GOLDBLOCK CAPITAL INC.
(to be renamed “Golden Shield Resources Inc.”)

FORM 2A

LISTING STATEMENT

Dated: February 11, 2022

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FORWARD-LOOKING STATEMENTS

Certain statements in this Listing Statement may constitute "forward-looking" statements involving known and unknown risks, uncertainties and other factors regarding the Issuer's intentions, beliefs, expectations and future results as they pertain to the Issuer and its proposed business. This may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This forward-looking information also includes information regarding the financial condition and business of the Issuer, as they exist at the date of this Listing Statement.

Forward-looking statements may include, but are not limited to, statements regarding the Issuer's opportunities, strategies, competition, expected activities and expenditures as the Issuer pursues its business plan, the adequacy of the Issuer's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Listing Statement contains forward-looking information concerning:

- the Issuer's exploration of the Properties;
- general market conditions;
- the availability of financing for proposed programs on reasonable terms;
- the ability to contract outside service providers and the reliability of those outside service providers in delivering services in a satisfactory and timely manner;
- expectations with respect to the exploration activities of the Issuer;
- the use of the funds available to the Issuer;
- the performance of the Issuer's business and operations;
- the Issuer's expectations regarding expenses and anticipated cash needs;
- the intention to grow the Issuer's business and operations;
- the competitive conditions of the industry in which the Issuer operates;
- the legal system of Guyana and changes thereto;
- the regulatory and permitting process in Guyana;
- the expected timing and completion of the Issuer's near-term objectives;
- laws and any amendments thereto applicable to the Issuer;
- the competitive advantages and business strategies of the Issuer;
- the Issuer's plans with respect to the payment of dividends;

- the identity of the NEOs of the Issuer and the expected compensation payable to them; and

- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies.

The Issuer's forward-looking information is based on the beliefs, expectations and opinions of management of the Issuer on the date the information is provided. Investors should not place undue reliance on forward-looking information.

In certain cases, forward-looking statements can be identified by the use of such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "seek", "project", "should", "strategy", "future", "consider" and other similar terminology. These statements reflect the Issuer's current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, assumptions have been made regarding, among other things:

- future minerals prices;

- the Issuer's ability to obtain qualified staff and equipment in a timely and cost–efficient manner;

- the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Issuer conducts its business and any other jurisdictions in which the Issuer may conduct its business in the future;

- future expenses and capital expenditures to be made by the Issuer;

- future sources of funding for the Issuer's business;

- the geology of the areas in which the Issuer is conducting exploration and development activities;

- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;

- the impact of competition on the Issuer; and

- the Issuer's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Listing Statement, including:

- general economic, market and business conditions;

- uncertainties surrounding the local, national and global impact of the COVID-19 pandemic;

- uncertainties surrounding the regulatory framework being applied to the Guyanese Gold Projects and the Issuer's ability to be, and remain, in compliance;
- the ability of the parties to complete the Transaction;
- volatility in market prices for mineral resources;
- potential conflicts of interest;
- risks related to the exploration for minerals;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- the Issuer's status and stage of development;
- geological, technical, drilling and processing problems, including the availability of equipment and access to the Guyanese Gold Projects;
- failure by counterparties to make payments or perform their operational or other obligations to the Issuer in compliance with the terms of contractual arrangements between the Issuer and such counterparties;
- risks related to the timing of completion of the Issuer's work programs;
- competition for, among other things, capital and skilled personnel;
- operational hazards;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;
- risks inherent in the exploration for minerals which may create liabilities to the Issuer in excess of the Issuer's insurance coverage;
- failure to accurately estimate abandonment and reclamation costs;
- failure of third parties' reviews, reports and projections to be accurate;
- the availability of capital on acceptable terms;
- political risks;
- changes to royalty or tax regimes;
- the failure of the Issuer to maintain its mineral property options in good standing;

- competing claims made in respect of the Issuer's properties or assets;
- operating and capital costs;
- unforeseen title defects;
- risks arising from future acquisition activities;
- the potential for management estimates and assumptions to be inaccurate;
- risks associated with establishing and maintaining systems of internal controls;
- volatility in the market price of the Common Shares;
- the effect that the issuance of additional securities by the Issuer could have on the market price of the Common Shares;
- failure to engage or retain key personnel;
- discretion in the use of funds available to the Issuer; and
- the other factors discussed under "*Risk Factors*".

Although the forward-looking statements contained in this Listing Statement are based upon what management of the Issuer believes are reasonable assumptions, the Issuer cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Listing Statement and are expressly qualified in their entirety by this cautionary statement.

CURRENCY DATA

All currency amounts in this Listing Statement are expressed in Canadian dollars, unless otherwise indicated. References to "US$" are to United States dollars. On February 8, 2022, the indicative rate of exchange for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US$1.00 = $1.2709 or $1.00 = US$0.7868.

1. GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Listing Statement. The terms and abbreviations used in the financial statements attached to this Listing Statement as schedules are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Amalgamation Agreement**" means the amalgamation agreement dated April 17, 2021 among the Issuer, the Subsidiary and the Target.

"**Arakaka Property**" means the Arakaka gold project located in the Northwest Mining district 5 in Guyana.

"**Arakaka Property Agreement**" means the sale agreement between Alicanto Minerals Limited and the Target dated May 26, 2021.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) including the regulations thereunder, as amended.

"**Board**" means the board of directors of the Issuer, as it may be comprised from time to time.

"**CEO**" means an individual who acted as the chief executive officer of the Issuer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**CFO**" means an individual who acted as the chief financial officer of the Issuer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**Closing Date**" means the date of closing the Transaction.

"**Common Shares**" means common shares without par value in the capital of the Issuer.

"**Copper Canyon Property Agreement**" means the option agreement between the Issuer and the Copper Canyon Optionors, each of which own 50% of the Copper Canyon Property, pursuant to which the Issuer has the right to earn a 100% interest in the Copper Canyon Property, subject to a 1.5% net smelter royalty to be retained by the Copper Canyon Optionors, by making staged payments totaling $192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Copper Canyon Property Agreement. The Issuer has the right to purchase 0.5% of the NSR from the Copper Canyon Optionors for $1,000,000.

"**Copper Canyon Optionors**" means Seven Devils Exploration Ltd., and Multiple Metals Resources Ltd.

"**Copper Canyon Property**" means the Copper Canyon Property located 30 kilometers west of Merritt in British Columbia, consisting of 7 claims totaling 2853.6 hectares.

"**CSE**" means the Canadian Securities Exchange.

"**Date of Final CSE Approval**" means that date upon which the CSE issues a bulletin to the effect that the Issuer, having closed a fundamental change, has been approved for the resumption of trading on the CSE.

"**December Private Placement**" means the private placement conducted by the Target of 3,039,383 Target

Units for gross proceeds of $2,583,475.60.

"**Escrow Agent**" means National Securities Administrators Ltd.

"**Escrow Agreement**" means the escrow agreement to be entered into by the Issuer, the Escrow Agent and certain securityholders of the Issuer in compliance with the requirements of the CSE.

"**Escrowed Securities**" means the Common Shares that are subject to the Escrow Agreement upon completion of the Transaction.

"**Fishcreek Property**" means the Fishcreek gold project located in the Northwest Mining district 5 in Guyana.

"**Fishcreek Property Agreement**" means the joint venture and option agreement signed between the Target Subsidiary, Guiana Shield Resources, and the Target dated December 29, 2020.

"**Guyanese Gold Projects**" means the Arakaka Property, the Marudi Mountain Property and the Fishcreek Property.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Issuer**", "**we**", "**us**", or "**our**" means Goldblock Capital Inc. prior to giving effect to the Transaction. The Issuer was incorporated on January 29, 2018 pursuant to the BCBCA.

"**Issuer Consolidation**" means the consolidation of the Common Shares at a rate of eight pre-consolidation Common Shares for three post-consolidation Common Shares.

"**Listing Date**" means the date of listing of the Common Shares on the CSE.

"**Listing Statement**" means this CSE Form 2A Listing Statement.

"**Marudi Mountain Property**" means the Marudi gold project located in the Rupununi Mining District 6 in Guyana.

"**Marudi Mountain Property Agreement**" means the option agreement between Romanex Guyana and the Target Subsidiary dated March 10, 2021.

"**Marudi Mountain Technical Report**" means the report entitled "Independent Technical Report Marudi Gold Project, Rupununi Mining District, Guyana" prepared by SR McMullan, P.Geo. with an effective date of March 31, 2021.

"**Named Executive Officers**" means Hilbert Shields (our Chief Executive Officer and President) and Grant Tanaka (our Chief Financial Officer).

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices.*

"**Private Placements**" means, together, the September Private Placement and the December Private Placement.

"**Properties**" means, collectively, the Guyanese Gold Projects and the Copper Canyon Property.

"**Resulting Issuer**" means Goldblock Capital Inc. after to giving effect to the Transaction.

"**Related Person**" has the meaning as described thereto in CSE Policy 1.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, at www.sedar.com.

"**September Private Placement**" means the private placement conducted by the Target of 4,831,086 Target Units for gross proceeds of $4,106,423.10.

"**Subsidiary**" means 1294320 B.C. Ltd. both prior to and after giving effect to the Transaction. The Subsidiary was incorporated on March 12, 2021 pursuant to the BCBCA.

"**Target**" means Virgin Gold Corp. both prior to and after giving effect to the Transaction. The Target was incorporated on November 27, 2020 pursuant to the BCBCA.

"**Target Consolidation**" means the consolidation of the Target Common Shares at a rate of four pre-consolidation Target Common Shares for three post-consolidation Target Common Shares.

"**Target Common Shares**" means common shares without par value in the capital of the Target.

"**Target Subsidiary**" means Aurous Guyana Inc. both prior to and after giving effect to the Transaction. The Target Subsidiary was incorporated on December 9, 2020 pursuant to the laws of Guyana.

"**Target Unit**" means a unit in the capital of the Target, consisting of one Target Common Share and one-half of one Target Warrant, sold at a price of $0.85 per Target Unit.

"**Target Warrant**" means a purchase warrant which entitles the holder thereof to purchase one Target Common Share at a price of $1.35 per Target Common Share for a period of 24 months from the date of issuance such Target Warrant.

"**Transaction**" means the acquisition of all of the issued and outstanding shares of the Target pursuant to the Amalgamation Agreement.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The Issuer has its head and registered office at Suite 1510, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Target has its head at Suite 700, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 and its registered office at 353 Water Street, Suite 401, Vancouver, British Columbia, V6B 1B8.

The Subsidiary has its head and registered office at Suite 1510, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

2.2 Jurisdiction of Incorporation

The Issuer was incorporated pursuant to the BCBCA on January 29, 2018.

The Target was incorporated pursuant to the BCBCA on November 27, 2020 under the name "1276771 B.C. Ltd.". On December 8, 2020, the Target changed its name to "Virgin Gold Corp."

The Subsidiary was incorporated pursuant to the BCBCA on March 12, 2021.

2.3 Intercorporate Relationships

The Subsidiary is a wholly-owned direct subsidiary of the Issuer and was formed for the purpose of completing the Transaction. The Issuer has no subsidiaries other than the Subsidiary.

The Target Subsidiary is a wholly-owned direct subsidiary of the Target. The Target has no subsidiaries other than the Target Subsidiary.

On April 17, 2021, the Issuer, the Subsidiary and the Target entered into the Amalgamation Agreement in respect of the Transaction. Upon completion of the Transaction, the Issuer will own 100% of the outstanding shares of the Target.

2.4 Fundamental Change

See *Item 3.1 – General Development of the Business – The Transaction.*

2.5 Non-corporate Corporations and Corporations incorporated outside of Canada

This section is not applicable to the Issuer.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

Three Year History

The Issuer

The Issuer's principal business purpose since incorporation has been the identification, acquisition, evaluation and exploration of mineral properties.

On April 17, 2021, the Issuer, the Subsidiary and the Target entered into the Amalgamation Agreement in respect of the Transaction. The Transaction constitutes a "fundamental change" pursuant to CSE Policy 8 – *Fundamental Changes and Changes of Business* for the Issuer.

Since incorporation on January 29, 2018, the Issuer has taken the following steps to develop its business:

- On April 25, 2018, the Issuer entered into the Copper Canyon Property Agreement with the Copper Canyon Optionors to earn a 100% interest in the Copper Canyon Property, subject to a 1.5% net smelter royalty to be retained by the Copper Canyon Optionors, by making staged payments totaling

$192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Copper Canyon Property Agreement.

- On October 14, 2020, the Issuer entered into an option agreement with 2294253 Alberta Ltd. ("**Numberco**"), a private company based in Calgary, Alberta, providing for Numberco to acquire a 75% interest in the Copper Canyon Property (the "**Numberco Agreement**"). Numberco is required to pay to the Issuer 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. Since the entering into of this agreement, Numberco has been acquired by Bullet Exploration Inc. (CSE: AMMO), which has advanced an aggregate of $75,000 and issued an aggregate of 500,000 common shares to the Issuer pursuant to the Copper Canyon Property Agreement.

- During the nine-month period ended February 28, 2021, the Issuer amended the Copper Canyon Property Agreement and Numberco Agreement, providing for an extension of the work commitment of $125,000 to July 25, 2021 from April 25, 2021 and requiring an additional minimum amount of $200,000 in exploration expenditures to be spent on the Copper Canyon Property on or before April 25, 2022 by Goldblock in order for Goldblock to earn an interest pursuant to the Copper Canyon Property Agreement, and $250,000 in exploration expenditures on or before April 25, 2023 by Numberco in order for Numberco to earn an interest pursuant to the Numberco Agreement.

- The Issuer has now fulfilled the obligation to advance $192,500 to the Copper Canyon Optionors. The Issuer must incur $250,000 in exploration expenditures on or before April 25, 2022 in order to earn its interest in the Copper Canyon Property pursuant to the terms of the Copper Canyon Property Agreement.

The Target

The Target's principal business purpose since incorporation has been the identification, acquisition, evaluation and exploration of mineral properties in Guyana.

Since incorporation on November 27, 2020, the Target has taken the following steps to develop its business:

- On December 9, 2020, the Target incorporated the Target Subsidiary.

- On December 29, 2020, the Target Subsidiary entered into the Fishcreek Property Agreement with Guiana Shield Resources ("**GSR**") which is controlled by a director of the Target. GSR owns and controls the Fish Creek Property. The Target Subsidiary is responsible for paying all rentals or other fees that become due during the term of the Fishcreek Property Agreement to keep the mineral rights in good standing. The term of the Fishcreek Property Agreement is for five years and may be extended by the parties.

  If the Target Subsidiary provides payment of such amount indicated in the table below, the term of the Fishcreek Property Agreement shall be automatically maintained for an additional year:

Date	**Amount (US$)**
Within 6 months of effective date (July 2021)	$150,000
1st anniversary (July 2022)	$200,000

2nd anniversary (July 2023)	$200,000
3rd anniversary (July 2024)	$200,000
4th anniversary (July 2025)	$300,000
Total	**$1,050,000**

To date there have been no payments issued to GSR.

