

HIGH RIDGE RESOURCES INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the 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 interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company'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 interim financial statements by an entity's auditor.

HIGH RIDGE RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2007

**HIGH RIDGE RESOURCES INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)**

	September 30, 2007	December 31, 2006
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 548,261	\$ 320,187
Amounts receivable	65,338	10,841
BC METC receivable	102,374	102,374
Prepaid expenses	34,580	12,976
	750,553	446,378
Reclamation Bonds	25,000	17,000
Mineral Interests (Note 4 and 12)	931,756	332,490
Deferred Exploration Expenditures (Note 4 and 12)	1,184,938	772,619
VAT Tax Credit	46,322	-
Equipment (Note 5)	66,600	32,309
	\$ 3,005,169	\$ 1,600,796
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 65,326	\$ 82,347
Due to related parties (Note 9)	-	6,677
	65,326	89,024
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	4,232,897	2,045,719
Contributed Surplus (Note 7)	426,573	415,555
Deficit	(1,719,627)	(949,502)
	2,939,843	1,511,772
	\$ 3,005,169	\$ 1,600,796

Approved By The Board:

"Gary Anderson"

Director

"Adam Szybinski"

Director

HIGHRIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(UNAUDITED)

	<u>For the Three Month Period Ended</u>		<u>For the Nine Month Period Ended</u>	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
Administrative Expenses				
Amortization of equipment	\$ 4,660	\$ 1,613	\$ 13,091	\$ 3,552
Automobile	241	289	891	627
Bank charges and interest	1,087	157	2,109	382
Consulting	35,323	45,776	129,312	126,937
Foreign exchange	(106,197)	-	15,061	-
Insurance	6,458	(1,623)	7,479	2,400
Investor relations	15,303	15,334	42,979	33,863
Licenses and permits	-	-	500	117
Office and sundry	58,526	2,710	111,043	11,333
Professional fees	16,532	12,655	54,540	35,587
Property investigations	961	-	18,517	-
Regulatory and transfer agent fees	3,330	5,479	25,685	43,341
Rent	11,927	7,419	31,253	19,994
Shareholder information	52,561	1,366	81,446	28,091
Stock-based compensation	11,986	13,771	187,014	70,017
Telephone	7,727	3,216	19,695	9,406
Travel and business development	3,716	1,574	46,465	29,326
	124,141	109,736	787,080	414,973
Other Income				
Interest income	3,636	5,707	16,955	12,097
Loss for the Period	(120,505)	(104,029)	(770,125)	(402,876)
Deficit, beginning of period	(1,599,122)	(579,773)	(949,502)	(280,926)
Deficit, end of period	\$ (1,719,627)	\$ (683,802)	(1,719,627)	(683,802)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.05)	\$ (0.04)
Weighted average number of shares issued and outstanding - basic and diluted	17,763,131	12,804,625	15,482,858	11,125,605

HIGH RIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended		For the Nine Months Ended	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
Cash flows from (used in) operating activities				
Loss for the period	\$ (120,505)	(104,029)	\$ (770,125)	\$ (402,876)
Items not involving cash:				
Amortization of equipment	4,660	1,613	13,091	3,552
Stock-based compensation	11,986	13,771	187,014	70,017
	(103,859)	(88,645)	(570,020)	(329,307)
Changes in non-cash working capital:				
Decrease (increase) in amounts receivable	(3,709)	32,075	(54,497)	(8,649)
(Increase) decrease in accounts payable and accrued liabilities	13,706	21,771	(23,698)	14,535
(Increase) decrease in prepaid expenses	(22,319)	(10,866)	(21,604)	(15,417)
Net cash used in operating activities	(116,181)	(45,665)	(669,819)	(338,838)
Cash flows used in investing activities				
Acquisition of reclamation bonds	(8,000)	-	(8,000)	(3,500)
Resource property acquisition	(105,454)	(7,500)	(334,100)	(23,451)
Exploration of mineral property interests	(227,253)	(115,273)	(412,319)	(645,026)
(Increase) in VAT Tax Credit	(39,787)	-	(46,322)	-
Acquisition of equipment, net of disposals	(8,913)	(4,372)	(47,548)	(29,727)
Net cash used in investing activities	(389,407)	(127,145)	(848,289)	(701,704)
Cash flows from financing activities				
Proceeds from private placements	-	-	1,223,965	1,648,228
Options exercised	9,000	-	102,750	-
Warrants exercised	90,780	-	419,467	32,670
Due to related parties	-	13,251	-	(127,717)
Net cash provided by financing activities	99,780	13,251	1,746,182	1,553,181
Increase (decrease) in cash and cash equivalents	(405,808)	(159,559)	228,074	512,639
Cash and cash equivalents, beginning of period	954,069	696,701	320,187	24,503
Cash and cash equivalents, end of period	\$ 548,261	537,142	\$ 548,261	\$ 537,142

