
GOLDBLOCK CAPITAL INC.

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS)

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 interim financial statements have not been reviewed by an auditor.

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

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

GOLDBLOCK CAPITAL INC.
STATEMENTS OF FINANCIAL POSITION
(UnAUDITED, EXPRESSED IN CANADIAN DOLLARS)

	As at November 30, 2021	As at May 31, 2020 <i>(Audited)</i>
ASSETS		
Current		
Cash	\$ 12,326	\$ 17,111
Marketable securities (Note 5)	45,000	80,000
Receivable	9,202	6,583
	<u>66,528</u>	<u>103,694</u>
Exploration and evaluation asset (Note 4)	122,201	122,201
Advances	<u>175,000</u>	<u>175,000</u>
TOTAL ASSETS	<u>\$ 363,729</u>	<u>\$ 400,895</u>
LIABILITIES		
Accounts payable	\$ 49,770	\$ -
Accrued liabilities (Note 10)	23,262	29,762
Due to related party (Note 10)	6,000	6,000
	<u>79,032</u>	<u>35,762</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	700,000	700,000
Deficit	<u>(415,303)</u>	<u>(334,867)</u>
	<u>284,697</u>	<u>365,133</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 363,729</u>	<u>\$ 400,895</u>

Going concern (Note 2)
Subsequent event (Note 11)

Approved by the Board of Directors:

Director

Director

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

GOLDBLOCK CAPITAL INC.**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

	Three Months ended Nov 30, 2021	Three Months ended Nov 30, 2020	Six Months ended Nov 30, 2021	Six Months ended Nov 30, 2020
EXPENSES				
Accounting	\$ 3,400	\$ -	\$ 4,900	\$ 1,500
Bank fees	30	46	60	91
Filing fees	2,250	2,656	4,500	7,175
Management fees	18,000	18,000	36,000	36,000
Office	-	-	-	139
Professional fees	-	2,000	-	2,396
LOSS BEFORE OTHER ITEMS	\$ (23,680)	\$ (22,702)	\$ (45,460)	\$ (47,301)
OTHER ITEM				
Unrealized loss on marketable securities	-	-	(35,000)	-
Interest income	24	1,529	24	2,116
NET LOSS AND COMPREHENSIVE LOSS	\$ (23,656)	\$ (21,173)	\$ (80,436)	\$ (45,185)

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

GOLDBLOCK CAPITAL INC.
STATEMENT OF SHAREHOLDERS' EQUITY
(UnAUDITED, EXPRESSED IN CANADIAN DOLLARS)

	<u>Share Capital</u>			Subscription	Shareholders'
	Shares	Amount	Deficit	Receivable	Equity
BALANCE, MAY 31, 2020	12,000,000	\$ 700,000	\$ (140,754)	\$ -	\$ 559,246
Net loss for the period	-	-	(24,012)	-	(24,012)
BALANCE, August 31, 2020	12,000,000	\$ 700,000	\$ (164,766)	\$ -	\$ 535,234
Prior period adjustment	-	-	5,385	-	5,385
Net loss for the period	-	-	(175,486)	-	(175,486)
BALANCE, MAY 31, 2021	12,000,000	\$ 700,000	\$ (334,867)	-	\$ 365,133
Net loss for the period	-	-	(56,780)	-	(56,780)
BALANCE, August 31, 2021	12,000,000	\$ 700,000	\$ (391,647)	\$ -	\$ 308,353
Net loss for the period	-	-	(23,656)	-	(23,656)
BALANCE, MAY 31, 2021	12,000,000	\$ 700,000	\$ (415,303)	\$ -	\$ 284,697

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

GOLDBLOCK CAPITAL INC.
STATEMENTS OF CASH FLOWS
(UnAUDITED, EXPRESSED IN CANADIAN DOLLARS)

