	-
Net acquisition costs	809,100	-	450,000	9,568	40,163	3,810	-	843,520	-	2,156,161	2,156,161
Exploration expenditures											
Assays	5,400	-	-	-	-	-	-	-	-	5,400	5,400
Mapping	-	-	-	-	-	-	-	-	-	-	26,716
Computer/Digitization	-	-	-	-	-	-	-	1,300	-	1,300	8,410
Drilling	-	-	-	-	-	-	-	-	-	-	3,637
Report Filing	-	-	-	-	-	-	-	-	-	-	15,180
Management	-	-	-	-	-	-	-	-	-	-	1,980
License/Permit/Claims	-	-	1,316	-	-	-	-	-	-	1,316	7,034
Legal costs with respect to First Nations engagement	-	-	-	-	-	-	-	3,920	-	3,920	-
	5,400	-	1,316	-	-	-	-	5,220	-	11,936	68,357
Exploration expenditures expensed	(5,400)	-	(1,316)	-	-	-	-	(5,220)	-	(11,936)	(68,357)
Ending balance	809,100	-	450,000	9,568	40,163	3,810	-	843,520	-	2,156,161	2,156,161

The mining claims which underly each of these projects are subject to net smelter returns royalties at rates which range from 1.0% to 3.75%. A portion of the claims associated with the Oxford project are also subject to an overlapping 7.5% net profits interest.

7. SHARE CAPITAL

a) **Authorized:**

Unlimited Common shares without par value

b) **Issued and outstanding:**

The following table shows the movement in issued and outstanding share capital.

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
 (An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
 Unaudited – Expressed in Canadian dollars

	Number of shares	\$
Balance - July 1, 2019	11,274,657	21,893,673
Share issue costs	-	(40,204)
Balance - June 30, 2020	11,274,657	21,853,469
Shares issued upon conversion of subscription receipts ⁽ⁱⁱ⁾	22,325,000	1,892,532
Issuance of common shares pursuant to the Transaction ⁽ⁱ⁾	12,214,211	795,272
Shares issued pursuant to a debt settlement with a former officer ⁽ⁱⁱⁱ⁾	250,000	25,000
Shares issued pursuant to a finder's fee agreement ⁽ⁱ⁾	375,000	37,500
Share issue costs	-	(257,726)
Balance - December 31, 2020	46,438,868	24,346,047

- i) On July 7, 2020, the Company issued 12,214,211 common shares to acquire the outstanding common shares of Empress under the terms of the Transaction.

As described in note 4 to these financial statements, the consideration of this asset acquisition included common shares, warrants and transaction costs in the form of finder's fees. The value attributed to the Company's common shares issued in connection with this acquisition was determined on the basis of relative fair value and amounted to \$795,272. The details of the determination of estimated fair value for the replacement warrants issued to holders of Empress unit and broker compensation warrants are set out in note 8 to these financial statements.

The Company incurred a finder's fee amounting to \$75,000 in connection with the Transaction, of which \$37,500 was satisfied by the issuance of 375,000 common shares on July 7, 2020.

- ii) On July 8, 2020, following the completion of the Transaction, the proceeds from a private placement of 22,325,000 subscription receipts were released from escrow and the subscription receipts converted into the following securities:

- 22,325,000 common shares, and
- 22,325,000 share purchase warrants, with each warrant exercisable into one common share at an exercise price of \$0.20 per share and expiring on May 29, 2022.

The gross proceeds of this financing, which amounted to \$2,232,500, were apportioned between Common shares and Warrants on the basis of relative fair value, which resulted in a value of \$1,892,532 being attributed to the shares. The details of the determination of estimated fair value for the warrants issued upon conversion of the subscription receipts is set out in note 8 to these financial statements.

- iii) In the year ended June 30, 2020 the Company entered into a debt settlement agreement with the former president of the Company, pursuant to which the Company agreed to issue 250,000 common shares in settlement of an indebtedness of \$25,000. This obligation was reflected in the financial statements for the year ended June 30, 2020 as Commitment to issue shares. The Company issued these shares on July 9, 2020.