HIGH RIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF MINERAL INTERESTS
(UNAUDITED)

Mineral Interest Descriptions	Balance December 31, 2006	Current Period Costs Incurred	Write Down For Valuation	Balance Sept. 30, 2007
Chuchi Property Omineca Mining Division of BC 100% option or ownership interests	\$ 208,442	\$ 7,319	-	\$ 215,761
Newton Hill Property Clinton Mining Division of BC 100% option or ownership interests	98,048	79,928	-	177,976
Silver Bay Property Slocan Mining Division of BC 100% option interest	26,000	10,000	-	36,000
Pacococha Property, Peru	-	289,482	-	289,482
Chanape Property, Peru	-	212,537	-	212,537

HIGH RIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES
(UNAUDITED)

Mineral Interest Descriptions	Balance December 31, 2006	Current Period Costs Incurred	Write Down For Valuation	Balance Sept. 30, 2007
Chuchi Property				
Omineca Mining Division of BC				
Camp and field supplies	\$ 17,896	\$ -	\$ -	\$ 17,896
Equipment rental	870	-	-	870
Geological and geophysical (Note 10)	72,794	23,627	-	96,421
Line cutting and grid preparation	32,943	-	-	32,943
Reports and maps	11,837	-	-	11,837
Transportation and accomodation	13,664	-	-	13,664
Grant recoveries	(5,270)	-	-	(5,270)
	144,734	23,627	-	168,361
Newton Hill Property				
Clinton Mining Division of BC				
Assays	23,687	-	-	23,687
Camp and field supplies	73,915	-	-	73,915
Drilling	353,732	-	-	353,732
Field equipment	6,500	-	-	6,500
Geological and geophysical (Note 10)	93,335	2,547	-	95,882
Labour	23,573	-	-	23,573
Transportation and accommodations	15,188	-	-	15,188
Reports and maps	9,776	-	-	9,776
Grant recoveries	(82,903)	-	-	(82,903)
	516,803	2,547	-	519,350
Silver Bay Property				
Slocan Mining Division of BC				
Assays	1,014	-	-	1,014
Camp and field supplies	7,217	-	-	7,217
Equipment rental	2,390	-	-	2,390
Geological and geophysical (Note 10)	74,942	4,126	-	79,068
Labour	24,430	-	-	24,430
Reports and maps	739	-	-	739
Transportation and accommodations	14,551	-	-	14,551
Grant recoveries	(14,201)	-	-	(14,201)
	111,082	4,126	-	115,208

HIGH RIDGE RESOURCES INC.
CONSOLIDATED STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES -
CONT'D
(UNAUDITED)

Mineral Interest Descriptions	Balance December 31, 2006	Current Period Costs Incurred	Write Down For Valuation	Balance Sept. 30, 2007
Chanape Property				
Peru				
Administration	-	28,136	-	28,136
Assays	-	401	-	401
Camp and field supplies	-	8,785	-	8,785
Geological consulting	-	71,653	-	71,653
Depreciation	-	88	-	88
Professional fees	-	40,594	-	40,594
Reports and maps	-	19,065	-	19,065
Transportation and accomodations	-	60,883	-	60,883
	-	229,604	-	229,604
Pacocha - Sunicancha Property				
Peru				
Administration	-	28,478	-	28,478
Camp and field supplies	-	3,554	-	3,554
Geological consulting	-	40,315	-	40,315
Depreciation	-	81	-	81
Professional fees	-	39,331	-	39,331
Reports and maps	-	11,129	-	11,129
Transportation and accomodations	-	29,528	-	29,528
	-	152,414	-	152,415
Total Mineral Interests	\$ 772,619	\$ 412,319	-	\$ 1,184,938

1. INCORPORATION AND BASIS OF PRESENTATION

The Company was incorporated on June 24, 2004 pursuant to the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange ("TSXV"). These financial statements include the operations of the Company and its wholly-owned Peruvian subsidiary. All inter-company balances have been eliminated.