	Three Months ended Nov 30 2021	Three Months ended Nov 30 2020	Six Months ended Nov 30 2021	Six Months ended Nov 30 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	\$ (23,656)	\$ (21,173)	\$ (80,436)	\$ (45,185)
Unrealized loss on marketable securities			35,000	
Change in non-cash working capital items:				
Receivable	(2,506)	(1,119)	(2,619)	(2,750)
Accrued interest	-	1,529	-	3,858
Trade payables and accrued liabilities	23,770	-	43,270	25,725
	(2,392)	(20,763)	(4,785)	(18,352)
CASH FLOWS FROM INVESTING ACTIVITY				
Exploration and evaluation asset	-	(75,120)	-	(75,240)
	-	(75,120)	-	(75,240)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash	-	-	-	-
Subscription receivable	-	-	-	-
	-	-	-	-
CHANGE IN CASH	(2,392)	(95,883)	(4,785)	(93,592)
CASH BALANCE, BEGINNING OF THE PERIOD	14,718	426,499	17,111	424,208
CASH BALANCE, AT END OF THE PERIOD	\$ 12,326	\$ 330,616	\$ 12,326	\$ 330,616

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

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

1. NATURE OF BUSINESS

Goldblock Capital Inc.(the "Company") is a company domiciled in Canada. The Company was incorporated on January 29, 2018 under the laws of the Province of British Columbia. The address of the Company's registered and head office is Suite 1510, 789 West Pender Street, Vancouver, B.C. V6C 1H2.

The Company's principal business is the acquisition and exploration of mineral properties in British Columbia, Canada.

2. BASIS OF PREPARATION

Statement of compliance and going concern

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these interim financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The Company's continuing operations as intended are dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company will require additional financing to meet its projected minimum financial obligations for the next fiscal year. The Company is aware, in making its assessment, of material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

These financial statements were approved by the Board of Directors and authorized for issue on January 24, 2022

Basis of measurement January

These financial statements have been prepared on an historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

2. BASIS OF PREPARATION *(continued)*

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Management has determined that estimates and assumptions where there is significant risk of material adjustments to the Company's assets and liabilities in future accounting periods relate to the recoverability of the carrying value of its exploration and evaluation asset, the provision for restoration and environmental obligations and the fair value measurements for financial instruments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments apart from those involving estimates, in applying accounting policies. Management has determined that the only significant judgment applying to the financial statements for the year ended May 31, 2021 is the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty and the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses.

3. SIGNIFICANT ACCOUNTING POLICIES

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income taxes are recognized for the estimated taxes payable for the current period, and deferred taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities, and for the benefit of losses available to be carried forward for tax purposes that are more likely than not to be realized. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it provides a valuation allowance against the excess. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

(ii) Measurement *(continued)*

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) De-recognition financial assets

The Company de-recognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on de-recognition are generally recognized in profit or loss.

Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and evaluation expenditures *(continued)*

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset. Although the Company has taken steps that it considers adequate to verify title to exploration and evaluation assets which it has an interest, these procedures do not guarantee the Company's title. Title to exploration and evaluation assets in foreign jurisdictions is subject to uncertainty and consequently, such properties may be subject to prior undetected agreements or transfers and title may be affected by such instances.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. These changes are recorded directly to the related asset with a corresponding entry to the provision.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and evaluation expenditures *(continued)*

The increase in the restoration provision due to the passage of time is recognized as interest expense. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Recent accounting pronouncements

Certain new accounting standards, amendments to standards and interpretations have been issued, effective for annual periods beginning on or after August 31, 2019. These standards have been assessed to not have a significant impact on the Company's financial statements.

4. EXPLORATION AND EVALUATION ASSET

On April 25, 2018, the Company entered into an option agreement to acquire a 100% interest in the Copper Canyon Property, located in the Nicola Mining Division of British Columbia, Canada, for the following consideration.