- On March 10, 2021, the Target entered into the Marudi Mountain Property Agreement, as amended on November 17, 2021, with Romanex Guyana Exploration Ltd. ("**Romanex**") to acquire 100% of the right, title and interest in the Romanex shares. Romanex holds the rights to the Marudi Mountain Property. In consideration for a 12 month due diligence period, the Target completed a non-refundable exclusivity payment to Romanex of US$120,000 on December 18, 2020.

  Beginning April 1, 2021, the Target will pay Romanex US$10,000 per month until the satisfactory completion of the due diligence process. In addition, the Target will pay 50% of the mining licence rental fees for a period up to April 2022 (total mining license rental fees are US$5/Acre). If the Target decides to exercise the option, the exercise of option payment will be completed valued at US$800,000 in cash or in a combination of cash and issue of shares in the following manner:

  i. US$400,000 in cash payable on or before 45 days from the issuance of a notice of due diligence satisfaction (the **"Final Payment Date**"), which was paid on December 23, 2021;
  ii. US$400,000 in shares of the Resulting Issuer on or before the Final Payment Date, with the number of consideration shares issued to be calculated based on the five-day volume-weighted average price of the Common Shares on the date of such share issuance; and
  iii. 500,000 shares on or before the Final Payment Date, such shares to be issued at a deemed price equal to the market price of the Common Shares at the time of issuance.

  To date the Target has paid the US$120,000 exclusivity payment to Romanex.

- On May 26, 2021, the Target entered into the Arakaka Property Agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc. which are 100% owned entities of Alicanto Minerals Limited ("**Alicanto**"). These two entities own the Arakaka Property.

  In consideration for the purchase of the Arakaka Property, the Target has agreed to the following terms:

  i. $50,000 in immediately available funds within five business days of execution of the Arakaka Property Agreement;
  ii. $700,000 in immediately available funds on completion of the Transaction; and
  iii. $1,000,000 worth of Common Shares upon the satisfaction of every resource target set out in the table below (which amounts to the sum of any Inferred, Indicated, or Measured 43-101 resources) in the two years following completion (the "**Deferred Consideration Shares**"). The Deferred Consideration Shares will be issued at a deemed price equal to the market price of the Common Shares at the time of issuance.

  The Deferred Consideration Shares will be issued upon achieving the following resource targets:

Resources Targets	Shares equivalent (CAD$)
0.50 Moz Au	$1,000,000
0.75 Moz Au	$1,000,000
1.00 Moz Au	$1,000,000
2.00 Moz Au	$1,000,000
TOTAL	**$4,000,000**

- On September 15, 2021, the Target completed the Target Consolidation.
- On September 16, 2021, the Target completed the September Private Placement.
- On December 23, 2021, the Target completed the December Private Placement.

The Transaction

On April 17, 2021, the Issuer entered into the Amalgamation Agreement pursuant to which the Issuer agreed to acquire all of the issued and outstanding shares in the capital of the Target, in exchange for 22,692,345 Common Shares. Such shares will be issued at a deemed price of $0.85 per share.

Pursuant to the Transaction, the Issuer will acquire the Target and indirectly acquire the Guyanese Gold Projects.

The Transaction constitutes a "fundamental change" which is a "major acquisition" accompanied or preceded by a "change of control" pursuant to CSE Policy 8 – *Fundamental Changes & Changes of Business*. The Issuer is providing this Listing Statement in order to requalify for listing on the CSE following the fundamental change.

On completion of the Transaction, existing shareholders of the Issuer will hold approximately 16.5% of the Common Shares and shareholders of the Target (including new shareholders as a result of the Private Placements) will hold approximately 83.5% of the Common Shares.

3.2 Significant Acquisitions and Dispositions

See *Item 3.1 – General Development of the Business – The Transaction.*

3.3 Trends, Commitments, Events or Uncertainties

Other than as discussed below, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Issuer's business, the Issuer's financial condition or results of operations. However, there are significant risks associated with the Issuer's business, as described under *Item 17 – Risk Factors*.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

4.1.1 Business of the Issuer

On completion of the Transaction, the Marudi Mountain Property will be the Issuer's only material property.

The Issuer will use its available capital to finance exploration and development on the Marudi Mountain Property as further described in Schedule E and for general working capital purposes. The Issuer's immediate short-term objectives will be to advance the Marudi Mountain Property in accordance with the recommendations set out in the Marudi Mountain Technical Report.

The Issuer will continue to assess new mineral projects and will seek to acquire interests in additional projects if it determines such projects have sufficient geological or economic merit and if the Issuer has adequate financial resources to complete such acquisitions. For further information on our current projects, see *Item 4.3 – Mineral Projects* below.

(a) Business Objectives

The Issuer's business objectives and timeframes in which it expects to accomplish such objectives in the forthcoming 12-month period are as follows:

Timeframe	Business Objective	Estimated Cost ($)
12 Months	Complete the recommended Phase 1 work program on the Marudi Mountain Property	$800,000
12 Months	Submit all required land option and licensing requirements to maintain all exploration properties in good standing	$500,000
Total		**$1,300,000**

During the most recent 36 months prior to the date of this Listing Statement, there has been approximately US$775,614 in qualifying expenditures incurred on the Marudi Mountain Property. The Issuer expects to conduct the Phase 1 work program in an effort to define the mineral potential of the Marudi Mountain Property. The Issuer may, from time to time, make acquisitions of additional resource properties, assets or businesses, enter into joint-ventures, dispose, abandon or grant options or other rights in its properties as opportunities arise and as the Board determines to be in the best interest of the Issuer's shareholders.

(b) Significant Events or Milestones

To pursue the foregoing business objectives, the Issuer will target the milestones and conduct the recommended exploration programs set forth in the Marudi Mountain Technical Report.

(c) Funds Available to the Issuer

The following funds are available to the Issuer:

Description of Funds	Amount
Estimated working capital of the Issuer at December 31, 2021	$(12,000)
Estimated working capital of the Target at December 31, 2021	$4,100,000
Total	**$4,088,000**

The ability of the Issuer to continue operations is dependent upon successfully raising the necessary funds through equity financings to complete future development and operations and achieving future profitable production for proceeds in excess of carrying amounts. These pursuits may be delayed given the challenges faced by companies seeking to raise funds through the issuance of shares. See also *Item 17 – Risk Factors*.

(d) Purposes of Funds

Principal Purpose of Funds	Amount(1)
Completion of Transaction	$100,000
Complete Phase 1 work program at the Marudi Mountain Property	$800,000
Payment pursuant to the Fishcreek Property Agreement	$180,000
Payment pursuant to the Arakaka Property Agreement	$700,000
Payment pursuant to the Marudi Property Agreement	$485,000
Submit all required land option and licensing requirements to maintain all exploration properties in good standing	$500,000
Estimated annual corporate and administrative expenses(2)	$500,000
Estimated unallocated working capital	$823,000
Total	**$4,088,000**

Note:

(1) Based on an exchange rate of US$1 = C$1.2492 as of January 19, 2022.

(2) Estimated annual corporate and administrative expenses primarily consist of legal ($160,000), audit ($50,000) and accounting support services ($110,000), office rent ($150,000) and public company filing fees ($30,000).

Any surplus of available funds may be used to pursue the second phase of the recommended work program at the Marudi Mountain Property, contingent on phase I results. To the extent there is a shortfall of funds available to complete such second phase, the Issuer will need to raise additional funds through equity financings.

There is no guarantee that the Issuer will meet its business objectives or milestones described above within the specific time periods, within estimated costs or at all. Management's intention is to proceed with the recommended exploration at the Marudi Mountain Property. It is possible, however, that some portion of the Issuer's available funds allocated for such work programs will be devoted to other acquisition, development or exploration opportunities identified by the Issuer from time to time. Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Issuer. Accordingly, the Issuer may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Issuer, although the Issuer has no present plans in this respect.

4.1.2 Principal Products or Services

The Issuer is in the mineral exploration business and does not have any marketable products at this time nor is it distributing any products at this time. In addition, the Issuer does not know when any of the Properties will reach the development stage and, if so, what the estimated costs would be to reach commercial production.

4.1.3 Production and Sales

The Issuer's business requires specialized skills and knowledge in the areas of geology, drilling, planning, implementation of exploration programs and compliance. The Issuer believes it will be able to readily locate and retain such professionals in Guyana.

The mineral exploration and development business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

The Issuer's exploration activities will be subject to various laws and regulations in the jurisdiction in which it operates relating to the protection of the environment. Due to the early stage of the Issuer's expected activities, environmental protection requirements are expected to have a minimal impact on the Issuer's capital expenditures and competitive position. If needed, the Issuer will make and will continue to make expenditures to ensure compliance with applicable laws and regulations. New environmental laws and regulations, amendments to existing laws and regulations, or more stringent implementations of existing laws and regulations could have a material adverse effect on the Issuer by potentially increasing capital and/or operating costs.

As of May 31, 2021, the Issuer did not have any employees. The operations of the Issuer are managed by its directors and officers. The Issuer hires consultants from time to time in the areas of mineral exploration, geology and business negotiations as required to assist in evaluating its interests and recommending and conducting work programs.

4.1.4 Competitive Conditions and Position

The mineral exploration and mining industry is very competitive and the Issuer will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. The Issuer will compete with many companies that have greater financial resources and technical facilities than itself. Significant competition exists for the limited number of mineral acquisition opportunities available in the Issuer's sphere of operations. As a result of this competition, the Issuer's ability to acquire additional attractive mining properties on terms it considers acceptable may be adversely affected and will depend on its ability to obtain additional financing to fund further exploration activities.

4.1.5 Lending Operations, Investment Policies and Restrictions

The Issuer has not adopted any specific policies or restrictions regarding investments or lending, but will ensure any investment or debt activities incurred are in the best interests of the Issuer and its shareholders. The Issuer expects that, in the immediate future in order to maintain and develop the Properties, it will need to raise additional capital through equity and/or debt. If the Issuer is unable to raise the necessary capital to meet its obligations as they become due, the Issuer may have to curtail its operations or obtain financing at unfavourable terms.

4.1.6 Bankruptcy and Receivership

The Issuer has not been the subject of any bankruptcy or any receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings, since incorporation.

4.1.7 Material Restructuring

The Issuer has not completed any reorganization since its incorporation, nor is the Issuer proposing any material restructuring transaction for the current financial year, other than the Transaction.

4.1.8 Social and Environmental Policies

All phases of the Issuer's operations are subject to environmental regulations in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Following completion of the Transaction, the Target will be subject to the *Guyana Environmental Protection Act No. 11 of 1996* of Guyana and the regulations made thereunder (collectively, the "**Guyana Environmental Act**"), which provides for the management, conservation, protection and improvement of the environment, the prevention/control of pollution, the assessment of the impact of economic development on the environment and the sustainable use of natural resources and the matters incidental thereto or connected therewith. The Guyana Environmental Act also establishes the Guyana Environmental Protection Agency (the "**EPA**") to carry out the functions as set out in the Guyana Environmental Act.

The Guyana Environmental Act establishes a wide range of sanctions and penalties, both criminal and civil, for violations of the provisions of the Guyana Environmental Act. These sanctions and penalties include, but are not limited to:

- varying monetary fines or imprisonment depending on the gravity of the offence. (If the offender has been convicted of an offence under the Guyana Environmental Act and has benefited monetarily from the violation, a court may order a fine in an amount equal to the court's estimation of the amount of monetary benefits notwithstanding the maximum fine that may be imposed. To expedite settlement, authorized officers of the EPA may by notice offer the option of discharging liabilities in consideration of the offender making immediate payment to the EPA equal to two-thirds of the minimum penalty prescribed within 28 days of the date of the notice sent by the officer);

- suspension, cancellation, or revocation of a permit or authorization;
- liability for offences by directors, security managers or officers of a body corporate;
- injunctions restraining commission of offences under the Guyana Environmental Act;
- loss and damages occasioned to any person arising out of offences committed under the Guyana Environmental Act;
- order to cease (or make no changes to) construction, operation, or other activities;
- prohibition notices (similar to an injunction);
- enforcement notices;
- mandating actions to prevent, ameliorate, correct, mitigate, restore, or otherwise address environmental harm within a specified time;
- community service;
- order compensation to aggrieved persons;
- injunctions (upon application to Guyana High Court); and
- order prohibiting the continuation or repetition by a person who is convicted in respect of any acts or omissions under the Guyana Environmental Act.

4.2 Companies with Asset-backed Securities Outstanding

The Issuer does not have any asset-backed securities.

4.3 Mineral Projects

The disclosure required by section 4.3 of CSE Form 2A is included in the attached Schedule E to this Listing Statement.

Foreign Operations

All of the current exploration and development operations of the Target are presently conducted in Guyana, South America. See "Risk Factors – Political Risks".

Guyana law is based upon English common law as at January 1, 1917. Mining laws are governed by the *Mining Act No. 20 of 1989* (the "**Mining Act**") and the regulations made under Section 136 thereof (the "**Regulations**"). Under Section 6 of the Mining Act, all minerals within the lands of Guyana are vested in the state. The Guyana Geology and Mines Commission (the "**GGMC**") may, with the approval of the Minister (as defined therein), grant a licence or permit under the Mining Act authorizing the holder of the licence to enter on Government lands and then search for or mine gold, take and appropriate, any minerals.

The Mining Act allows for the following licences or permits granted by the GGMC:

- Prospecting and Mining Licences (as defined therein) for prospecting or mining on a large scale;
- Prospecting or Mining Permits (as defined therein) for prospecting or mining on a medium scale; and
- Claim Licences (as defined therein) for mining on a small scale.

Section 97 of the Mining Act also provides for the granting of permission by the Minister for any person to carry out geological, geographical and other surveys and investigations for the prospecting for or mining of any mineral on such terms and conditions as may be agreed between the Minister and the applicant. A mining licence is required from the GGMC in order to carry out prospecting and mining operations, develop and exploit a property, and to commence production. The holder of a prospecting licence (as further described below) may, in compliance with the provisions of the Mining Act and Regulations or as may be allowed by the GGMC, apply for the grant of a licence in respect of any discovery parcel(s) in the prospecting area or any part thereof covered by that prospecting licence which following appraisal, can be shown to contain any mineral to which the prospecting licence relates, subject to providing a positive feasibility study to the GGMC and obtaining an environmental permit and otherwise complying with the requirements of the Mining Act and Regulations. A mining licence, while it remains in force, confers on the licensee exclusive rights to carry on prospecting and mining operations in the mining area in respect of the minerals specified in the mining licence, subject to the Mining Act and Regulations, and to the holder's compliance with the environmental permit and any terms and conditions imposed by the GGMC in the mining licence itself or to which the mining licence is otherwise subject, or in any mineral agreement between the GGMC and the holder (such as the Mineral Agreement). Mining licences are granted for a period not exceeding 20 years following the grant of the mining licence and require the holder to pay applicable fees as may be prescribed by the GGMC and a royalty, the amount of which varies and is subject to negotiation with respect to each particular mining licence or mineral agreement. Mining licences are renewable by the GGMC in accordance with the Mining Act and the applicable regulations, with the approval of the Minister responsible for mining following their expiry provided that they are in good standing at such time, on such terms and conditions as the GGMC deems fit.