2. NATURE OF OPERATIONS AND GOING CONCERN

The Company's major activities are the acquisition, exploration and development of its mineral property interests in Canada and Peru. The recoverability of amounts shown for mineral interests and their related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves. The Company does not generate cash flows from operations to adequately fund its exploration activities, and has therefore relied principally upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. Accordingly, the Company's financial statements are presented on a going concern basis, which assume that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. As at September 30, 2007, the Company has working capital of \$685,227 and has accumulated losses totaling \$1,719,627. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies:

a) Mineral Interests and Deferred Exploration Expenditures

The cost of mineral interests and their related direct exploration expenditures are deferred until the interests are placed into production, sold or abandoned. These deferred expenditures will be amortized on a unit-of-production basis over the estimated useful life of the interests following the commencement of production, or written-off if the interests are sold, allowed to lapse, or are abandoned. Mineral interest option payments are recorded when receivable, and are credited against the related mineral interests' costs. Option payments received in excess of costs incurred are recorded as revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Mineral Interests And Deferred Exploration Expenditures (Cont'd)

Cost includes the cash consideration and the fair market value of common shares issued on the acquisition of mineral interests. The recorded costs of mineral interests and their related deferred exploration expenditures represent costs incurred, and are not intended to reflect present or future values. The Company does not accrue the estimated future costs of maintaining its mineral interests in good standing.

The Company reviews capitalized costs on its mineral interests on a periodic basis, or annually, and will recognize an impairment in value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the interests or from sale of the interests. Management's assessment of the interests' estimated current fair market value is also based upon its review of other property transactions in the same geographic area.

Although the Company has taken steps to verify title to mineral interests in which it has an interest in accordance with industry standards for the current stage of exploration of such interests, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, and may be affected by undetected defects and non-compliance with regulatory requirements.

b) Environmental Expenditures and Asset Retirement Obligations

The Company follows the standard of accounting for asset retirement obligations whereby the Company estimates the fair value of site restoration and clean-up costs on acquisition of mineral interests and reflects this amount in the cost of the mineral interest acquired. The standard requires the recognition of a liability for obligations associated with the retirement of assets when the liability is incurred. A liability is recognized initially at fair value if a reasonable estimate of the fair value can be made, and the resulting amount is capitalized as part of the asset. The liability is accreted over time through periodic charges to operations or mineral interest costs. In subsequent years, the Company adjusts the carrying amounts of the assets and the liabilities for changes in estimates of the amount or timing of underlying future cash flows.

It is reasonably possible that the Company's estimates of its ultimate reclamation and site restoration liability could change as a result of changes in regulations or cost estimates. The effect of changes in estimated costs is recognized on a prospective basis. As at September 30, 2007, the Company has not recorded any asset retirement obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Equipment and Amortization

Equipment is recorded at cost and is amortized over the estimated useful life on the declining balance method at the following rates:

Computer equipment	30%
Software	100%
Office equipment	20%
Field equipment	20%

In the year of acquisition, one half of the above rates are applied, and in the year of disposal no amortization is claimed.

d) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the financial statements, as well as the reported amounts of revenues earned and expenses incurred during the reporting periods.

The Company's current items involving substantial measurement uncertainty are the carrying costs of mineral interests and their related deferred exploration expenditures and the provision for future site restoration and abandonment costs and the determination of stock-based compensation. By their nature, these estimates are subject to measurement uncertainty, and the impact on the financial statements of future changes in such estimates could be material.

e) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. The fair value of stock options is determined by the Black-Scholes option pricing model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options. The fair value of direct awards of share capital is determined by the quoted market price of the Company's common shares.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Flow - Through Common Shares

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares whereby the investor may claim the tax deductions arising from the related resource expenditures. When resource expenditures are renounced to the investors, and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate) thereby reducing share capital. The Company records the initial share issuances by crediting share capital for the full value of the cash consideration received.

g) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences) and on unclaimed losses carried forward. Future income tax assets and liabilities are measured using the substantially enacted tax rates expected to be in effect when the temporary differences are likely to reverse or when losses are expected to be utilized. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is likely to be realized.

h) Loss Per Share

The Company calculates loss per share using the treasury stock method. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations.

4. MINERAL INTERESTS & DEFERRED EXPLORATION

a) Chuchi Property

The Chuchi Property is located approximately 90 kilometres north-east of Fort St. James in the Omineca Mining Division of British Columbia. The optioned property is comprised of nineteen mineral claims totaling approximately 850 hectares.

The Company signed an option agreement on October 25, 2004 to earn a 100% interest in the property subject to a three percent net smelter returns royalty ("NSR"). To exercise the option, the Company must make cash payments totaling \$125,000 and issue 400,000 common shares of the Company to the optionors as follows:

i) Cash Payments

- \$20,000 on execution of the agreement (paid);
- a further \$20,000 on or before October 25, 2005 (paid);
- a further \$35,000 on or before October 25, 2006 (paid);
- a further \$50,000 on or before October 25, 2007 (Note 12);
- annual advance royalties of \$20,000 from October 26, 2008 ceasing in the year in which commercial production commences.

ii) Share Consideration

- 100,000 common shares upon completion of the Company's IPO (issued);
- a further 100,000 common shares on or before October 25, 2005 (issued);
- a further 100,000 common shares on or before October 25, 2006 (issued);
- a further 100,000 common shares on or before October 25, 2007 (Note 12).