Date	Option payments	Exploration expenditures
April 25, 2018	Payment of \$22,500 (paid)	N/A
April 25, 2019	N/A	N/A
April 25, 2020	Payment of an additional \$20,000 (paid)	Incur \$100,000
April 25, 2021	Payment of an additional \$150,000	Incur an additional \$100,000
April 25, 2022	N/A	Incur an additional \$250,000

Exploration expenditures in excess of the minimum amount in any period will be applied towards the next period's minimum required amount.

The vendors will retain a 1.5% Net Smelter Royalty ("NSR"). The Company has the option to purchase 0.5% of the NSR for \$1,000,000.

During the year ended May 31, 2021, the Company amended the option agreement providing for an extension of the work commitment of \$100,000 to July 25, 2021 from April 25, 2021 and allowing for the Optionee as defined below to assume the exploration expenditure requirement. With regards to the \$250,000 in exploration expenditures that are to be incurred on the property on or before April 25, 2022, this will be partially funded by the Optionee as defined below by incurring a minimum of \$200,000 on the property on or before April 25, 2022.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

4. EXPLORATION AND EVALUATION ASSET (continued)

The following are details of the Company's exploration and evaluation asset:

	November 30, 2021	May 31, 2020
Acquisition cost		
Beginning of the year	\$ 192,500	\$ 42,500
Additions	-	150,000
End of year	192,500	192,500
Exploration costs:		
Beginning of the year	115,086	109,727
Consulting	-	4,999
Drilling	-	360
Sampling	-	-
Geophysics	-	-
Other	-	-
End of year	115,086	115,086
Option payments received - cash	(75,000)	(75,000)
Option payments received - shares	(105,000)	(105,000)
BC Exploration tax credits	(5,385)	(5,385)
	(185,385)	(185,385)
	\$ 122,201	\$ 122,201

The Company entered into an option agreement with Bullet Exploration Inc. (previously 2294253 Alberta Ltd.) ("Bullet") (the "Optionee"), a private company, providing for it to acquire a 75% interest in the Company's Copper Canyon project. The Optionee is required to pay to Goldblock a total of \$245,000 in cash, issue a total of 1,300,000 common shares, and spend a total of \$575,000 in qualified expenditures on the Copper Canyon property, all over a three-year period.

The following is a summary of the key terms of the option agreement with the Optionee:

- i. \$15,000 (received) cash payment to Goldblock within 14 days of signing the agreement and an additional \$10,000 cash payment (received) and the issuance of 200,000 common shares of the Optionee (received with a fair value of \$60,000) to Goldblock within 60 days of the execution of the option agreement, subject to regulatory approvals.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

4. EXPLORATION AND EVALUATION ASSET (continued)

- ii. On or before April 25, 2021, a cash payment of \$50,000 (received) to Goldblock and the issuance of an additional 300,000 common shares of the Optionee (received with a fair value of \$45,000) to Goldblock and a work commitment of \$125,000 (incurred) in qualifying expenditures to be incurred by the Optionee on the property on or before April 25, 2021.
- iii. On or before April 25, 2022, a cash payment of \$70,000 to Goldblock and the issuance of an additional 300,000 common shares of the Optionee to Goldblock and a further work commitment of \$200,000 in qualifying expenditures to be incurred by the Optionee on the property.
- iv. On or before April 25, 2023, a cash payment of \$100,000 to Goldblock and the issuance of an additional 500,000 common shares of the Optionee to Goldblock and an additional work commitment of \$250,000 in qualifying expenditures to be incurred by the Optionee on the Property.

5. MARKETABLE SECURITIES

Marketable securities consist of common shares of Bullet that were received pursuant to an option agreement entered into with the Optionee during the year ended May 31, 2021 (Note 4).

	November 30, 2021		Year Ended May 31, 2021	
	Number of Shares	Market Value	Number of Shares	Market Value
Bullet	500,000	\$35,000	500,000	\$80,000

6. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

Issued

There were no shares issued during the period ended November 30, 2021.