The Target, through the Target Subsidiary, holds a total of four separate exploration properties through prospecting licences. Prospecting and mining licences for prospecting or mining on a large scale may be granted to a body or persons as specified in Sections 17(2) and 17(3) of the Mining Act. There is no restriction on foreign persons or companies as shareholders of such companies. In general, foreign investors and domestic investors receive the same treatment under the applicable laws of Guyana and are equally able to hold property in Guyana, provided that prospecting or mining permits for prospecting or mining on a medium scale and claim licences for mining on a small scale may only be issued to: (i) an individual who is a citizen of Guyana and an adult; (ii) a partnership consisting of two or more citizens of Guyana; (iii) a company whose entire issued share capital is beneficially owned by citizens of Guyana or by a corporation which has been established by or under a written law in operation in Guyana, or partly by such citizens and partly by such a corporation; (iv) a co-operative society registered under the Co-operative Societies Act (Guyana); (v) a public corporation, or any other corporate body established by or under any written law in force in Guyana; or (vi) any organization established by the Government or by or under any written law in force in Guyana and authorized to carry on mining operations.

A prospecting licence shall continue in force for the period specified in the licence, for a period not exceeding three years after the grant of the licence and is renewable in accordance with applicable regulations for up to two additional one-year periods, in each case subject to the terms of the particular prospecting licence in question, provided that the holder of a prospecting licence maintains the licence in good standing and is not in default. Where a prospecting licence would otherwise cease to be in force, the licence shall (unless sooner determined by surrender or cancellation under the Mining Act) continue in force in respect of any parcel to which the licence relates if an application has been made for a renewal of the prospecting licence in relation to that parcel or for the grant of a mining licence in relation to that parcel, until the application is finally dealt with by the renewal, or refusal to renew the prospecting licence or grant or refusal to grant the mining licence or until the application lapses. In order to maintain such prospecting licences in good standing, the Target is required to: (i) make annual rental payments as may be prescribed from time to time by applicable mining regulations in Guyana; (ii) supply to the GGMC quarterly reports relating to all information acquired by the Target with respect to the area underlying the prospecting licence, and annual audited statements of accounts reflecting all amounts expended on the property during the previous year of exploration; (iii) submit to the GGMC an adequate program in respect of work and expenditures to be incurred in accordance with the Mining Act; (iv) meet the requirements in respect of work and expenditures stipulated in the licence and of each work program submitted to the GGMC; (v) comply with the provisions of the Mining Act with respect to the discovery of minerals; and (vi) comply with all other provisions of the Mining Act and Regulations and the Mining Licence.

The Target also beneficially owns a number of medium scale prospecting permits (each a "**MSMP**") through the Target Subsidiary. An MSMP, while it remains in force, confers on the licensee, subject to applicable law and the conditions specified in the permit or to which the permit is otherwise subject, the exclusive right to explore for any mineral in respect of which the permit is granted, and the right to carry on such operations and execute such works as are necessary for that purpose, in the prospecting area to which the permit relates, provided that the holder carries out such activities generally in compliance with good mining practices.

The Target has satisfied itself with respect to the required permits, business licences and other regulatory approvals to carry out its business in Guyana through oversight by qualified persons, within the meaning of NI 43-101, who have done a complete review of the Marudi Mountain Property, and through consultants who are engaged by the Target in Guyana in connection with the Target's permitting, licensing and regulatory approval application process.

There are currently no restrictions or conditions that have been imposed by the Government of Guyana on the Target's ability to operate in Guyana. Imposing such restrictions or conditions on a basis that would only affect the Target, to the exclusion of all other entities, is not presently permitted by the applicable law of Guyana. Given that the applicable law of Guyana (absent any change) prohibits the retroactive application of any law, any restrictions or conditions that could be imposed would not be expected to affect the Target's current operations, only future operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 <u>Annual Information</u>

The Issuer

The following table sets forth selected financial information for the Issuer for the financial years ended May 31, 2021, 2020 and 2019 and the six months ended November 30, 2021. Such information is derived from the financial statements of the Issuer and should be read in conjunction with such financial statements. See *Schedule A – Financial Statements and MD&A of the Issuer*.

	Six Months Ended November 30	Financial Years Ended May 31		
Operating Data:	**2021**	**2021**	**2020**	**2019**
Total revenues	Nil	Nil	Nil	Nil
Total expenses	45,460	170,099	118,214	26,751
Net loss	(80,436)	(194,113)	(112,827)	(26,751)
Basic and diluted loss per share	(0.01)	(0.02)	(0.02)	(0.01)
Dividends	Nil	Nil	Nil	Nil
Balance Sheet Data:				
Total assets	363,729	400,895	591,721	695,146
Total liabilities	79,032	35,762	32,475	24,073

The Target

The following table sets forth selected financial information for the Target for the period from incorporation on November 27, 2020 to July 31, 2021 (the financial year-end of the Target), as well as the three-month period ending on October 31, 2021 of the Target. Such information is derived from the financial statements of the Target and should be read in conjunction with such financial statements. See *Schedule B – Financial Statements and MD&A of the Target*.

	Eight Months Ended October 31	Incorporation to July 31, 2021
Operating Data:		
Total revenues	Nil	Nil
Total expenses	1,812,992	359,945
Net loss	(1,812,992)	(359,945)
Basic and diluted loss per share	(0.09)	(0.02)
Dividends	Nil	Nil

	Eight Months Ended October 31	Incorporation to July 31, 2021
Balance Sheet Data:		
Total assets	3,447,591	773,068
Total liabilities	303,850	282,703

5.2 Quarterly Information

The Issuer

The results for each of the twelve most recently completed quarters of the Issuer ending at the end of the most recently completed financial quarter, being November 30, 2021, are summarized below:

Quarter Ended	Total Revenue	Net Income (Loss)	Net Income (Loss) per Share
November 30, 2021	Nil	(23,656)	(0.00)
August 31, 2021	Nil	(56,780)	(0.00)
May 31, 2021	Nil	(83,726)	(0.01)
February 28, 2021	Nil	(65,202)	(0.01)
November 30, 2020	Nil	(21,173)	(0.00)
August 31, 2020	Nil	(24,012)	(0.00)
May 31, 2020	Nil	(38,278)	(0.00)
February 29, 2020	Nil	(33,755)	(0.00)
November 30, 2019	Nil	(17,680)	(0.00)
August 31, 2019	Nil	(23,114)	(0.00)
May 31, 2019	Nil	(26,428)	(0.00)
February 28, 2019	Nil	(323)	(0.00)

The Target

The results for each of the eight most recently completed quarters of the Target ending at the end of the most recently completed financial quarter, being October 31, 2021, are summarized below:

Quarter Ended	Total Revenue	Net Income (Loss)	Net Income (Loss) per Share
October 31, 2021	Nil	(1,453,047)	(0.07)
July 31, 2021	Nil	(359,945)	(0.02)
April 30, 2021	Nil	(184,418)	(0.02)
February 28, 2021	Nil	(161,940)	(0.02)

5.3 Dividends

The future payment of dividends will be dependent upon the financial requirements of the Issuer to fund further growth, the financial condition of the Issuer and other factors which the Board may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future, if at all.

5.4 Foreign GAAP

This item does not apply to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Issuer's MD&A for the six months ended November 30, 2021 and for the financial year ended May 31, 2021 are attached to this Listing Statement as *Schedule A – Financial Statements and MD&A of the Issuer*.

7. MARKET FOR SECURITIES

The Common Shares have been listed and posted for trading on the CSE under the symbol "GBLK" since March 2, 2020. Trading in the Common Shares was halted on April 19, 2021 in connection with the announcement of the entering into of the Amalgamation Agreement.

Concurrently with the completion of the Transaction, the Issuer intends to change its name to "Golden Shield Resources Inc." and has reserved the symbol "GSRI" with the CSE.

8. CONSOLIDATED CAPITALIZATION

Other than as set out below, there have been no material changes in the share and loan capital of the Issuer since May 31, 2021.

The following table sets out the consolidated capitalization of the Issuer as at the dates indicated. This table should be read in conjunction with the financial statements of the Issuer, including the notes thereto, for the six months ended November 30, 2021 and for the financial year ended May 31, 2021. See *Schedule A – Financial Statements and MD&A of the Issuer*.

Designation of Security	Amount Authorized	As at May 31, 2021[1]	As at the Date of this Listing Statement
Common Shares	Unlimited	12,000,000	27,192,345 [2]
Warrants	N/A	Nil	3,935,384 [3]

Notes:

(1) The Issuer has not issued common shares since July 18, 2019.

(2) On the basis of 27,192,345 issued and outstanding Common Shares outstanding following the completion of the Transaction.

(3) 2,415,543 Target Warrants issued pursuant to the September Private Placement and 1,519,692 Target Warrants issued pursuant to the December Private Placement.

9. OPTIONS TO PURCHASE SECURITIES

As of the date of this Listing Statement, the Issuer has not adopted an incentive stock option plan.

Concurrently with completion of the Transaction, the Issuer will approve, subject to regulatory approval and shareholder approval, an incentive share option plan (the "**Stock Option Plan**"), for the employees, directors, officers, consultants and employees of a person or company which provides management services to the Issuer or its associated, affiliated, controlled and subsidiary companies (the "**Participants**"), to grant such Participants stock options to acquire up to 10% of the Common Shares outstanding from time to time. This is a "rolling" plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Issuer's issued and outstanding share capital increases. Upon completion of the Transaction, up to an aggregate of 2,719,235 Common Shares, representing approximately 10% of the then outstanding Common Shares, will be available for the grant of stock options under the Stock Option Plan.

The Stock Option Plan will provide that the directors of the Issuer may grant options to purchase Common Shares on terms that the directors may determine, within the limitations of the Stock Option Plan. The exercise price of an option issued under the Stock Option Plan will be determined by the directors, but may not be less than the closing market price of the Common Shares on the day preceding the date of granting of the option less any available discount, in accordance with CSE policies. No option will be granted for a term longer than ten years. An option may expire on such earlier date or dates as may be fixed by the board of directors of the Issuer, subject to earlier termination in the event the optionee ceases to be eligible under the Stock Option Plan by reason of death, retirement or otherwise.

The Stock Option Plan will provide for the following restriction: no Participant may be granted an option if that option would result in the total number of stock options granted to the Participant in the previous 12 months, exceeding 5% of the issued and outstanding Common Shares unless the Issuer has obtained shareholder approval. Vesting of options is at the discretion of the Board.

The terms of the Stock Option Plan, summarized above, are qualified entirely by the provisions of the Stock Option Plan.

Concurrently with completion of the Transaction, the Issuer will grant a total of 2,525,000 stock options. Such stock options will vest in equal tranches of 25% on the date which is 6, 12, 18 and 24 months after the grant date. The following table summarizes the allocation of such options:

Optionee	Number of Options	Exercise Price	Expiry Date
Executive Officers as a group	1,425,000	$0.85	5 years from completion of the Transaction
Directors as a group(1)	250,000	$0.85	5 years from completion of the Transaction
Consultants as a group	850,000	$0.85	5 years from completion of the Transaction

Note:

1. Excludes Messrs. Hathaway and Shields, who are included in "Executive Officers".

10. DESCRIPTION OF THE SECURITIES

10.1 General

The Issuer's authorized capital consists of an unlimited amount of Common Shares, of which 27,192,345 will be issued and outstanding following the completion of the Transaction.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

10.2 – 10.6 Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable to the share structure of the Issuer or the Target.

10.7 Prior Sales of Common Shares

No Common Shares were issued by the Issuer within the 12 months before the date of this Listing Statement.

The following table sets out all issuances of securities by the Target within the 12 months before the date of this Listing Statement:

Date Issued	Number	Type	Price
January 10, 2021(1)(3)	7,500,000	Common shares	$0.005
January 15, 2021(2)(3)	9,950,000	Common shares	$0.005
February 19, 2021(2)(3)	2,262,500	Common shares	$0.40
March 9, 2021(2)(3)	50,000	Common shares	$0.40
September 16, 2021(4)(5)	4,831,086	Common shares	$0.85
December 23, 2021(4)(6)	3,039,383	Common shares	$0.85

Notes:

(1) A total of 7,300,000 shares were issued to two directors, Hilbert Shields and Rory Harding and 200,000 shares were issued to consultants.

(2) Issued pursuant to a non-brokered private placement.

(3) These are pre-Target Consolidation numbers.

(4) These are post-Target Consolidation numbers.

(5) Issued pursuant to the September Private Placement.

(6) Issued pursuant to the December Private Placement.

10.8 Stock Exchange Price

The following table sets out the price ranges and volume traded on the CSE for the Common Shares for the periods indicated. All figures are presented on a pre-Issuer Consolidation basis.

Period	High ($)	Low ($)	Volume
March 2020(1)	Nil	Nil	Nil
April 2020	0.12	0.12	10,000
May 2020	0.13	0.12	4,000
June 2020	0.135	0.13	4,000
July 2020	0.135	0.135	Nil
August 2020	0.16	0.16	5,000
September 2020	0.16	0.16	70
October 2020	0.16	0.16	4,070

Period	High ($)	Low ($)	Volume
November 2020	0.18	0.16	14,078
December 2020	0.20	0.18	19,042
January 2021	0.275	0.22	25,100
February 2021	0.30	0.25	5,000
March 2021	0.32	0.255	157,000
April 2021(2)	0.32	0.32	10,000

Notes:

(1) The Common Shares commenced trading on the CSE on March 3, 2020.

(2) Trading in Common Shares was halted on April 19, 2021 in connection with the announcement of the entering into of the Amalgamation Agreement.

11. ESCROWED SECURITIES

The following table sets out, as of completion of the Transaction, the number of securities of each class of securities of the Issuer held, to the knowledge of the directors and executive officers of the Issuer, in escrow (the "**Escrowed Securities**") and the percentage that number represents of the outstanding securities of that class.

Designation of class held in escrow	Number of securities held in escrow	Percentage of class(4)
Common Shares(1)(2)(3)	8,723,119	32.08%

Notes:

(1) National Securities Administrators Ltd. is the depository for these Common Shares. These Common Shares will be released as follows:

   a. On closing date – 1/10 of the Escrowed Securities
   b. 6 months after closing date – 1/6 of the remaining Escrowed Securities
   c. 12 months after closing date – 1/5 of the remaining Escrowed Securities
   d. 18 months after closing date – 1/4 of the remaining Escrowed Securities
   e. 24 months after closing date – 1/3 of the remaining Escrowed Securities
   f. 30 months after closing date – 1/2 of the remaining Escrowed Securities
   g. 36 months after closing date – remaining Escrowed Securities

(2) Includes the existing escrowed shares of the Issuer and the securities of the principals of the Issuer following completion of the Transaction which will be released in accordance with the existing escrow agreement governing such escrowed shares.