The agreement provides that if the Company did not complete its IPO by May 31, 2005, the Company could extend its option by making additional cash payments of \$3,000 per month commencing June 2005. The Company notified the optionors of its election to extend the option. Payments totaling \$47,000 were made by the Company to the optionors pursuant to the agreement.

The NSR can be reduced to one percent by paying \$2,000,000 to the optionors. The optionors will receive a further 200,000 common shares of the Company upon the commencement of commercial production.

The Company also acquired one mineral claim totaling approximately 6,500 hectares of additional "protection" ground in December 2004 via staking.

The Company paid \$15,000 for a reclamation bond pursuant to regulatory requirements against potential reclamation obligations relating to exploration work on the Chuchi mineral interest.

HIGH RIDGE RESOURCES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

4. MINERAL INTERESTS & DEFERRED EXPLORATION (CONT'D)

a) Chuchi Property (Cont'd)

The following expenditures have been incurred by the Company to September 30, 2007 on the Chuchi Property:

Acquisition costs	
Option payments, claims staking and assessment work filed	\$130,761
Shares issued (300,000 shares at \$0.28 per share)	85,000
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	\$215,761

b) Newton Hill Property

On June 26, 2004, as amended October 7, 2005, Tywell Management Inc. ("Tywell"), a company controlled by a director of the Company, signed an option agreement to acquire a 100% interest in the "Newton 1" mineral claim subject to a two percent NSR. The Newton 1 claim consists of twenty claim units being approximately 410 hectares which is located 105 kilometres west-south-west of Williams Lake on the Chilcotin Plateau in the Clinton Mining Division of British Columbia.

Effective July 20, 2004, the option agreement was assigned by Tywell to the Company. To exercise the option, the Company must make cash payments totalling \$120,000, issue 500,000 common shares of the Company to the optionor, and incur not less than \$750,000 in exploration expenditures on the mineral interest as follows:

i) Cash Payments

- \$6,000 on execution of the agreement (paid);
- a further \$6,000 six months after June 26, 2004 (paid);
- a further \$12,000 on or before June 26, 2005 (paid);
- a further \$12,000 on or before June 26, 2006 (paid);
- a further \$12,000 on or before June 26, 2007 (paid);
- a further \$12,000 on or before June 26, 2008;
- a further \$60,000 on or before June 26, 2009.

HIGH RIDGE RESOURCES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

4. MINERAL INTERESTS & DEFERRED EXPLORATION (CONT'D)

b) Newton Hill Property (Cont'd)

ii) Share Consideration

- 100,000 common shares on or before June 26, 2005 (issued);
- a further 100,000 common shares on or before June 26, 2006 (issued);
- a further 100,000 common shares on or before June 26, 2007 (issued);
- a further 100,000 common shares on or before June 26, 2008;
- a further 100,000 common shares on or before June 26, 2009.

iii) Expenditure Commitment

- \$50,000 on or before June 26, 2005 (completed);
- a further \$150,000 on or before June 26, 2006 (completed);
- a further \$150,000 on or before June 26, 2007 (completed);
- a further \$150,000 on or before June 26, 2008 (completed);
- a further \$250,000 on or before June 26, 2009.

The NSR can be purchased at any time by the Company for \$1,200,000.

The Company has staked a further eight mineral claims totaling approximately 2,215 hectares around Newton 1 in August 2004.

The Company paid \$10,000 for a reclamation bond pursuant to regulatory requirements against potential reclamation obligations relating to exploration work on the Newton Hill mineral interest.

The following expenditures have been incurred by the Company to September 30, 2006 on the Newton Hill Property:

Acquisition costs	
Option payments, claims staking and assessment work filed	\$ 55,976
Shares issued (400,000 shares at avg. price of \$0.31 per share)	122,000
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	\$177,976

4. MINERAL INTERESTS & DEFERRED EXPLORATION (CONT'D)

c) Silver Bay Property

The Silver Bay Property is located on the Crawford Peninsula at Kootenay Lake approximately thirteen kilometres from the town of Riondel in south-west British Columbia in the Slocan Mining Division of British Columbia. The optioned mineral interest is comprised of twenty-two mineral claims totaling approximately 1,730 hectares.