Escrow shares

6,737,000 shares issued to the principals of the Company were subject to escrow conditions required by applicable securities laws and the CSE requirements. As at November 30, 2021 3,031,550, (May 31, 2021 - 4,042,200) shares were held within escrow and will be released over a period of 18 months. This period 1,010,550 shares were released from escrow.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at November 30, 2021, the Company's only financial instruments are comprised of cash, accounts receivable and trade payables. The fair value of these financial instruments approximate their carrying value due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at November 30, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial liabilities as they become due. As at November 30, 2021, the Company had a cash balance of \$12,326 to settle current and future liabilities and as such, is not exposed to significant liquidity risk.

(c) Market risk

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

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(e) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

(f) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

8. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at November 30, 2021, the Company's shareholders' equity was \$284,697 (May 31, 2021 - \$365,133). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

There were no changes in the Company's approach to capital management during the six month period ended November 30, 2021.

9. INCOME TAXES

	November 30, 2021	Year Ended May 31, 2020
Net loss for the year	\$ (23,656)	\$ (194,113)
Tax Rate	27%	27%
Expected income tax recovery	(6,387)	(52,411)
Change on unrecognized benefit of non-capital losses	6,387	52,411
	<u>\$ -</u>	<u>\$ -</u>

The Company has the following potential deferred tax assets for which no deferred tax asset has been recognized.

	November 30, 2021	Year Ended May 31, 2021
Non-capital loss carry-forwards	\$380,303	\$334,867

GOLDBLOCK CAPITAL INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

10. RELATED PARTY TRANSACTIONS

During the three months ended November 30, 2021, the Company paid or accrued \$18,000 (May 31, 2021 - \$72,000) in management fees to a director of the Company and paid.

During the three months ended November 30, 2021, the Company paid \$Nil (May 31, 2021 - \$6,275) in consulting fees which was included in professional fees to directors of the Company.

During the three months ended November 30, 2021, the Company paid \$3,400 (May 31, 2021 - \$12,000) in accounting fees to a director and officer of the Company, which was included in professional fees.

Included in trade payables at November 30, 2021 is \$6,000 (year ended May 31, 2021 - \$6,000) owing to a director of the Company.

11. PROPOSED TRANSACTION

On April 19, 2021, Goldblock entered into a definitive agreement with Virgin Gold Corp. ("Virgin Gold"), a private mineral exploration company exploring for gold in Guyana, pursuant to which the Company will acquire all of the issued and outstanding shares of Virgin Gold (the "Transaction"). The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia), whereby 1294320 BC Ltd., will amalgamate with Virgin Gold (the "Amalgamation").

The Transaction will constitute a "Fundamental Change" of the Company, as defined by the policies of the CSE. As a result, the Company will be required to obtain shareholder approval, by simple majority, which it intends to seek by way of written consent. The Amalgamation will also require the approval of the shareholders of Virgin Gold.

Immediately prior to the completion of the Amalgamation, the Company will complete a share consolidation on a 2:1 basis (the "Consolidation"). In connection with the Transaction, the Company will change its name to "Golden Shield Resources Corp." (the "Name Change") and reconstitute its board of directors (the "Director Changes") such that the board of the Company following completion of the Transaction (the "Resulting Issuer") will consist of five directors, nominated by Virgin Gold.

Currently Goldblock has 12,000,000 shares issued and outstanding. Following the Consolidation, and prior to closing of the Transaction, Goldblock will have 6,000,000 shares outstanding.

In connection with the Transaction, the Company or Virgin Gold will undertake a non-brokered private placement of units for gross proceeds of at least \$5,000,000.

Goldblock advanced to Virgin Gold a non-refundable deposit of \$175,000 in cash on December 23, 2020.

The definitive agreement with Virgin Gold was announced on May 19, 2021, and we are still awaiting a review and approval by the regulator so that the Company can complete the transaction and be reinstated for trading.