(3) These are post-consolidated numbers.
(4) On the basis of 27,192,345 issued and outstanding Common Shares outstanding following the completion of the Transaction.

The following table sets out, as of completion of the Transaction, the number of Escrowed Securities held by each holder of Escrowed Securities.

Name and Municipality of Residence	Number of Escrowed Securities Owned or Controlled	Percentage of Escrowed Securities
Leo Hathaway Vancouver, British Columbia	3,045,000	34.91%
Hilbert Shields Etobicoke, Ontario	3,255,000	37.31%
Grant Tanaka Vancouver, British Columbia	225,000	2.58%
Rory Harding Georgetown, Guyana	525,000	6.02%
Veljko Brcic North Vancouver, British Columbia	506,250	5.80%
Alison Redford Calgary, Alberta	30,000	0.34%
James Mustard Vancouver, British Columbia	118,125	1.35%
Nizar Bharmal Burnaby, British Columbia	8,606	0.10%
Azim Dhalla Vancouver, British Columbia	826,875	9.48%
Adlika Enterprises Inc. Vancouver, British Columbia	183,263	2.10%

12. PRINCIPAL SHAREHOLDERS

Following the completion of the Transaction, to the knowledge of the directors and executive officers of the Issuer, no person or company will beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the Common Shares, other than the following:

Name and Municipality of Residence	Number of Common Shares Owned or Controlled	Percentage of Outstanding Common Shares[(1)]
Hilbert Shields Etobicoke, Ontario	3,255,000	12%
Leo Hathaway Vancouver, British Columbia	3,045,000	11%

Note:

(1) On the basis of 27,192,345 issued and outstanding Common Shares outstanding following the completion of the Transaction.

Mr. Dhalla beneficially owns, or controls or directs, indirectly or directly, 1,346,850 post-consolidated Common Shares (3,591,600 pre-consolidated Common Shares), representing 29.9% of the issued and outstanding post consolidated Common Shares of the Issuer. Following completion of the Transaction, Mr. Dhalla will beneficially own, or control or direct, indirectly or directly, 1,346,850 post-consolidated Common Shares, representing 4.95% of the issued and outstanding Common Shares of the Resulting Issuer.

To the knowledge of the Issuer, no voting trust exists within the Issuer such that more than 10% of any class of voting securities of the Issuer are held, or are to be held, subject to any voting trust or other similar agreement.

To the knowledge of the Issuer, none of the principal shareholders is an Associate or Affiliate of any other principal shareholder.

13. DIRECTORS AND OFFICERS

13.1-13.5 Name, Address, Occupation and Security Holding

The name, province or state and country of residence, and position with the Issuer, of each of our directors and executive officers are set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under "Management of the Issuer" following the table.

Name, Municipality of Residence and Position Held	Principal Occupation for Past Five Years	Director of the Issuer Since	Number and Percentage of Common Shares Beneficially Owned or Controlled Prior to the Transaction[(1)(3)(4)(6)]	Number and Percentage of Common Shares Beneficially Owned or Controlled After the Transaction[(1)(3)(5)(6)]
Leo Hathaway Executive Chairperson,	Mr. Hathaway currently serves as Senior VP of Lumina Gold Corp., Senior VP Exploration of Luminex	June 2021	Direct 3,045,000 (13.42%)	Direct 3,045,000 (11.20%)

Director Vancouver, British Columbia	Resources Corp. and VP Exploration for Strategic Resources Corp. and is a Director of Bluestone Resources Inc. His previous roles include Chief Geological Officer for Lumina Copper Corp., VP Exploration for Northern Peru Copper Corp., Regalito Copper Corp., and Lumina Resources Corp.		Indirect Nil	Indirect Nil 475,000 stock options (18.8%)
Hilbert Shields CEO and Director Etobicoke, Ontario	Mr. Shields is a current Director of Virgin Gold Corp. and is a geologist. He cofounded and was the CEO of First Bauxite Corporation	January 11, 2021	Direct 3,255,000 (14.34%) Indirect Nil	Direct 3,255,000 (11.97%) Indirect Nil 475,000 stock options (18.8%)
Grant Tanaka CFO Vancouver, British Columbia	Mr. Tanaka is a Director of Virgin Gold Corp. Previous to that he was the Director of Finance Operations with Ma'aden Gold & Base metals.	April 15, 2021	Direct 225,000 (0.99%) Indirect Nil	Direct 225,000 (0.83%) Indirect Nil 175,000 stock options (6.9%)
Rory Harding VP of Corporate Development Georgetown, Guyana	Mr. Harding is a current Director of Virgin Gold Corp. He is experienced in business development and ran a West African representative office for Strand Hanson.	January 11, 2021	Direct 525,000 (2.31%) Indirect Nil	Direct 525,000 (1.93%) Indirect Nil 250,000 stock options (9.9%)
Veljko Brcic	Mr. Brcic is currently a	November	Direct	Direct

Director North Vancouver, British Columbia	Director of Virgin Gold Corp. and is VP of Corporate Development for Vizsla Silver Corp. and Inventa Capital Corp. Prior to that he was a sernior Associate of the investment team at Pala Investments.	27, 2020	506,250 (2.23%) Indirect Nil	506,250 (1.86%) Indirect Nil 125,000 stock options (5.0%)
Alison Redford Director Calgary, Alberta	Ms. Redford currently serves as an advisor on regulatory reform in the extractives sector in emerging economies to promote investor confidence. Elected as Premier of Alberta from 2011 to 2014 and as Minister of Justice and Attorney General from 2008 she Introduced an integrated regulator that focuses on environmental sustainability, resource conservation, economic development and first nations consultation in all upstream energy projects in Alberta.	June 2021	Direct 30,000 (0.13%) Indirect Nil	Direct 30,000 (0.11%) Indirect Nil 125,000 stock options (5.0%)
Jen Hanson Corporate Secretary Surrey, British Columbia,	Ms. Hanson is currently the Corporate Secretary for Vizsla Silver Corp., Tarachi Gold Corp., Outback Goldfields Corp., GK Resources Ltd. and Greenbank Ventures Inc. She has been providing various administrative and accounting support through her own business JC Hanson Corporate Resources Inc. since 2013.	June 2021	Nil	50,000 stock options (2.0%)

Notes:

(1) All of these shares shall be subject to escrow (see “Escrowed Securities”).

(2) The directors of the Issuer are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the

Issuer's Articles or until such director's earlier death, resignation or removal.

(3) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Issuer, has been furnished by the respective directors and executive officers.

(4) On an undiluted basis, based on 22,692,345 Target Common Shares issued and outstanding following completion of the Target Consolidation and the Private Placements.

(5) On an undiluted basis, based on 27,192,345 Common Shares issued and outstanding after the Transaction. The directors and officers did not participate in the Private Placements.

(6) All shares are post-consolidated numbers.

(7) Based on 2,525,000 stock options issued and outstanding after the Transaction.

13.6 Cease Trade Orders

None of our directors or executive officers or a shareholder holding sufficient securities of the Issuer to materially affect the control of the Issuer are, as at the date of this Listing Statement, or have been within 10 years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company (including the Issuer) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

13.7 Penalties and Sanctions

None of our directors, executive officers or any shareholder holding a sufficient number of our securities to materially affect control of the Issuer:

(a) is, as at the date of this Listing Statement, or has been within the 10 years before the date of this Listing Statement, a director or executive officer of any company (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.8 Settlement Agreements

Not applicable.

13.9 Bankruptcies

No director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to materially affect the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 Conflicts of Interest

Our directors are required to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests which they may have in any project or opportunity of the Issuer. However, our directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Issuer, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of our directors, such conflicts of interest must be declared, and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not we will participate in any such project or opportunity.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Business Corporations Act* (BC) will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

13.11 Management

Further information on the business experience and professional qualifications of our directors, officers and promoters is set forth below:

Leo Hathaway, Executive Chairperson, Director – Age 52

Mr. Hathaway is a geologist and senior executive in the mining and exploration industry with 25 years of experience. He currently serves as Senior VP of Lumina Gold Corp., Senior VP Exploration of Luminex Resources Corp. and VP Exploration for Strategic Resources Corp. and is a Director of Bluestone Resources Inc. His previous roles include Chief Geological Officer for Lumina Copper Corp., VP Exploration for Northern Peru Copper Corp., Regalito Copper Corp., and Lumina Resources Corp. All of these companies were acquired by large mining companies and were derived from the original Lumina

Copper Corp, for which Leo was VP Exploration. Prior to 2004 he worked for Inmet Mining in Europe, Central and South America and also Australia.

Mr. Hathaway holds a B.Sc. (Hons) degree in Applied Geology from the University of Plymouth (1994), a M.Sc. in Mineral Exploration from the University of London (1995) and has a P.Geo designation (2004) from the Association of Professional Engineers and Geoscientists of the Province of BC.

Mr. Hathaway is not an employee of the Issuer, and, in his capacity as a director will dedicate 40% of his time to the affairs of the Issuer. He is not currently subject to any written non-competition and confidentiality agreement with the Issuer.

Hilbert Shields, President, Chief Executive Officer, Director – Age 65

Mr. Shields is a geologist and entrepreneur who was the cofounder of, and served as, Chief Executive Officer of First Bauxite Corporation until August 2014. He has over 35 years' experience in the mineral exploration and mining industry, working with Noranda, Gulf Oil Minerals Group and the Ontario Geological Survey before joining Golden Star Resources in 1986 where he was Vice-President, with responsibility for gold exploration in Guyana and Venezuela and diamond exploration worldwide. He managed the exploration of the Omai gold deposit in Guyana, from acquisition by Golden Star through to the completion of the feasibility study; he later became a Director of Omai Gold Mines Ltd. Mr. Shields has been a Director of the Guyana Geology & Mines Commission and the Guyana Gold Board and is a currently the Vice-President of the Guyana Gold & Diamond Miners Association, sits on the Council of the Private Sector Commission of Guyana and is a Co-Chair of the Guyana Extractive industries Transparency Initiative. He holds a bachelor's degree in Geology & Environment from Oxford Brooks University in the United Kingdom (1978) and a Master's degree in Geology from Mackay School of Mines University of Nevada (1982).

Mr. Shields is not an employee of the Issuer, and, in his capacity as President, Chief Executive Officer and director, will dedicate 90% of his time to the affairs of the Issuer. He is not currently subject to any written non-competition and confidentiality agreement with the Issuer.

Grant Tanaka, Chief Financial Officer – Age 44

Mr. Tanaka brings over 15 years of financial leadership experience in the mining industry. Before joining Golden Shield Resources, he was the Director, Finance Operations with Ma'aden Gold & Base Metals. Prior to this, he held senior financial positions at Teck Resources Limited, New Gold, Copper Mountain Mining Corporation, and Bisha Mining Share Company, an operating subsidiary of Nevsun Resources. He has experience at both the corporate and operational levels having worked throughout North America, Mexico, Africa and the Middle East in gold, base metals and coal operations. Mr. Tanaka has a Bachelor of Business Administration, specializing in Entrepreneurial Leadership from Kwantlen Polytechnic University (2000) and is a Canadian Chartered Professional Accountant (2005).

Mr. Tanaka is not an employee of the Issuer, and, in his capacity as Chief Financial Officer will dedicate 25% of his time to the affairs of the Issuer. He is not currently subject to any written non-competition and confidentiality agreement with the Issuer.

Rory Harding, VP of Corporate Development – Age 35

Mr. Harding is an experienced business development professional and originator. Until 2018, he was running a West African representative office for the London-based merchant bank and resource finance boutique, Strand Hanson. Mr. Harding continues to represent Strand Hanson for the Caribbean, as well as a number of multinational companies in a variety of industries. He has raised and introduced financing for businesses and developed projects in a variety of sectors, including manufacturing, energy, agriculture and mining. In 2011, Mr. Harding founded a mining services company, which until 2016, provided services to a listed gold producer. He has also been involved in a number of projects in petroleum infrastructure, power production and mining exploration. He has implemented business development for International Energy Trading Houses and has acted as the representative for two major Chinese state-owned enterprises, with infrastructure projects currently under development. Mr. Harding holds a BSc in BioSciences from the University of Exeter (2010) where he completed his research project with Shell Global in the production of biodiesel from microorganisms.

Mr. Harding is not an employee of the Issuer, and, in his capacity as VP of Corporate Development will dedicate 30% of his time to the affairs of the Issuer. He is not currently subject to any written non-competition and confidentiality agreement with the Issuer.

Veljko Brcic, Director – Age 35

Mr. Brcic has ten years of industry experience. He currently is VP of Corporate Development with Vizsla Silver Corp and Inventa Capital. Prior to that, he was a Senior Associate of the investment team at Pala Investments, a Swiss-based mining focused private equity fund. During his time at Pala, Mr. Brcic was involved in the origination, negotiation and due diligence of multiple investments covering a range of commodities - most notably precious and battery metals – geographical locations, and stages of development. He also supported many of Pala's portfolio companies on a range of strategic initiatives, M&A opportunities and financial planning. Mr. Brcic holds an MBA from HEC Paris (2017) and a BCom with honours from UBC (2012). His native language is Spanish.

Mr. Brcic is not an employee of the Issuer, and, in his capacity as a director will dedicate 5% of his time to the affairs of the Issuer. He is not currently subject to any written non-competition and confidentiality agreement with the Issuer.

Alison Redford, Director – Age 56

Ms. Redford serves as an advisor to national governments and Ministries in emerging economies on regulatory reform to promote transparency and investor confidence. She provides independent advice on the creation of regulatory regimes related to Climate, Social and Governance sustainability most recently in Pakistan, Afghanistan, South Sudan and Guyana.

Separately, she also serves as a strategic advisor to provide advice to public companies operating in volatile political climates to assess risk and ensure regulatory compliance, particularly as it relates to EITI and community benefits agreements for affected indigenous people.

Ms. Redford was elected as Premier of Alberta from 2011 to 2014 and as Minister of Justice and Attorney General from 2008. She graduated from the College of Law at the University of Saskatchewan (1988) and also obtained her Masters Degree (MA) from the School of Oriental and African Studies at the University of London (2020). She was appointed Queens Counsel in 2008.

As Premier, she chaired the Government of Alberta's Cabinet Committee on AIMCo oversight and was Vice President of Treasury Board through her public life, both as Attorney General and Premier. She also served as Vice Chair of Public Accounts and oversaw the province of Alberta's operating budget of CDN $40 Billion annually. Ms. Redford introduced the Alberta Energy Regulator in through the Responsible Energy Development Act (2014), which was the first independent integrated energy regulator, that now focuses on environmental sustainability, resource conservation, economic development and First Nations consultation in all upstream energy projects in Alberta.

Ms. Redford is not an employee of the Issuer, and, in her capacity as a director will dedicate 5% of her time to the affairs of the Issuer. She is not currently subject to any written non-competition and confidentiality agreement with the Issuer.