The Company signed an option agreement on August 31, 2004, as amended October 7, 2005, to acquire a 100% interest in the property subject to a two percent NSR. To exercise this option, the Company must make cash payments totalling \$50,000, issue 100,000 common shares of the Company to the optionor, and incur not less than \$350,000 in exploration expenditures on the mineral interest as follows:

i) Cash Payments

- \$3,500 on execution of the agreement (paid);
- a further \$5,000 on or before August 31, 2005 (paid);
- a further \$7,500 on or before August 31, 2006 (paid);
- a further \$10,000 on or before August 31, 2007 (paid);
- a further \$12,000 on or before August 31, 2008;
- a further \$12,000 on or before August 31, 2009;

ii) Share Consideration

- 20,000 common shares on execution of the agreement (issued);
- a further 20,000 common shares on or before August 31, 2005 (issued);
- a further 60,000 common shares on or before August 31, 2009.

iii) Expenditure Commitment

- \$20,000 on or before August 31, 2005; (completed)
- a further \$50,000 on or before August 31, 2006; (completed)
- a further \$80,000 on or before August 31, 2007; (partially completed)*
- a further \$100,000 on or before August 31, 2008;
- a further \$100,000 on or before August 31, 2009.

*(partially completed, agreement with optionor for balance to be carried to 2008)

The NSR can be purchased at any time by the Company for \$1,200,000.

HIGH RIDGE RESOURCES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

4. MINERAL INTERESTS & DEFERRED EXPLORATION (CONT'D)

c) Silver Bay Property (Cont'd)

The following expenditures have been incurred by the Company to September 30, 2006 on the Silver Bay Property:

Acquisition costs	
Option payments paid	\$ 26,000
Shares issued (40,000 shares at \$0.25 per share)	10,000
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	\$36,000

d) Pacococha Property

On March 22, 2007 the Company announced that its wholly-owned subsidiary Minera High Ridge del Peru S.A.C. was granted an option to acquire a 100% interest in 37 mining concessions located within the Matucana cadastral sheet 24-k held by Sindicato Minero Pacococha S.A. and Compania Minera Sunicancha S.A. These assets totalling 1,223.75 hectares are all in good standing.

The acquisitions are located within old and active mining districts SE of San Mateo approximately 125 kilometres ENE of Lima in the Province of Huarochiri, Department of Lima. The concessions are within the Pacococha district and can be accessed along the well maintained Central Highway to the town of San Mateo, 100 kilometres east of Lima, with the remaining distance to the concessions being by gravel and dirt roads, and trails.

The Company's newly acquired concessions form two separate groupings. The larger and relatively untouched contiguous group of claims, the Rosicler-El Domo property, includes an over three kilometres long, largely exposed mineralized quartz vein system and the related alteration zone named Rosicler, as well as associated, strongly altered volcanic dome (El Domo).

The second group of concessions is referred to as the Pacococha-Germania claims and includes several vein systems. Most veins have been previously mined, but none were drilled, and their potential at depth, below the lowermost drift and/or bottom of the nearest valley, is unknown. All veins show a strong mineral zoning, with different segments of the veins being richer in different minerals.

As consideration for the Rosicler-El Domo and Pacococha-Germania concessions, the Company must pay the aggregate sum of US \$6,000,000 to the vendors and issue a total of 3,000,000 common shares over 5 ½ years. (amended May 2, 2007)

4. MINERAL INTERESTS & DEFERRED EXPLORATION (CONT'D)

d) Pacococha Property (cont'd)

The vendors have retained a 2.5% net smelter royalty ("NSR") and the Company may purchase 1.5% of the NSR for US \$1,000,000.

Finders' fees, payable in cash and common shares, calculated on the basis of 5% of the value of the entire transaction (US \$300,000 and 150,000 common shares) are payable on a pro-rated basis in accordance with the payment schedule established between the Company and the vendors.

i) Cash payments

US\$6 million to Sindicato Minero Pacococha S.A. and Compania Minera Sunicancha S.A., each as to 50%, on the following basis:

- the sum of US \$60,000 to June 28, 2007(paid);
- the sum of US \$65,000 on November 12, 2007(paid);
- the sum of US \$375,000 on March 12, 2008;
- the sum of US \$100,000 on September 12, 2008;
- the sum of US \$150,000 on March 12, 2009;
- the sum of US \$225,000 on September 12, 2009;
- the sum of US \$275,000 on March 12, 2010;
- the sum of US \$350,000 on September 12, 2010;
- the sum of US \$450,000 on March 12, 2011;
- the sum of US \$550,000 on September 12, 2011;
- the sum of US \$650,000 on March 12, 2012;
- the sum of US \$2,750,000 on September 12, 2012.

ii) Share Consideration

3,000,000 Shares to Sindicato Minero Pacococha S.A. and Compania Minera Sunicancha S.A., each as to 50%, on the following basis:

- 300,000 Shares on or before September 12, 2007 (issued);
- 300,000 Shares on or before March 12, 2008;
- 300,000 Shares on or before September 12, 2008;
- 300,000 Shares on or before March 12, 2009;
- 300,000 Shares on or before September 12, 2009;
- 300,000 Shares on or before March 12, 2010;
- 300,000 Shares on or before September 12, 2010;