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

8. WARRANTS

The following table shows the movement in warrants:

	Number of warrants	Number of shares issuable upon exercise of warrants	\$
Balance - July 1, 2019	1,089,211	1,089,211	1,057,065
Expired	(79,890)	(79,890)	-
Balance - June 30, 2020	1,009,321	1,009,321	1,057,065
Unit warrants issued upon conversion of subscription receipts ^(a)	22,325,000	22,325,000	339,968
Broker compensation warrants issued in connection with subscription receipts financing ^(b)	913,500	913,500	92,693
Issuance of replacement unit warrants pursuant to the Transaction ^(c)	9,557,800	9,605,589	25,080
Issuance of replacement broker compensation warrants pursuant to the Transaction ^(c)	242,544	243,757	13
Balance - December 31, 2020	34,048,165	34,097,167	1,514,819

- a) As described in note 7(b)(ii), the subscription receipts financing completed in May 2020 converted into 22,325,000 common shares and 22,325,000 share purchase warrants on July 7, 2020 following the completion of the Transaction. The warrants are exercisable into common shares at a price of \$0.20 per share and expire May 29, 2022.

The fair value of these warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

Risk free interest rate	0.24%
Dividend yield	Nil
Expected future volatility	70%
which yielded an estimated fair value of	\$ 0.01523

- b) In connection with the conversion of the subscription receipts offering, the Company issued a total of 913,500 broker compensation warrants, each of which is exercisable into one common share at a price of \$0.10 per share. The fair value of these warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

Risk free interest rate	0.24%
Dividend yield	Nil
Expected future volatility	70%
which yielded an estimated fair value of	\$ 0.07620

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
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- c) In accordance with the terms of the Transaction, the Company issued warrants to replace unit and broker compensation warrants issued by Empress and outstanding immediately prior to the close of the Transaction. Each warrant issued in replacement is exercisable into 1.005 shares of the Company.

The fair value of these warrants was estimated using the Black-Scholes option pricing model using the following assumptions:

	Unit warrants	Broker compensation warrants
Risk free interest rate	0.24%	0.24%
Dividend yield	Nil	Nil
Expected future volatility	70%	70%

which yielded a weighted average estimated fair value of **\$ 0.0026** **\$ 0.0001**

The details of the warrants outstanding at December 31, 2020 are set out in the following table.

Issue date	Expiry date	Number of warrants #	Shares issuable upon exercise of warrants #	Exercise price \$
Unit warrants:				
October 19, 2017	April 19, 2021	355,000	355,000	\$ 0.300
December 4, 2017	June 4, 2021	400,571	400,571	\$ 0.300
December 27, 2017	June 17, 2021	253,750	253,750	\$ 0.300
July 7, 2020	May 11, 2022	4,137,400	4,338,987	\$ 0.496
July 7, 2020	June 14, 2022	4,038,400	4,058,592	\$ 0.496
July 7, 2020	August 7, 2022	1,202,000	1,208,010	\$ 0.496
July 8, 2020	May 29, 2022	22,325,000	22,325,000	\$ 0.200
Broker compensation warrants:				
July 7, 2020	May 11, 2022	66,000	66,330	\$ 0.746
July 7, 2020	June 14, 2022	113,184	113,750	\$ 0.746
July 7, 2020	August 7, 2022	63,360	63,677	\$ 0.746
July 8, 2020	July 8, 2022	913,500	913,500	\$ 0.100
		33,868,165	34,097,167	

9. OPTIONS AND CONTRIBUTED SURPLUS

The Company has established a Share Option Plan (the "Plan"), which was approved by the Company's shareholders most recently at its annual meeting held December 15, 2020. The purpose of the Plan is to attract, retain and motivate directors, officers, employees and external service providers by providing them with the opportunity to acquire a proprietary interest in the Company and to benefit from its growth.

Under the terms of the Plan the Board of Directors may grant options to directors, officers, employees or consultants, with the number of outstanding options at any time limited to a maximum of 10% of the number of issued and outstanding common shares. Options carry a term of no more than five years, and the exercise price of any option is no less than the closing price on the TSX Venture Exchange on

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)

Notes to the Financial Statements

For the Three and Six Months ended December 31, 2020 and 2019

Unaudited – Expressed in Canadian dollars

the last trading day preceding the grant date. Options granted under the Plan vest immediately, except for options granted to investor relations consultants which vest quarterly over a one-year period. Share-based compensation is recognized and charged to operations based upon the relative fair values and vesting conditions of the options granted.

The fair value of option grants is estimated at the date of grant using the Black-Scholes option-pricing model. The fair values of options granted during the three and six months ended December 31, 2020 and 2019 were based on the weighted average assumptions noted in the following table:

	Three months ended December 31		Six months ended December 31	
	2020	2019	2020	2019
Risk free interest rate	0.21%	-	0.25%	-
Dividend yield	Nil	-	Nil	-
Expected future volatility	80%	-	71%	-
Expected life	3	-	3	-
Estimated fair value per option	0.0316	-	\$ 0.0630	-

A summary of option activity under the Plan during the three and six months ended December 31, 2020 is as follows:

	Six months ended December 31, 2020		Six months ended December 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	#	\$	#	\$
Balance - beginning of period	550,000	0.31	605,000	0.31
Granted	2,620,500	0.19	-	-
Expired	(355,000)	0.30	-	-
Balance - end of period	2,815,500	0.20	605,000	0.31

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

The number of options outstanding at December 31, 2020 by issue date is shown in the following table.