Jennifer Hanson, Corporate Secretary – Age 47

Ms. Hanson is a dedicated and versatile senior professional that brings more than 22 years of excellence in all aspects of human resource management, accounting, and corporate administration. For the last eight years, her focus has been on providing corporate secretary services and accounting services for several public and private companies.

Ms. Hanson is not an employee of the Issuer, and, in her capacity as Corporate Secretary will dedicate 15% of her time to the affairs of the Issuer. She is not currently subject to any written non-competition and confidentiality agreement with the Issuer.

Audit Committee

Pursuant to Exchange Policies and National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), we are required to have an audit committee comprised of at least three directors. The Issuer is a "venture issuer" as defined in NI 52-110 and as such will be relying on the exemption set out in section 6.1 thereof which allows for the majority of the committee members to be independent (rather than all members of the Audit Committee being independent). Our audit committee will be comprised of Veljko Brcic (Chair), Leo Hathaway and Alison Redford. All are independent members. The following is a summary of the relevant education and experience of each audit committee member:

Veljko Brcic: Mr. Brcic holds an MBA from HEC Paris and a BCom with honours from UBC. He is currently the VP of Corporate Development for Vizsla Silver Corp. and Inventa Capital and has over 10 years of experience in the capital markets. Based on his education and business experience, Mr. Brcic is independent and financially literate within the meaning of NI 52-110.

Leo Hathaway: Mr. Hathaway has been in the mining industry for over 25 years and served as an executive officer for multiple companies. He is independent and financially literate within the meaning of NI 52-110.

Alison Redford: Ms. Redford was the Premier of Alberta and Minister of Justice and Attorney General. She is independent and is financially literate within the meaning of NI 52-110.

The Board will adopt a written charter setting forth the responsibilities, powers and operations of the audit committee consistent with NI 52-110. The principal duties and responsibilities of the audit committee will be to assist the Board in discharging the oversight of:

- the integrity of the Resulting Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Resulting Issuer's compliance with legal and regulatory requirements;

- the Resulting Issuer's external auditors' qualifications and independence;
- the work and performance of the Resulting Issuer's financial management and its external auditors; and
- the Resulting Issuer's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board.

It is anticipated that the audit committee will have access to all books, records, facilities, and personnel and may request any information about the Resulting Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the audit committee. The audit committee is also expected to review and approve all related-party transactions and prepare reports for the Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Issuer is relying on the exemption provided in section 6.1 of NI 52-110 as the Issuer is a "venture issuer" and is therefore exempt from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

14. CAPITALIZATION

14.1 Common Shares

The following tables set out details with respect to the ownership of the Common Shares, assuming the completion of the Transaction.

Issued Capital

Public Float

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**%of Issued (non-diluted)**	**% of Issued (fully diluted)**
Total outstanding (A)	27,192,345	31,127,579	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	8,723,119	11,947,001	37.30%	33.00%
Total Public Float (A-B)	18,469,226	20,855,579	62.70%	67.00%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	8,723,119	10,272,001	37.30%	33.00%
Total Tradeable Float (A-C)	18,469,226	20,855,579	62.70%	67.00%

Public Securityholders (Registered & Beneficial)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1 – 99 securities	1	1
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	3	7,000
3,000 – 3,999 securities	3	10,000
4,000 – 4,999 securities	2	8,860
5,000 or more securities	364	17,023,859
TOTAL:	373	17,049,720

Non-Public Securityholders (Registered)

Class of Security **Size of Holding**	**Number of holders**	**Total number of securities**
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	11	8,723,119
TOTAL:	11	8,723,119

14.2 Convertible Securities

The following table details securities convertible or exchangeable into Common Shares.

Description of Security	**Date of Expiry**	**Exercise Price**	**Number of convertible/ exchangeable securities outstanding**	**Number of listed securities issuable upon conversion/exercise**
Target Warrants	September 16, 2023	$1.35	2,415,692	2,415,692
Target Warrants	December 23, 2023	$1.35	1,519,692	1,519,692

14.3 Listed securities reserved for issuance not included in item 14.2.

There are no other Common Shares reserved for issuance that are not included in section 14.2.

15. EXECUTIVE COMPENSATION

The objectives, criteria and analysis of the compensation of the executive officers of the Target will be determined by the Board. See *Schedule D – Statement of Executive Compensation*.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer or employee the Issuer, or any associates of such persons, is indebted to the Issuer and no indebtedness of such persons is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Issuer.

17. RISK FACTORS

An investment in the Common Shares should be considered highly speculative due to the nature of the Issuer's business and the present stage of development. An investment in the Common Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of the Issuer and mining. Potential investors should consult with their professional advisors to assess an investment in the Issuer. In evaluating the Issuer and its business, investors should carefully consider, in addition to other information contained in this Listing Statement, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Issuer or in connection with its operations.

The following are certain factors relating to the Issuer's business, which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this Listing Statement. These risks and uncertainties are not the only ones the Issuer is facing. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

COVID-19 and Global Health Crisis

The COVID-19 global pandemic and efforts to contain it may have an impact on the Issuer's business. The Issuer continues to monitor the situation and the impact the virus may have on the Properties. Should the virus spread, travel bans remain in place or should one of the Issuer's team members or consultants become infected, the Issuer's ability to advance its projects may be impacted. Similarly, the Issuer's ability to obtain financing and the ability of the Issuer's vendors, suppliers, consultants and partners to meet obligations may be impacted as a result of COVID-19 and efforts to contain the virus.

Transaction Completion Risk

The completion of the Transaction is subject to certain closing conditions third-party approvals and there can be no assurance that all such conditions will be satisfied. For example, the Transaction is subject to the approvals of the shareholders of the Issuer. These approvals have not been obtained. If any of these approvals is not obtained, the Transaction will not be completed. The Amalgamation Agreement may be terminated in certain circumstances.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Issuer's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious and base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Issuer's exploration properties is furthermore subject to a number of macroeconomic, legal and social factors, including the price of gold and other metals, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Issuer operates. Unfavourable changes to these and other factors have the potential to negatively affect the Issuer's business, plans, prospects, strategies, financial performance and condition and results.

The exploration for and development of mineral deposits is a speculative venture involving significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a commercially viable ore body may result in an increase in value for shareholders, few mineral properties which are explored are ultimately developed into producing mines. At present, none of the Issuer's properties have a known body of bankable commercial ore and the proposed exploration programs are exploratory. There is no certainty that the expenditures made by the Issuer towards the exploration and evaluation of mineral deposits on its properties will result in discoveries or production of commercial quantities of gold or other minerals.

Substantial expenditures may be required to locate, evaluate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing will be required. It is impossible to ensure that the Issuer will be able to secure the necessary financing needed to pursue the exploration or development activities planned by the Issuer or that its activities will result in an economically viable or profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should or could be brought into production will depend on the results of exploration programs and/or geological and other studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade, metallurgical characteristics, and proximity to infrastructure; (ii) mineral prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, permitting, importing and exporting of minerals and environmental protection; (iv) available working capital and ongoing costs of exploration and development; (v) availability, terms and cost of additional funding; and (vi) local community and landowner opposition to access mineral rights. The exact effect of these factors cannot be accurately predicted, but one or any combination of these factors may result in the Issuer not being able to pursue its business plans or strategy or its shareholders not receiving an adequate return on invested capital.

Dependence on the Properties

The Issuer will be solely focused on the exploration and development of the Properties. Unless the Issuer acquires additional property interests, any adverse developments affecting the Properties could have a material adverse effect upon the Issuer and would materially and adversely affect any profitability, financial performance and results of operations of the Issuer. There is no assurance that the Issuer's mineral exploration and development programs at the Properties will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Properties will be brought into commercial production. Failure to do so will have a material adverse impact on the Issuer's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Issuer's control.

Early Stage Status and Nature of Exploration

The terms "Mineral Resources" and "Mineral Reserves" cannot be used to describe any of the Issuer's exploration properties due to the early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Any information, including quantities and/or grade, described in this Listing Statement should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the viability or profitability of future operations.

Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

The economics of exploring and developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, fluctuations in the concentrate sales markets, which may be independent of metals prices, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current planned exploration and development programs of the Issuer will result in economically viable or profitable commercial mining operations. The profitability of the Issuer's operations will be, in part, directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such mineral resource will ever qualify as a commercially viable (or mineable) deposit which can be legally and economically exploited. Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

Political Risks

All of the Target's current operations are presently conducted in Guyana, South America and as such, the Target's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licences, permits and contracts; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect the Issuer. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Guyana may adversely affect the Issuer's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Issuer's consolidated business, results of operations and financial condition.

The Issuer will maintain a community and social relations office in Guyana which is responsible for management and monitoring of government relations. The Issuer's senior management will meet with government representatives on a regular basis to support the continued exploration of the Guyanese Gold Projects.

Mineral Price Volatility

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral are discovered, a profitable market will exist or develop for the sale of same. There can be no assurance that mineral prices will be such that the Properties can be mined at a profit. Factors beyond the control of the Issuer may affect the marketability of any minerals discovered at the Properties. Mineral prices are subject to volatile price changes due to a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Fluctuation in Market Value of Common Shares

The market price of the Common Shares, as publicly traded shares, can be affected by many variables not directly related to the corporate performance of the Issuer, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Common Shares.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mineral resource industry, were impacted by and continue to be impacted by these market conditions. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Issuer's operations.

Joint Ventures and Subsidiaries

The Issuer may, in the future, operate some of its activities and properties through joint ventures, subsidiaries, earn-ins or similar arrangements in order to fully exploit the exploration and production potential of its exploration assets. There can be no assurance that the Issuer will be able to identify and successfully negotiate joint venture or similar arrangements with third parties on terms that are favourable to the Issuer, or at all. The Issuer may, in the future, be unable to meet its share of costs incurred under such arrangements and may have its property interests subject to such arrangements reduced as a result or even face termination of such arrangements.

The Issuer is also subject to the typical risks associated with joint ventures and similar arrangements, including disagreement on how to develop, operate or finance the properties and activities and contractual and legal remedies of the Issuer's partners in the event of such disagreements. In addition, any limitation on the transfer of cash or other assets between the Issuer and such entities, or among such entities, could restrict the Issuer's ability to fund its activities efficiently. Any such limitations or the perception that such limitations may exist now or in the future, could have an adverse impact on the Issuer's business, plans, prospects, value and stock price.

No History of Operations

The Issuer is an early-stage exploration and development Issuer and has no history of exploration, development, mining or refining mineral products. As such, the Issuer is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

No History of Earnings

The Issuer has not yet commenced operations in the mineral resource sector and therefore has no history of earnings or of a return on investment in this sector, and there is no assurance that any of its property interests or other assets will be economically viable or will be advanced to generate earnings, operate profitably or provide a return on investment in the future. No operating revenues are anticipated until one of the Issuer's projects comes into production, which may or may not occur. The Issuer will continue to experience losses unless and until it can successfully develop and begin profitable commercial production at one of its properties. There can be no assurance that the Issuer will be able to do so.

No History of Profitability

The Issuer is an early-stage exploration and development Issuer with no history of revenues or profitability in the mineral resource sector. There can be no assurance that the activities of the Issuer will be economically viable or profitable in the future. The Issuer will require additional financing to further explore, develop, acquire, and achieve commercial production on its property interests and, if financing is unavailable for any reason, the Issuer may become unable to acquire and retain its property interests and carry out its business plan.

Aboriginal Groups

Various national and provincial laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of first nations group ("**Aboriginal Groups**"). The Issuer operates in an area presently or previously inhabited or used by Aboriginal Groups. Many of these materials impose obligations on the government to respect the rights of Aboriginal Groups. Some mandate that government consult with Aboriginal Groups regarding government actions which may affect Aboriginal Groups, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various national materials pertaining to Aboriginal Groups continue to evolve and be defined. The Issuer's current and future operations are subject to a risk that one or more groups of Aboriginal Groups may oppose continued operation, further development, or new development of the Issuer's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Issuer's activities. Opposition by Aboriginal Groups to the Issuer's operations may require modification of, or preclude operation or development of, the Issuer's projects or may require the Issuer to enter into agreements with Aboriginal Groups with respect to the Issuer's projects.

Environmental Risks and Hazards

All phases of the Issuer's operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their directors, officers and employees. Environmental hazards which are unknown to the Issuer at present and which have been caused by previous owners or operators may exist on the Properties. Failure to comply with applicable environmental laws and regulations may result in enforcement actions thereunder and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect the Issuer's operations or result in substantial costs and liabilities to the Issuer in the future.

Permitting

The Issuer's current and anticipated future activities will require approvals and permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, exploration, development, mining, production, taxes, labour standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all such necessary approvals and permits for the existing activities or additional approvals or permits for any possible future changes to operations. Prior to any development on any of its Properties, the Issuer must receive permits from appropriate governmental authorities. There can be no assurance that the Issuer will obtain or continue to hold all permits necessary to develop or continue its activities at any particular property. Delays in obtaining or a failure to obtain any licenses or permits or extensions thereto, challenges to the issuance of such licences or permits, whether successful or unsuccessful, changes to the terms of such licences or permits or a failure to comply with the terms of any such licences or permits that the Issuer has obtained, could have a material adverse effect on the Issuer by delaying or preventing or making more expensive exploration and/or development.

Risk of Amendments to Laws

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse effect on the Issuer and cause increases in capital expenditures or production costs or require abandonment or delays in the advancement and growth of the Properties.

Additional Capital

The Issuer plans to focus on evaluating the Properties and exploring for minerals and will use its working capital to carry out such activities. However, the exploration and development of the Issuer's exploration properties is expected to require substantial additional financing. The ability of the Issuer to arrange such additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business and performance of the Issuer. Failure to obtain additional financing could result in delaying or indefinite postponement of exploration, development or production on any or all of the Issuer's exploration properties or a loss of a property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Issuer. If additional financing is raised by the Issuer through the issuance of securities from treasury, control of the Issuer may change and security holders may suffer potentially significant dilution.

The Issuer may encounter difficulty sourcing future financing in light of the recent economic downturn. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the issuance of Common Shares. The junior resource industry has been severely affected by the world economic situation and the effects of COVID-19 as it is considered speculative and high-risk in nature, making it even more difficult to fund.

Factors Beyond the Control of the Issuer

The potential profitability of the Properties is dependent upon many factors beyond the Issuer's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined deposits (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Issuer cannot predict and are beyond the Issuer's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for advancing mineral projects and other costs have become increasingly difficult, if not impossible, to project. Any of these changes and events could have a material adverse effect on the Issuer.

The Issuer's potential future revenues will be directly related to the price of gold as its potential revenues are expected to be derived from gold mining. Demand for gold can be influenced by economic conditions, the attractiveness of gold as an investment vehicle and the strength of the US dollar and local investment currencies. Other factors include the level of interest rates, exchange rates, inflation and political stability. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect the Issuer's financial performance and results of operations. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy.

No Assurance of Title to Property

There may be challenges to title to the Properties. If there are title defects with respect to the Properties, the Issuer might be required to compensate other persons or perhaps reduce its interest in the Properties. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and advancement programs at the Properties.