4. MINERAL INTERESTS & DEFERRED EXPLORATION (CONT'D)

d) Pacococha Property (cont'd)

300,000 Shares on or before March 12, 2011;
300,000 Shares on or before September 12, 2011;
300,000 Shares on or before March 12, 2012.

iii) Finder's Fee

150,000 Shares issuable pro-rata according to the schedule above; and US \$300,000 payable pro-rata according to the schedule above.

e) Chanape Property

The Company entered into an option to acquire a 100% interest (news release dated: February 8, 2007) in the Chanape concessions ("Chanape") in Peru. The Chanape property consists of 20 mining concessions, which are all in good standing, totalling 808.34 hectares.

The Chanape project is located in the district of San Damián, in the province of Huarochiri and Department of Lima. It is located 138 km ENE from Lima and can be accessed by road.

4. MINERAL INTERESTS & DEFERRED EXPLORATION (CONT'D)

e) Chanape Property (cont'd)

As consideration for the Chanape concessions, the Company must pay the aggregate sum of US \$2,000,000 to the vendor and issue a total of 1,000,000 common shares of the Company to the vendor. The Company is obligated to make the payments of cash and the issuance of common shares in semi-annual payments over a five year period. The vendor has retained a 2.5% net smelter royalty ("NSR") and the Company has the option to purchase a 1.5% NSR for US \$1,000,000.

i) Cash payments

US\$2 million on the following basis:

- the sum of US \$50,000 on February 7, 2007 (paid);
- the sum of US \$50,000 on or before August 7, 2007(paid);
- the sum of US \$50,000 on or before February 7, 2008;
- the sum of US \$100,000 on or before August 7, 2008;
- the sum of US \$100,000 on February 7, 2009
- the sum of US \$150,000 on or before August 7, 2009;
- the sum of US \$150,000 on February 7, 2010;
- the sum of US \$200,000 on or before August 7, 2010;
- the sum of US \$200,000 on February 7, 2011;
- the sum of US \$950,000 on or before February 7, 2012

ii) Share Consideration

1,000,000 Shares on the following basis:

- 100,000 Shares on or before August 7, 2007 (issued);
- 100,000 Shares on or before February 7, 2008;
- 100,000 Shares on or before August 7, 2008;
- 100,000 Shares on February 7, 2009
- 100,000 Shares on or before August 7, 2009;
- 100,000 Shares on February 7, 2010;
- 100,000 Shares on or before August 7, 2010;
- 100,000 Shares on February 7, 2011;
- 100,000 Shares on August 7, 2011;
- 100,000 Shares on or before February 7, 2012.

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5. EQUIPMENT

	September 31, 2007		Dec. 31, 2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 36,593	\$ 7,946	\$ 28,647	\$ 11,853
Computer software	11,577	5,249	6,329	907
Office furniture and equipment	36,444	6,578	29,866	19,549
Field equipment	1,902	143	1,759	-
	<u>\$ 86,516</u>	<u>\$ 19,916</u>	<u>\$ 66,601</u>	<u>\$ 32,309</u>

HIGH RIDGE RESOURCES INC.
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6. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares without par value
b) Common Shares Issued

		<u>Shares</u>	<u>Amount</u>
Balance, December 31, 2005		1	1
For Cash			
Escrow shares at \$0.0001/share	i)	4,800,000	480
Seed shares at \$0.225/share	ii)	1,312,609	295,337
Flow-through shares at \$0.35/share	iii)	274,428	96,050
Tax effect of flow-through shares	iii)	-	(34,693)
Initial Public Offering, Febuary 24, 2006	iv)	5,000,000	1,500,000
Corporate finance fee	iv)	100,000	30,000
Share issuance costs		-	(356,068)
Warrants exercised	v)	128,900	38,670
Private placement	vi)	768,687	307,475
Contributed surplus allocated on warrant exercise		-	16,467
For Acquisitions			
Property payments (Note 4)		540,000	152,000
Balance, December 31, 2006		12,924,625	\$ 2,045,719
For Cash			
Options exercised	vii)	342,500	102,750
Warrants exercised	viii)	1,175,935	419,468
Private placement	ix)	3,000,000	1,350,000
Share issuance costs	ix)	19,110	(81,036)
Corporate finance fee	ix)	100,000	(45,000)
Contributed surplus allocated on option exercise		-	76,116
Contributed surplus allocated on warrant exercise		-	99,880
For Acquisitions			
Property payments (Note 4)		500,000	265,000
Balance, September 30, 2007		18,062,170	4,232,897