Date of Grant	Expiry Date	Options Issued	Price per Share	Remaining life
		#	\$	(Years)
March 27, 2017	March 27, 2022	65,000	0.50	1.24
September 19, 2018	September 19, 2023	130,000	0.25	2.72
July 1, 2020	July 1, 2025	395,500	0.11	4.50
August 31, 2020	August 31, 2023	2,025,000	0.20	2.67
October 28, 2020	October 28, 2023	200,000	0.20	2.82
		2,815,500	0.20	2.91

The number of options outstanding at December 31, 2019 by issue date is shown in the following table. The number and exercise price of each outstanding option have been restated to reflect the 1:5 consolidation of the Company's common shares which took place on July 7, 2020.

Date of Grant	Expiry Date	Options Issued	Price per Share	Remaining life
		#	\$	(Years)
December 10, 2015	December 10, 2020	65,000	0.25	0.94
March 27, 2017	March 27, 2022	140,000	0.50	2.24
September 19, 2018	September 19, 2023	400,000	0.25	3.72
		605,000	0.31	3.08

All of the outstanding options at each date were fully vested.

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

10. RELATED PARTY TRANSACTIONS

- a) During the periods ended December 31, 2020 and 2019, the Company incurred the following, all recorded based on fair value, in respect of services received from related parties:

	Three months ended December 31		Six months ended December 31	
	2020 \$	2019 \$	2020 \$	2019 \$
Mike Koziol - services (Officer and Director until July 7, 2020)	900	39,000	900	78,000
Escarpment Capital Advisors - service (Officer and Director)	45,000	-	90,000	-
Escarpment Capital Advisors - finder's fee	-	-	75,000	-
Mirador Management – management fees (company with an officer in common)	10,500	10,500	21,000	21,000
J Collins Consulting - Corporate Secretary services until February 11, 2020	-	15,400	-	20,400
Venturex Consulting - CFO services until February 11, 2020	-	10,500	-	21,000
ASI Accounting Services - CFO from July 1, 2020 to August 31, 2020	-	-	18,280	-
Jim Kirke - CFO from August 31, 2020	30,000	-	40,000	-
David Cowan - Corporate Secretary	-	-	21,935	-
McMillan LLP – legal fees (Legal firm with a partner and Company Director in common) until December 31, 2019	-	7,703	-	11,396
Total	86,400	83,103	267,115	151,796

In respect of services provided to and expenses incurred on behalf of the Company, the Company owed various related parties the following at December 31, 2020 and June 30, 2020:

	December 31 2020 (\$)	June 30 2020 (\$)
In respect of services provided to the Company by companies with directors or officers in common	-	5,000
In respect of expenses incurred on the Company's behalf by officers and directors	2,623	-
Total	2,623	5,000

At June 30, 2020, \$4,062 was due from a company with common directors. This receivable amount was collected in cash during the period ended December 31, 2020.

Big Ridge Gold Corp. (formerly Alto Ventures Ltd.)
(An Exploration Stage Company)
Notes to the Financial Statements
For the Three and Six Months ended December 31, 2020 and 2019
Unaudited – Expressed in Canadian dollars

b) Compensation of key management personnel

During the three and six months ended December 31, 2020 and 2019, the Company incurred the following costs with respect to key management personnel:

	Three months ended		Six months ended	
	December 31		December 31	
	2020	2019	2020	2019
	(\$)	(\$)	(\$)	(\$)
Management fees	85,500	79,103	105,715	151,796
Finder's fee	-	-	75,000	-
Share-based compensation	6,329	-	131,792	-
	91,829	79,103	312,507	151,796

11. SUBSEQUENT EVENTS

- On January 21, 2021 the Company awarded a total of 200,000 options with an exercise price of \$0.20 per share to a director of the Company. These options expire on January 21, 2024 and vested immediately upon grant.
- On January 26, 2021, the Company received the first tranche of payments from Clarity related to the option agreement on the Destiny gold project, which consisted of \$450,000 in cash and 685,391 common shares at a deemed price of \$1.46 per share, representing an aggregate fair value of \$1,000,000.