The Issuer may be subject to the rights or asserted rights of various community stakeholders through legal challenges relating to ownership rights.

Although title to the properties was reviewed by or on behalf of management of the Target visiting the Guyana geology and Mines Commission offices in Georgetown, Guyana, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available. The Target's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, it may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. Any disputes with the prospecting permit holders may result in delay in developing the Target's principal property, the Marudi Mountain Property.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could result in a material adverse effect to the Issuer's operations, financial condition and results of operations.

Insurance

The Issuer's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, the Properties or any future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of its exploration or advancement activities, delay in or inability to receive regulatory approvals to transport its gold concentrates, or costs, monetary losses and potential legal liability and adverse governmental action. The Issuer may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in a material adverse effect to the Issuer's operations, financial condition and results of operations.

Limited Exploration Prospects

The Issuer does not have a diversified portfolio of advanced exploration prospects either geographically or by mineral targets. The Issuer's operations could be significantly affected by fluctuations in the market price of gold as the economic viability of the Issuer's projects are heavily dependent upon the market price for this commodity.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Issuer competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Issuer, in the search for and the acquisition of attractive mineral properties. The Issuer's ability to acquire royalties or properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Issuer will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Influence of Third Party Stakeholders

The lands in which the Issuer holds an interest in at the Properties, or the exploration equipment and roads or other means of access which the Issuer intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Issuer's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Issuer.

Canada's Extractive Sector Transparency Measures Act

The Canadian Extractive Sector Transparency Measures Act ("**ESTMA**"), which became effective June 1, 2015, requires public disclosure of payments to governments by entities engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments and any other prescribed payment over $100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to $250,000 (which may be concurrent). The Issuer has not yet been required to begin ESTMA reporting. If the Issuer becomes subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed resulting in a material adverse effect on the Issuer's reputation.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Issuer has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Legal and Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Issuer may become subject could have a material adverse effect on the Issuer's business, prospects, financial condition, and operating results. There are no current claims or litigation outstanding against the Issuer.

Sovereign Risk

The mineral property interests that the Target owns are located in Guyana, South America. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of the Target and may adversely affect its business. In addition, shortages of skilled labour and deficiencies in infrastructure may negatively influence costs of exploration and development. Other risks of foreign operations include corruption, war, civil disturbances and terrorist actions, foreign taxation, price controls, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings and limitations on gold exports. These risks may limit or disrupt the Target's projects, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation.

While the Target believes that Guyana represents a favourable environment for mining companies to operate, there can be no assurance that changes in the laws of Guyana or changes in the regulatory environment for mining companies or for non-domiciled companies in Guyana will not be made that could adversely affect the Target.

Dividends

No dividends on the Common Shares have been paid by the Issuer to date, and the Issuer does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of our business. Any future determination relating to the Issuer's dividend policy will be made at the discretion of the Board and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Issuer may obtain or enter into, future prospects and other factors the Board may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares for the foreseeable future.

Dilution

Financing the development of a mineral property through to production, should feasibility studies show it is recommended, would be expensive and the Issuer would require additional monies to fund development and exploration programs and potential acquisitions. The Issuer cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. Likewise, the Issuer cannot predict the effect, if any, that future issuances and sales of the Issuer's securities will have on the market and market price of the Common Shares. If the Issuer raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of the Issuer securities, or the availability of such the Issuer securities for sale, could adversely affect the market, liquidity and any prevailing market prices for the Issuer's securities.

Estimates and Assumptions

Preparation of its financial statements requires the Issuer to use estimates and assumptions. Accounting for estimates requires the Issuer to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Issuer could be required to write down its recorded values. On an ongoing basis, the Issuer re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Issuer to deal with this growth could have a material adverse impact on its business, plans, operations and prospects.

Market for Securities

There can be no assurance that an active trading market in the Common Shares will be established and sustained. The market price for the Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Issuer anticipates that costs may increase with corporate governance related requirements. The Issuer also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Issuer to attract and retain qualified individuals to serve on the Board or as executive officers.

18. PROMOTERS

Azim Dhalla and Jim Mustard are considered to be the promoters of the Issuer in that they took the initiative in founding and organizing the Issuer. Following completion of the Transaction, Mr. Dhalla will beneficially own, or control or direct, indirectly or directly, 1,346,850 post-consolidated Common Shares, representing 4.95% of the issued and outstanding Common Shares of the Resulting Issuer. Following completion of the Transaction, Mr. Mustard will beneficially own, or control or direct, indirectly or directly, 262,500 post-consolidated Common Shares, representing 0.97% of the issued and outstanding Common Shares of the Resulting Issuer.

Hilbert Shields and Rory Harding are considered to be the promoters of the Target in that they took the initiative in founding and organizing the Target. Following completion of the Transaction, Hilbert Shields will beneficially own, or control or directs, indirectly or directly, 3,255,000 Common Shares, representing 11.97% of the issued and outstanding Common Shares of the Resulting Issuer following completion of the Transaction. Following completion of the Transaction, Rory Harding will beneficially own, or control or directs, indirectly or directly, 525,000 Common Shares, representing 1.93% of the issued and outstanding Common Shares of the Resulting Issuer following completion of the Transaction.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

There are no legal proceedings outstanding, threatened or pending as of the date of this Listing Statement by or against the Issuer or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Issuer are any such legal proceedings contemplated which could become material to the Issuer.

19.2 Regulatory Actions

There have not been any penalties or sanctions imposed against the Issuer by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Issuer, and the Issuer has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Issuer, and no associate or affiliate of the foregoing persons, has, or has had, any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Issuer's auditor is DMCL Chartered Accountants, of Suite 1500, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The Registrar and Transfer Agent for the Issuer is National Securities Administrators Ltd. of Suite 760, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

The Target’s auditor is Smythe LLP of Suite 1700 – 475 Howe Street, Vancouver, British Columbia, V6C 2B3.

22. MATERIAL CONTRACTS

Other than the Amalgamation Agreement (See *Item 3.1 – General Development of the Business – The Transaction* for a detailed description) and the Copper Canyon Property Agreement, the Issuer does not currently have any material contracts in place.

The Target has entered into the following material contracts: the Fishcreek Property Agreement, the Marudi Mountain Property Agreement and the Arakaka Property Agreement. See *Item 3.1 – General Development of the Business – Three Year History* for a detailed description of these contracts.

23. INTEREST OF EXPERTS

The Issuer’s auditor has not received, and is not entitled to receive, any registered or beneficial interest, direct or indirect, in the property of the Issuer and is not expected to own any securities of the Issuer or any associate, affiliate or Related Person of the Issuer.

Technical information regarding the Marudi Mountain Property included in this Listing Statement is based on the Marudi Mountain Technical Report prepared by SR McMullan, P.Geo, who is a “Qualified Person” as such term is defined in NI 43-101. SR McMullan, P.Geo is independent of the Issuer within the meaning of NI 43-101.

None of the aforementioned persons or firms, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Issuer, nor of any associate or affiliate of the foregoing

24. OTHER MATERIAL FACTS

There are no other material facts that are not disclosed under the preceding items and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the years ended May 31, 2019, May 31, 2020 and May 31, 2021, and the unaudited financial statements of the Issuer for the interim period ended November 30, 2021 are attached as Schedule A.

The audited financial statements of the Target for the period from incorporation on November 27, 2020 to July 31, 2021 and the unaudited financial statements of the Target for the interim period ended October 31, 2021 are attached as Schedule B.

The pro forma financial statements of the Issuer are attached as Schedule C.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Goldblock Capital Inc. (the "**Issuer**") hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, B.C., this 11th day of February, 2022.

Signed: "Jim Mustard"
Jim Mustard
Chief Executive Officer

Signed: "Nizar Bharmal"
Nizar Bharmal
Chief Financial Officer

Signed: "Azim Dhalla"
Azim Dhalla
Director

Signed: "Donald Gordon"
Donald Gordon
Director

Signed: "Azim Dhalla"
Azim Dhalla
Promoter

Signed: "Jim Mustard"
Jim Mustard
Promoter

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Virgin Gold Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, B.C., this 11th day of February, 2022.

Signed: "Hilbert Shields"
Hilbert Shields
Chief Executive Officer

Signed: "Grant Tanaka"
Grant Tanaka
Chief Financial Officer

Signed: "Leo Hathaway"
Leo Hathaway
Director

Signed: "Veljko Brcic"
Veljko Brcic
Director

SCHEDULE A
FINANCIAL STATEMENTS AND MD&A OF THE ISSUER

[Attached]

Management Discussion and Analysis

Goldblock Capital Inc.

For the six months ended November 30, 2021

The Management Discussion and Analysis ("MD&A"), prepared February 08, 2022 should be read in conjunction with the reviewed interim financial statements and notes thereto for the six months ended November 30, 2021 and 2020, of Goldblock Capital Inc. ("Goldblock" or the "Company"), which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements" within the meaning of Canadian securities laws. Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed above. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of molybdenum and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required.

DESCRIPTION OF BUSINESS

Goldblock was incorporated under the laws of the Province of British Columbia on January 29, 2018. The Company was formed to acquire, explore and develop mining claims in Canada. To date the Company has entered into the Option Agreement with Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the "Optionors") to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty to be retained by the Optionors, by making staged payments totaling $192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Option Agreement.

The principal business of the Company is the exploration of natural resource properties.

The following information regarding the Property has been summarized from a technical report entitled "Technical Report on the Copper Canyon Property, Nicole Mining Division, British Columbia, prepared for Goldblock, dated effective January 31, 2019, and prepared by D. Cullen, P.Geo., and J. Garry Clark, P.Geo., (collectively, the "author"). Messrs. Cullen and Clark are independent Qualified Persons as defined by NI 43-101. The Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Company during normal business hours. The full Technical Report will also be made available on SEDAR at www.sedar.com.

EXPLORATION AND EVALUATION ASSETS

The Copper Canyon Property consists of 7 claims totaling 2,853.6 hectares. The claims are owned by Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the "Optionors", each of which own 50% of the Property), both of Vancouver, B.C., and have been optioned to the Company under an Option Agreement dated April 25, 2018.

Under the terms of the Option Agreement, the Company has the right to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty (the "NSR") to be retained by the Optionors, by making staged payments totaling $192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Option Agreement. The Company has the right to purchase 0.5% of the NSR from the Optionors for $1,000,000.

No permitting is required for the early stage of exploration work that is proposed. From the proposed program, if successful, the Company would identify drill targets and a Notice of Work (NOW) would be applied for.

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, 2020	Payment of an additional $20,000 (paid)	Incur $100,000 (incurred)
July 25, 2021	Payment of an additional $150,000 (paid)	Incur an additional $100,000 (incurred)
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.

A preliminary exploration work program was conducted on Copper Canyon from June 12 to June 26, 2019; as summarized:

Soil sampling grid 312 soil samples (using a soil auger) and 76 prospector rock samples were collected to test the presence of precious and base metal mineralization. Approximately 11km of Magnetometer-VLF survey were conducted in the north of the claims. 30 soil samples were from 2 lines starting at MGT and east to the claim boundary. A small grid was established along the southern boundary, consisting of four lines, then soil sampled. A 3rd was completed over part of the VLF-EM/ Magnetometer survey that was conducted in the north of the claims.

67 rock samples were collected from all over the claims with the exception of the westernmost reaches, and particularly the NW because of a lack of access. The southern boundary was prospected very closely from one side to the other, including using a drone to locate smaller patches of rocks that were not seen by prospectors.

The results from the soil sampling had peak values for Au of 82 ppb, for Ag 8.4 ppm, and Cu 810 ppm. The silver and copper peaks are significantly high and skew the percentiles for those metals slightly. At the 85% percentile the anomaly thresholds are 9.3 ppb Au, 1.4 ppm Ag, 46 ppm Cu, 15 ppb Pb, 117 ppb Zn and 8 ppb As. These are in line for the area, except for Ag and Cu, which are higher than normal for the area. Using the 85% percentile (or even 90% percentile) there are significant broad and narrow anomalies.

Of the 67 rock samples collected, the best gold assay was 12 ppb in the area of the MGT Showing, and this sample also ran 1.22% Cu. The rest were at or below the detection limit of 5 ppb gold.

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

Property Payments and Exploration Cost as of November 30, 2021

		November 30, 2021		May 31, 2021
Acquisition cost				
Beginning of year	$	192,500	$	42,500
Additions		-		150,000
End of year		192,500		192,500
Exploration costs:				
Beginning of year	$	115,086	$	109,727
Consulting		-		4,999
Drilling		-		360
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.

(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.

Optionee has fully met its first-year commitment obligation on the Copper Canyon property, and as of the end of the reporting period, results were still pending.

SUMMARY OF FINANCIAL INFORMATION

	Six Months Ended November 30, 2021 (Unaudited)	Fiscal Year Ended May 31, 2021 (Audited)
Total Assets	$ 363,729	$ 400,895
Total Liabilities	$ 79,032	$ 35,762
Net loss	$ (80,436)	$ (194,113)
Shareholders' Equity	$ 284,697	$ 365,133
Total Common Shares	12,000,000	12,000,000

OUTSTANDING SHARE DATA

As at November 30, 2021 and the date of this report, the Company has 12,000,000 common shares outstanding. The Company is authorized to issue an unlimited number of common shares without nominal or par value.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the three months ended November 30, 2021 and the previous seven quarters

	Nov 30, 2021 $	Aug 31, 2021 $	May 31, 2021 $	Feb 28, 2021 $	Nov 30, 2020 $	Aug 31, 2020 $	May 31, 2020 $	Feb 29 2020 $
Current assets	66,528	66,414	103,694	74,793	344,794	437,459	439,494	494,484
Exploration and evaluation assets	122,201	122,201	122,201	217,466	227,467	152,347	152,227	129,932
Total assets	363,729	363,615	400,895	467,259	572,261	589,806	591,721	624,416
Current liabilities	79,032	55,262	35,762	18,400	58,200	54,572	32,475	26,892
Share capital	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Total revenue	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net and comprehensive loss	(23,656)	(56,780)	(83,726)	(65,202)	(21,173)	(24,012)	(38,278)	(33,755)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Outstanding shares	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

RESULT OF OPERATIONS

For the three months ended November 30, 2021

During the three months ended November 30, 2021, the Company recorded a loss of $23,656 compared to a loss of $21,173 in the three months ended November 30, 2020. The change is due to higher accounting fees in the three months ended November 30, 2021.

For the six months ended November 30, 2021

During the six months ended November 30, 2021, the Company recorded a loss of $80,436 compared to a loss of $45,185 during the six months ended November 30, 2020. The change is mainly due to an unrealized loss on marketable securities recognized in the six months ended November 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents on November 30, 2021, was $12,326 compared to $17,111 at November 2021.