6. SHARE CAPITAL (CONT'D)

b) Common Shares Issued (Cont'd)

i) Escrow Shares

The Company allotted, and reserved for issuance to the directors of the Company, 4,800,000 common shares at a price of \$0.0001 per share for total cash proceeds of \$480. These shares, and 493,450 seed shares subscribed for by the directors of the Company, were placed in escrow pursuant to the Company's agreement with its transfer agent. The shares subject to escrow will be released over a period of 36 months commencing November 30, 2005. As at September 30, 2007, the Company had 2,382,093 shares in escrow.

ii) Seed Shares

During fiscals 2004 and 2005, the Company re-priced seed share subscriptions prices from \$0.25 to \$0.225 per share. A total of \$295,338 was raised through seed share financing with the Company issuing 1,312,609 shares.

iii) Flow-through shares

In fiscal 2005, the Company raised \$96,050 via issuance of 274,428 flow-through shares at a price of \$0.35 per flow-through share. A credit for \$34,693 was recorded against future income recovery.

iv) Initial Public Offering

On February 24, 2006, the Company completed its IPO on the TSXV by issuing to the public 5,000,000 units at \$0.30 per unit, to net the Company \$1,310,456 after commissions, legal and sponsorship fees of \$194,404. Each unit sold is comprised of one share and one-half of a transferable share purchase warrant. Two half warrants are required to purchase one common share of the Company until February 24, 2007 at \$0.45 per share. The Company also issued to its agents an additional 100,000 units at \$0.30 per unit as corporate finance fees, the units have the same terms as the IPO units.

The Company's agents were granted non-transferable agent share purchase warrants entitling the agents to purchase up to 20% of the total number of shares sold through the IPO, being 1,000,000 warrants. One share purchase warrant is required to purchase one common share of the Company until February 24, 2007 at \$0.30 per share. The Company recorded the fair value of these warrants, \$118,553, to share issuance costs.

v) Warrants Exercised

During the twelve month period ended December 31, 2006, a total of 128,900 agent warrants were exercised for proceeds of \$38,670. A pro-rated charge to share capital was transferred from contributed surplus due to the exercise of agents' warrants.

6. SHARE CAPITAL (CONT'D)

vi) Private Placement

On June 28, 2006, the Company completed a private placement raising a total of \$307,475 through the issuance of 768,687 units at a price of \$0.40 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. One whole warrant entitles the holder to purchase one further common share of the Company until June 28, 2007. On June 28, 2007, 50,904 warrants expired unexercised.

vii) Options Exercised

During the three month period ended September 30, 2007, a total of 30,000 stock options were exercised at a price of \$0.30 per option for proceeds of \$9,000.

viii) Warrants Exercised

During the three month period ended September 30, 2007, a total of 181,561 share purchase warrants were exercised for proceeds of \$90,780.

ix) Private Placement

In May 2007, the Company closed a brokered private placement of three million units at 45 cents per unit, for gross proceeds of approximately \$1,350,000.

Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of 18 months after May 28, 2007, at a price of 60 cents per common share, subject to an acceleration provision such that if, at any time four months or more after the closing, the weighted average trading price per High Ridge share on the TSX Venture Exchange is 90 cents or higher for 10 consecutive trading days, then High Ridge may give the investors notice that the warrants must be exercised or they will expire within 30 days.

The agent for the financing received an 8-per-cent commission, a portion of which was paid in the form of 19,110 units; a corporate finance fee consisting of 100,000 units; a \$5,000 work fee; and agent's warrants, which entitle the agent to purchase 300,000 common shares exercisable at the offering price for a period of 18 months following closing of the offering.

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6. SHARE CAPITAL (CONT'D)

c) Stock Options

The Company has a 10% rolling incentive stock option plan for the benefit of its directors, officers, employees and consultants, whereby options to purchase common shares of the Company may be granted from time to time, provided that the maximum number of options that are outstanding at any time shall not exceed 10% of the issued and outstanding common shares of the Company.

Changes to the balance of options outstanding as at the nine months ended September 30, 2007 and the year ended December 31, 2006 are as follows:

	Granted		
	Options	Weighted Average Exercise Price	Weighted Average Number of Years to Expiry
Options outstanding, December 31, 2005	800,000	0.30	5.00
Granted	580,000	0.42	2.50
Cancelled/expired	(250,000)	0.30	-
Options outstanding, December 31, 2006	1,130,000	0.30	2.95
Granted	900,000	0.42	2.87
Exercised	(342,500)	0.30	-
Cancelled/expired	(37,500)	-	-
September 30, 2007 (unaudited)	1,650,000	\$ 0.36	3.12

HIGH RIDGE RESOURCES INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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6. SHARE CAPITAL (CONT'D)

c) Stock Options (Cont'd)

Option expiry dates are as follows:

Exercise price	Number		Expiry
	Outstanding at Sep. 30, 2007	Exercisable at Sep. 30, 2007	
\$ 0.30	750,000	750,000	March 1, 2011
\$ 0.30	150,000	75,000	February 8, 2009
\$ 0.30	100,000	50,000	February 15, 2009
\$ 0.40	200,000	200,000	February 22, 2009
\$ 0.40	50,000	50,000	May 2, 2009
\$ 0.50	400,000	387,500	June 15, 2009
	1,650,000	1,512,500	

d) Share Purchase Warrants

For the nine months ended September 30, 2007 and the year ended December 31, 2006, share purchase warrants changes are as follows:

	Warrants	Weighted Average Exercise Price	Weighted Average Number of Years to Expiry
Balance December 31, 2005	-	\$ -	-
Issued	3,934,339	0.42	0.18
Exercised	(128,900)	0.36	-
Balance December 31, 2006	3,805,439	\$ 0.60	0.18
Issued	3,419,110	0.59	1.16
Exercised	(1,175,935)	0.36	-
Expired	(2,629,504)	0.45	-
Balance, September 30, 2007	3,419,110	\$ 0.60	1.16

HIGH RIDGE RESOURCES INC.
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6. SHARE CAPITAL (CONT'D)

d) Share Purchase Warrants (Cont'd)

Warrant expiry dates are as follows:

Exercise price	Number Outstanding at		Expiry
		Jun. 30, 2007	
\$ 0.45	300,000		November 28, 2008
\$ 0.60	3,119,110		November 28, 2008
	3,419,110		

7. CONTRIBUTED SURPLUS

During the years ended December 31, 2006 and December 31, 2005, the Company executed a number of transactions involving share purchase options granted to consultants and key personnel along with agent warrants issued during the IPO. The Company recorded contributed surplus arising from these transactions as follows:

Balance, December 31, 2005		\$	182,543
Value assigned to agents' warrants	i)		118,553
Stock-based compensation	ii)		130,926
Agent warrant exercise - warrant valuation			(16,467)
Balance, December 31, 2006			415,555
Stock-based compensation	iii)		187,014
Option exercise - option valuation			(76,116)
Warrant exercise - warrant valuation			(99,880)
Balance, September 30, 2007		\$	426,573

HIGH RIDGE RESOURCES INC.
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7. CONTRIBUTED SURPLUS (CONT'D)

- i) During the year ended December 31, 2006, the Company assigned a value of \$118,553 to the warrants issued to the agent as part of the initial public offering.
- ii) During the year ended December 31, 2006, the Company recorded stock-based compensation expense of \$130,926 for the grant of 542,500 vested stock options. The options were granted to consultants, officers and directors of the Company.
- iii) During the nine month period ended September 30, 2007, the Company recorded stock-based compensation expense of \$175,028 for the grant of 900,000 vested stock options. The options were granted to consultants of the Company.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options. The Company determined the fair value of the granted stock options on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

	<u>2007</u>	<u>2006</u>
Risk-free interest rate	4.23%	3.9%
Volatility	102%	100%
Expected life of options (years)	1-2	2
Dividend rate	0%	0%

HIGH RIDGE RESOURCES INC.
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8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, BC METC receivable, accounts payable and accrued liabilities, and amounts due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The carrying values of the financial instruments approximate their fair values, due to the relatively short period to maturity of these instruments. The amount due to related parties is not susceptible to fair market valuation as this liability is unsecured, non-interest bearing and has no set terms of repayment.

9. RELATED PARTY TRANSACTIONS

During the nine month period ended September 30, 2007 transactions incurred in the normal course of business with companies controlled by directors of the Company or companies with directors in common were as follows:

	<u>2007</u>	<u>2006</u>
Consulting (i)	\$108,969	\$ 10,000
Various deferred exploration expenditures	\$ -	\$ 2,515
Deferred geological and geophysical	\$ -	\$ 14,751

i) The Company is committed to paying \$10,000 per month for consulting services charged by a management company controlled by a director and officer of the Company. For the nine months ended September 30, 2007, a total of \$108,969 (2006 - \$10,000) was paid.

During the nine month period ended September 30, 2007, the Company paid an officer and director \$15,206 (2006 - \$17,500) for bookkeeping services, and to a former officer \$16,263 (2006 - nil) for administrative services.

HIGH RIDGE RESOURCES INC.
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10. SUBSEQUENT EVENTS

- a) On October 1, 2007 the Company issued 100,000 common shares at a price of \$49,500 to the optionors of the Chuchi property.
- b) Access to the properties near San Mateo has been restored.
- c) On October 25, 2007 the Company paid \$50,000 for an option payment on the Chuchi property.
- d) On October 29, 2007 the Company paid US\$65,000 as an option payment made to Pacococho/Sunicancha.