Cash used in operating activities during the six months ended November 30, 2021, totaled $4,785 (2020 – $18,352), which was attributed to the decrease in net loss during the six months period of $13,567 (2020 – $45,185) and the changes in the working capital items comprising of an increase in in accounts payable of $23,770 (2020 – $25,725)

The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

RELATED PARTY TRANSACTIONS

The following is a summary of transactions with an officer and director of the Company:

	For the six months Ended			
	November 30, 2021		November 30, 2020	
Fees for accounting (Included in accounts payable and accrued liabilities)	$	4,900	$	3,000
Management fees (Included in accounts payable and accrued liabilities)	$	36,000	$	36,000
Consulting fees	$	Nil	$	2,000

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims as discussed under the Exploration Project section.

SUBSEQUENT EVENT

None

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, the requirement and ability to raise additional capital through future financings.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

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 Virgin Gold agreement, which was announced May 19, 2021, is still awaiting final regulatory approval to allow the deal to proceed and obtain shareholders' approval.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property expenditures is provided in the Company's financial statements which are available on SEDAR at www.sedar.com.

GOLDBLOCK CAPITAL INC.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2021

(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS)

GOLDBLOCK CAPITAL INC.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

		As at November 30, 2021		As at May 31, 2021
ASSETS				*(Audited)*
Current				
Cash	**$**	**12,326**	$	17,111
Marketable securites (Note 5)		**45,000**		80,000
Receivable		**9,202**		6,583
		66,528		103,694
Exploration and evaluation asset (Note 4)		**122,201**		122,201
Advances (Note 11)		**175,000**		175,000
TOTAL ASSETS	**$**	**363,729**	$	400,895
LIABILITIES				
Trade payables and accrued liabilities (Note 10)	**$**	**73,032**	$	29,762
Due to related party (Note 10)		**6,000**		6,000
		79,032		35,762
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		**700,000**		700,000
Deficit		**(415,303)**		(334,867)
		284,697		365,133
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**363,729**	$	400,895

Going concern (Note 2)
Proposed transaction (Note 11)

Approved by the Board of Directors:

"Jim Mustard" — Director

"Azim Dhalla" — Director

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

GOLDBLOCK CAPITAL INC.
CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

	Three months ended November 30, 2021	Three months ended November 30, 2020	**Six months ended November 30, 2021**	Six months ended November 30, 2020
EXPENSES				
Accounting (Note 10)	**$ 3,400**	$ -	**$ 4,900**	$ 1,500
Bank fees	**30**	46	**60**	91
Filing fees	**2,250**	2,656	**4,500**	7,175
Management fees (Note 10)	**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 (Note 5)	**-**	-	**(35,000)**	-
Interest income	**24**	1,529	**24**	2,116
NET LOSS AND COMPREHENSIVE LOSS	**$ (23,656)**	$ (21,173)	**$ (80,436)**	$ (45,185)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	12,000,000	12,000,000	12,000,000	12,000,000

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

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

	Share Capital						
	Shares		Amount		Deficit		Total Shareholders' Equity
BALANCE, May 31, 2020	12,000,000	$	700,000	$	(140,754)	$	559,246
Net loss for the period	-		-		(45,185)		(45,185)
BALANCE, NOVEMBER 30, 2020	12,000,000		700,000		(185,939)		514,061
Net loss for the period	-		-		(148,928)		(148,928)
BALANCE, MAY 31, 2021	12,000,000		700,000		(334,867)		365,133
Net loss for the period	-		-		(80,436)		(80,436)
BALANCE, NOVEMBER 30, 2021	**12,000,000**		**700,000**		**(415,303)**		**284,697**

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

GOLDBLOCK CAPITAL INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

	Six months ended November 30, 2021	Six months ended November 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**$ (80,436)**	$ (45,185)
Items not affecting cash:		
Unrealized loss on marketable securities	**35,000**	-
Change in non-cash working capital items:		
Receivable	**(2,619)**	(2,750)
Accrued interest	**-**	3,858
Trade payables and accrued liabilities	**43,270**	25,725
	(4,785)	(18,352)
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation asset	**-**	(75,240)
CHANGE IN CASH	**(4,785)**	(93,592)
CASH BALANCE, BEGINNING OF THE PERIOD	**17,111**	424,208
CASH BALANCE, END OF THE PERIOD	**$ 12,326**	$ 330,616

Non-cash transactions:
There were no non-cash transactions during the six month periods ended November 30, 2021 and 2020.

1. NATURE OF BUSINESS

Goldblock Capital Inc. ("Goldblock" or 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. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the symbol "GBLK".

On March 12, 2021, the Company incorporated a wholly owned subsidiary, 1294320 B.C. Ltd. in the province of British Columbia, in connection with the Proposed Transaction (Note 11). This entity was inactive from the period of incorporation to November 30, 2021.

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.

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. The total impact on the Company is not currently determinable but management continues to monitor the situation.

These financial statements were approved by the Board of Directors and authorized for issue on February 8, 2022.

2. BASIS OF PREPARATION *(continued)*

Basis of measurement

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.

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 and the six months ended November 30, 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 purchase options are recognized as a deduction from equity, net of any tax effects.

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 FVTOCI

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.

3. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Financial instruments *(continued)*

(ii) Measurement *(continued)*

Equity investments at FVTOCI

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.

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.

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Restoration and environmental obligations *(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 May 31, 2021. 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, 2020	Payment of an additional $20,000 (paid)	Incur $100,000 (incurred)
July 25, 2021	Payment of an additional $150,000 (paid)	Incur an additional $100,000 (incurred)
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.

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

4. **EXPLORATION AND EVALUATION ASSET** (continued)

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

		November 30, 2021		May 31, 2021
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
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 publicly traded company on the TSX Venture Exchange, 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.

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.

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

4. **EXPLORATION AND EVALUATION ASSET** (continued)

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		May 31, 2021	
	Number of Shares	Market Value	Number of Shares	Market Value
Bullet	500,000	$45,000	500,000	$80,000

The 500,000 common shares of Bullet received had an initial fair value of $105,000 (Note 4). As at November 30, 2021 the market value of these shares was $45,000 (May 31, 2021 - $80,000) and a $35,000 unrealized loss was recognized to loss and comprehensive loss.

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 year ended May 31, 2021 and the six month 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 3,031,650 (May 31, 2021 - 4,042,200) shares were held within escrow and will be released over a period of 18 months.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As of November 30, 2021, the Company's only financial instruments are comprised of cash, marketable securities, receivable, trade payables and due to related party. The fair value of these financial instruments approximates 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 of $79,032 and as such, liquidity risk is assessed as high.

(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.

(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.

(UNAUDITED, EXPRESSED IN CANADIAN DOLLARS)

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

	Six month period ended November 30, 2021	Year Ended May 31, 2021
Net loss for the period	$ (80,436)	$ (194,113)
Tax Rate	27%	27%
Expected income tax recovery	(21,718)	(52,411)
Other	12,150	-
Change on unrecognized benefit of non-capital losses	9,568	52,411
	-	-

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

	November 30, 2021	May 31, 2021
Non-capital loss carry-forwards	$ 370,303	$ 334,867

The Company has accumulated non-capital losses of approximately $370,000, which may be deducted in the calculation of taxable income in future years. The losses commence expiring in 2042.

10. RELATED PARTY TRANSACTIONS

During the six months ended November 30, 2021, the Company paid or accrued $36,000 (2020 - $36,000) in management fees to a director of the Company.

During the six months ended November 30, 2021, the Company accrued $4,900 (2020 - $3,000) in accounting fees to a director and officer of the Company, which was included in trade payables at November 30, 2021.

Included in due to related party as at November 30, 2021 is $6,000 (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.

GOLDBLOCK CAPITAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2021

(EXPRESSED IN CANADIAN DOLLARS)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Goldblock Capital Inc.

Opinion

We have audited the consolidated financial statements of Goldblock Capital Inc. (the “Company”), which comprise the consolidated statements of financial position as at May 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, shareholder’s equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes events and conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditors’ report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Rakesh Patel.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
September 28, 2021

MOORE

An independent firm
associated with Moore
Global Network Limited

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

		As at May 31, 2021		As at May 31, 2020
ASSETS				
Current				
Cash and cash equivalents	**$**	**17,111**	$	424,208
Marketable securities (Note 5)		**80,000**		-
Receivable		**6,583**		9,899
Accrued interest		**-**		5,387
		103,694		439,494
Exploration and evaluation asset (Note 4)		**122,201**		152,227
Advances (Note 11)		**175,000**		-
TOTAL ASSETS	**$**	**400,895**	$	591,721
LIABILITIES				
Trade payables (Note 10)	**$**	**-**	$	20,475
Accrued liabilities (Note 10)		**29,762**		12,000
Due to related party (Note 10)		**6,000**		-
		35,762		32,475
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		**700,000**		700,000
Deficit		**(334,867)**		(140,754)
		365,133		559,246
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**400,895**	$	591,721

Going concern (Note 2)
Proposed transaction (Note 11)

Approved by the Board of Directors:

"Jim Mustard"
Director

"Azim Dhalla"
Director

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

GOLDBLOCK CAPITAL INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

		Year ended May 31, 2021		Year ended May 31, 2020
EXPENSES				
Administration	$	139	$	-
Bank fees		197		121
Filing fees		15,508		19,413
Management fees (Note 10)		72,000		18,000
Professional fees (Note 10)		52,115		80,680
Rent (Note 10)		25,000		-
Transfer agent fees		5,140		-
LOSS BEFORE OTHER ITEMS		(170,099)		(118,214)
OTHER ITEMS				
Unrealized loss on marketable securities (Note 5)		(25,000)		-
Interest income		986		5,387
NET LOSS AND COMPREHENSIVE LOSS	$	(194,113)	$	(112,827)
Weighted average number of shares outstanding, basic and diluted		12,000,000		5,936,700
Basic and diluted loss per share	$	(0.02)	$	(0.02)

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

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

	Share Capital				Total
	Shares	Amount	Deficit	Subscription Receivable	Shareholders' Equity
BALANCE, May 31, 2019	12,000,000	$ 700,000	$ (27,927)	$ (1,000)	$ 671,073
Subscription receivable	-	-	-	1,000	1,000
Net loss for the year	-	-	(112,827)	-	(112,827)
BALANCE, MAY 31, 2020	12,000,000	700,000	(140,754)	-	559,246
Net loss for the year	-	-	(194,113)	-	(194,113)
BALANCE, MAY 31, 2021	**12,000,000**	**$ 700,000**	**$ (334,867)**	**$ -**	**$ 365,133**

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

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

		Year ended May 31, 2021		Year ended May 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the year	**$**	**(194,113)**	$	(112,827)
Items not affecting cash:				
Unrealized loss on marketable securities		**25,000**		-
Change in non-cash working capital items:				
Receivable		**3,316**		(9,096)
Accrued interest		**5,387**		(5,387)
Prepaid expenses		**-**		10,000
Trade payables and accrued liabilities		**(2,713)**		8,402
		(163,123)		(108,908)
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation assets		**(149,974)**		(110,287)
Option payments received		**75,000**		-
Advances		**(175,000)**		-
		(249,974)		**(110,287)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Subscription receivable		**-**		1,000
Related party advances		**6,000**		-
		6,000		1,000
CHANGE IN CASH		**(407,097)**		(218,195)
CASH BALANCE, BEGINNING OF THE YEAR		**424,208**		642,403
CASH BALANCE, AT END OF THE YEAR	**$**	**17,111**	$	424,208

Cash and cash equivalents are comprised of:

Cash	**$**	**17,111**	$	24,208
Guaranteed Investment Certificate		**-**		400,000
	$	**17,111**	$	424,208

Non-cash transactions:

The Company received 500,000 common shares from Bullet Exploration Inc. valued at $105,000 as part of option payments received in the year (Notes 4 and 5).

There were no non-cash transactions during the year ended May 31, 2020.

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

1. NATURE OF BUSINESS

Goldblock Capital Inc. (the "Company" or "Goldblock") 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 808, 1090 West Pender Street, Vancouver, B.C., V6E 2N7.

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

On February 20, 2020, the Company filed a non-offering prospectus and listed its common shares on the Canadian Securities Exchange ("CSE").

On March 12, 2021, the Company incorporated a wholly owned subsidiary, 1294320 B.C. Ltd. in the province of British Columbia, in connection with the Proposed Transaction (Note 11). This entity was inactive from the period of incorporation to May 31, 2021.

2. BASIS OF PREPARATION

Statement of compliance and going concern

These consolidated 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").

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.

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. The total impact on the Company is not currently determinable but management continues to monitor the situation.

These financial statements were approved by the Board of Directors and authorized for issue on September 28, 2021.

2. BASIS OF PREPARATION (continued)

Basis of measurement

These consolidated 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.

Functional and presentation currency

These consolidated 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 judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgements apart from those involving estimates, in applying accounting policies. Management has determined that the only significant judgements 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.

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 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. The Company has classified cash and cash equivalents and marketable securities at FVTPL and receivable, trade payables and due to related party at amortized cost.

(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 derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments *(continued)*

(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) Derecognition

Financial assets
The Company derecognizes 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 derecognizes 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 derecognition 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.

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.

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.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)

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.

Leases

Leases are accounted for under IFRS 16. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The Company does not have any leases as at May 31, 2021.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Diluted loss per share is not presented as there are no dilutive securities outstanding.

Recent accounting pronouncements

Certain new accounting standards, amendments to standards and interpretations have been issued, effective for annual periods beginning on or after May 31, 2021. 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:

4. **EXPLORATION AND EVALUATION ASSET** (continued)

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

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

		May 31, 2021		May 31, 2020
Acquisition cost				
Beginning of year	$	42,500	$	22,500
Additions		150,000		20,000
End of year		192,500		42,500
Exploration costs:				
Beginning of year		109,727		19,440
Consulting		4,999		-
Drilling		-		57,986
Sampling		-		15,961
Geophysics		-		1,815
Other		360		14,525
End of year		115,086		109,727
Option payments received – cash		(75,000)		-
Option payments received – shares		(105,000)		-
BC Exploration tax credits		(5,385)		-
		(185,385)		-
	$	122,201	$	152,227

4. EXPLORATION AND EVALUATION ASSET (Continued)

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.

(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).

	May 31, 2021		May 31, 2020	
	Number of shares	Market Value	Number of shares	Market Value
Bullet	500,000	$ 80,000	-	$ -

The 500,000 common shares of Bullet received had an initial fair value of $105,000 (Note 4). As at May 31, 2021, the market value of these shares was $80,000 and a $25,000 unrealized loss was recognized to loss and comprehensive loss.

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 years ended May 31, 2021 and 2020.

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 May 31, 2021 4,042,200 (2020 - 6,063,300) shares were held within escrow and will be released over a period of 24 months. Subsequent to the year ended May 31, 2021 an additional 1,010,550 (2020 - 1,010,550) shares were released from escrow.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at May 31, 2021, the Company's financial instruments are comprised of cash, marketable securities, receivables, trade payables, and due to related party. 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 May 31, 2021, the fair value of cash and marketable securities 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 May 31, 2021, the Company had a cash balance of $17,111 to settle current and future liabilities of $35,762 and as such, the Company is exposed to liquidity risk.

(c) Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, 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 has no financial instruments that exposes it to interest rate risk.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(e) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(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 May 31, 2021, the Company's shareholders' equity was $365,133 (2020 - $559,246). 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 year ended May 31, 2021.

9. INCOME TAXES

	May 31, 2021	May 31, 2020
Net loss for the year	$ (194,113)	$ (112,827)
Tax rate	27%	27%
Expected income tax recovery	(52,411)	(30,463)
Change in unrecognized benefit of non-capital losses	52,411	30,463
	$ -	$ -

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

	May 31, 2021	May 31, 2020
Non-capital loss carry-forwards	$ 334,867	$ 140,754

The Company has accumulated non-capital losses of approximately $335,000, which may be deducted in the calculation of taxable income in future years. The losses commence expiring in 2041.

10. RELATED PARTY TRANSACTIONS

During the year ended May 31, 2021, the Company paid or accrued $72,000 (2020 - $18,000) in management fees to a director of the Company and paid $25,000 (2020 - $Nil) in rent to a company controlled by the same director of the Company.

During the year ended May 31, 2021, the Company paid $6,275 (2020 - $Nil) in consulting fees which was included in professional fees to directors of the Company.

During the year ended May 31, 2021, the Company $12,000 (2020 - $Nil) in accounting fees to a director and officer of the Company, which was included in professional fees.

Included in trade payables and accrued liabilities at May 31, 2021 is $8,000 (2020 - $18,900) owing to directors of the Company.

As at May 31, 2021, $6,000 (May 31, 2020 - $Nil) is due to a director of the Company. The amount is non-interest bearing and has no specific terms of repayment.

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.

Management Discussion and Analysis

Goldblock Capital Inc.

For the fiscal year ended May 31, 2021

The Management Discussion and Analysis ("MD&A"), prepared September 28, 2021 should be read in conjunction with the audited financial statements and notes thereto for the years ended May 31, 2021 and 2020 of Goldblock Capital Inc. ("Goldblock" or the "Company"), which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements" within the meaning of Canadian securities laws. Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed above. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of molybdenum and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required.

DESCRIPTION OF BUSINESS

Goldblock Capital Inc.was incorporated under the laws of the Province of British Columbia on January 29, 2018. The Company was formed to acquire, explore and develop mining claims in Canada. To date the Company has entered into the Option Agreement with Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the "Optionors") to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty to be retained by the Optionors, by making staged payments totaling $192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Option Agreement.

The principal business of the Company is the exploration of natural resource properties.

The following information regarding the Property has been summarized from a technical report entitled "Technical Report on the Copper Canyon Property, Nicole Mining Division, British Columbia, prepared for Goldblock Capital Inc., dated effective January 31, 2019, and prepared by D. Cullen, P.Geo., and J. Garry Clark, P.Geo., (collectively, the "author"). Messrs. Cullen and Clark are independent Qualified Persons as defined by NI 43-101. The Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Company during normal business hours. The full Technical Report will also be made available on SEDAR at www.sedar.com.

EXPLORATION AND EVALUATION ASSETS

The Copper Canyon Property consists of 7 claims totaling 2,853.6 hectares. The claims are owned by Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the "Optionors", each of which own 50% of the Property), both of Vancouver, B.C., and have been optioned to the Company under an Option Agreement dated April 25, 2018.

Under the terms of the Option Agreement, the Company has the right to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty (the "NSR") to be retained by the Optionors, by making staged payments totaling $192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Option Agreement. The Company has the right to purchase 0.5% of the NSR from the Optionors for $1,000,000.

No permitting is required for the early stage of exploration work that is proposed. From the proposed program, if successful, the Company would identify drill targets and a Notice of Work (NOW) would be applied for.

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, 2020	Payment of an additional $20,000 (paid)	Incur $100,000 (incurred)
July 25, 2021	Payment of an additional $150,000 (paid)	Incur an additional $100,000 (incurred)
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.

A preliminary exploration work program was conducted on Copper Canyon from June 12 to June 26, 2019; as summarized:

Soil sampling grid 312 soil samples (using a soil auger) and 76 prospector rock samples were collected to test the presence of precious and base metal mineralization. Approximately 11km of Magnetometer-VLF survey were conducted in the north of the claims. 30 soil samples were from 2 lines starting at MGT and east to the claim boundary. A small grid was established along the southern boundary, consisting of four lines, then soil sampled. A 3rd was completed over part of the VLF-EM/ Magnetometer survey that was conducted in the north of the claims.

67 rock samples were collected from all over the claims with the exception of the westernmost reaches, and particularly the NW because of a lack of access. The southern boundary was prospected very closely from one side to the other, including using a drone to locate smaller patches of rocks that were not seen by prospectors.

The results from the soil sampling had peak values for Au of 82 ppb, for Ag 8.4 ppm, and Cu 810 ppm. The silver and copper peaks are significantly high and skew the percentiles for those metals slightly. At the 85% percentile the anomaly thresholds are 9.3 ppb Au, 1.4 ppm Ag, 46 ppm Cu, 15 ppb Pb, 117 ppb Zn and 8 ppb As. These are in line for the area, except for Ag and Cu, which are higher than normal for the area. Using the 85% percentile (or even 90% percentile) there are significant broad and narrow anomalies.

Of the 67 rock samples collected, the best gold assay was 12 ppb in the area of the MGT Showing, and this sample also ran 1.22% Cu. The rest were at or below the detection limit of 5 ppb gold.

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

Property Payments and Exploration Cost as of May 31, 2021

		May 31, 2021		May 31, 2020
Acquisition cost				
Beginning of year	$	42,500	$	22,500
Additions		150,000		20,000
End of year		192,500		42,500
Exploration costs:				
Beginning of year	$	109,727	$	19,440
Consulting		4,999		-
Drilling		-		57,986
Sampling		-		15,961
Geophysics		-		1,815
Other		360		14,525
End of year		115,086		109,727
Option payments received – cash		(75,000)		-
Option payments received - shares		(105,000)		-
BC Exploration tax credits		(5,385)		-
		(185,385)		-
	$	122,201	$	152,227

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.

(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.

SUMMARY FINANCIAL INFORMATION

	Fiscal Year Ended May 31, 2021 (Audited)	Fiscal Year Ended May 31, 2020 (Audited)
Total Assets	$ 400,895	$ 591,721
Total Liabilities	$ 35,762	$ 32,475
Net Income	$ (194,113)	$ (112,827)
Shareholders' Equity	$ 365,133	$ 559,246
Total Common Shares	12,000,000	12,000,000

SHARE CAPITAL

Authorized

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

Issued

During the year ended May 31, 2019, the Company issued 2,000,000 common shares at a price of $0.005 for proceeds of $10,000, 2,000,000 common shares at a price of $0.02 for proceeds of $40,000 and a further 3,000,000 common shares at a price of $0.05 for proceeds of $150,000.

During the year ended May 31, 2021, the Company issued Nil, (2020 - 5,000,000) common shares at a price of $Nil (2020 - $0.10) for proceeds of $0.00 (2020 - $500,000 of which $1,000 in proceeds was recorded as subscriptions receivable, which was received during the year ended May 31, 2020.)

The Company has 12,000,000 shares issued and outstanding as at May 31, 2021.

SELECTED ANNUAL INFORMATION

	May 31, 2021	May 31, 2020	May 31, 2019	May 31, 2018
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Comprehensive loss	$ (194,113)	$ (112,827)	$ (26,751)	$ (1,176)
Basic and Diluted Loss per Share	$ (0.02)	$ (0.02)	$ (0.01)	$ (0.00)
Number of common shares outstanding	12,000,000	12,000,000	12,000,000	7,000,000
<u>Statement of Financial Position data</u>				
Working capital	$ 67,932	$ 407,019	$ 629,133	$ 174,824
Total assets	$ 400,895	$ 591,721	$ 695,146	$ 200,000

During the year ended May 31, 2021 the Company incurred professional fees of $52,115 (2020 - $63,180) paid to the lawyer, auditor, consultant and accountant.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the Year ended May 31, 2021 and the previous six quarters

	May 31, 2021 $	Feb 28, 2021 $	Nov 30, 2020 $	Aug 31, 2020 $	May 31, 2020 $	Feb 29, 2020 $	Nov 30, 2019 $
Current assets	103,694	74,793	344,794	437,459	439,494	494,484	553,850
Exploration and evaluation assets	122,201	217,466	227,467	152,347	152,227	129,932	129,902
Total assets	400,895	467,259	572,261	589,806	591,721	624,416	683,752
Current liabilities	35,762	18,400	58,200	54,572	32,475	26,892	51,298
Share capital	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Comprehensive loss	(194,113)	(65,202)	(21,173)	(24,012)	(38,278)	(33,755)	(17,680)
Basic loss per share	(0.02)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Outstanding shares	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	7,427,000

RESULT OF OPERATIONS

Fiscal 2021

During the fiscal year 2021, the Company recorded a loss of $194,113 compared to a loss of $112,827 in the fiscal year 2020. The change is mainly due to higher rent of $25,000 (2020 - $Nil) which was paid to related party, audit fees, accounting fees (see related party transactions below) and filing fees incurred during the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at May 31, 2021 was $17,111 compared to $424,208 at May 31, 2020.

Cash used in operating activities during the year ended May 31, 2021, totaled $163,123 (2020 – $108,908), which was attributed to the loss during the period of $194,113 (2020 – $112,827) and the changes in the working capital items comprising of an decease in amounts receivable to $6,583 (2020 – $9,899), an increase in accounts payable of $3,287 (2020 – $8,402), an decrease in accrued interest receivable of $5,387 (2020 – $5,387) and decrease of prepaid expenses to $0 (2020 - $10,000).

Cash generated from financing activity during the year ended May 31, 2021, totaled $6,000 (2020 – $1,000). Cash generated from financing activities during the year were due to loan from related party and during the same period of the previous year were all due to shares issued for cash.

Cash used for investing activity during the year ended May 31, 2021 totaled $249,974 (2020 - $110,287). Cash was used for exploration expenses on the property and advances.

The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

RELATED PARTY TRANSACTIONS

The following is a summary of transactions with an officer and director of the Company:

	For the Year Ended	
	May 31, 2021	May 31, 2020
Fees for accounting (included in accounts payable and accrued liabilities)	$ 12,000	$ 7,500
Management fees (included in accounts payable and accrued liabilities)	72,000	18,000
Consulting fees	6,275	Nil

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims as discussed under the Exploration Project section.

SUBSEQUENT EVENT

None

STOCK OPTIONS

The Company has nil stock options outstanding at May 31, 2021 (2020 – NIL).

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. Pursuant to the terms of the escrow agreements, 10% of the escrowed shares were released from escrow on March 3, 2020. As at May 31, 2021, 4,042,200 (2020 - 6,063,300) shares were held within the escrow and will be released over a period of 36 months. Subsequent to the year ended May 31, 2021 additional 1,010,550 (2020 – 1,010,550) from the remaining shares were released from the escrow.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, the requirement and ability to raise additional capital through future financings.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

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.

GOLDBLOCK CAPITAL INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2020

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Goldblock Capital Inc.

Opinion

We have audited the financial statements of Goldblock Capital Inc. (the "Company"), which comprise the statements of financial position as at May 31, 2020 and 2019, and the statements of loss and comprehensive loss, shareholder's equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes events and conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Rakesh Patel.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

September 28, 2020

MOORE

An independent firm associated with Moore Global Network Limited

GOLDBLOCK CAPITAL INC.
STATEMENTS OF FINANCIAL POSITION

		As at May 31, 2020		As at May 31, 2019
ASSETS				
Current				
Cash and cash equivalents	$	424,208	$	642,403
Receivable		9,899		803
Accrued interest		5,387		-
Prepaids		-		10,000
		439,494		653,206
Exploration and evaluation asset (Note 4)		152,227		41,940
TOTAL ASSETS	$	591,721	$	695,146
LIABILITIES				
Trade payables (Note 9)	$	20,475	$	14,073
Accrued liabilities		12,000		10,000
		32,475		24,073
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		700,000		700,000
Subscriptions receivable (Note 5)		-		(1,000)
Deficit		(140,754)		(27,927)
		559,246		671,073
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	591,721	$	695,146

Going concern (Note 2)

Approved by the Board of Directors:

"Jim Mustard"	"Azim Dhalla"
Jim Mustard, CEO and Director	*Azim Dhalla, Director*

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

GOLDBLOCK CAPITAL INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Year ended May 31, 2020	Year ended May 31, 2019
EXPENSES		
Bank fees	$ 121	$ 354
Filing fee	19,413	3,500
Management fees (Note 9)	18,000	-
Professional fees	80,680	22,897
LOSS BEFORE OTHER ITEM	(118,214)	(26,751)
OTHER ITEM		
Interest income	5,387	-
NET LOSS AND COMPREHENSIVE LOSS	$ (112,827)	$ (26,751)
Weighted average number of shares outstanding, basic and diluted	5,936,700	7,739,164
Basic and diluted loss per share	$ 0.02	$ 0.01

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

GOLDBLOCK CAPITAL INC.
STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED MAY 31, 2020 AND 2019

	Share capital				
	Number of Shares	Amount	Deficit	Subscriptions receivable	Total shareholders' equity
BALANCE, May 31, 2018	7,000,000	$ 200,000	$ (1,176)	$ -	$ 198,824
Issued for cash (Note 5)	5,000,000	500,000	-	(1,000)	499,000
Net loss for the year	-	-	(26,751)	-	(26,751)
BALANCE, MAY 31, 2019	12,000,000	700,000	(27,927)	(1,000)	671,073
Subscription received (Note 5)	-	-	-	1,000	1,000
Net loss for the year	-	-	(112,827)	-	(112,827)
BALANCE, MAY 31, 2020	12,000,000	$ 700,000	$ (140,754)	$ -	$ 59,246

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

GOLDBLOCK CAPITAL INC.
STATEMENTS OF CASH FLOWS

	Year ended May 31, 2020	Year ended May 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (112,827)	$ (26,751)
Items not involving cash		
Accrued interest	(5,387)	-
Change in non-cash working capital items:		
Receivable	(9,096)	(803)
Prepaid	10,000	-
Trade payables and accrued liabilities	8,402	22,897
	(108,908)	(4,657)
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation assets	(110,287)	(17,940)
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscription received	1,000	-
Shares issued for cash	-	499,000
	1,000	499,000
CHANGE IN CASH AND CASH EQUIVALENTS	(218,195)	476,403
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	642,403	166,000
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 424,208	$ 642,403

Cash and cash equivalents are comprised of:

Cash	$ 24,208	$ 642,403
Guaranteed Investment Certificate	400,000	-
	$ 424,208	$ 642,403

Non-cash transactions:

During the year ended May 31, 2019, the Company recorded $1,000 in subscriptions receivable (Note 5).

There were no non-cash transactions during the year ended May 31, 2020.

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

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 808, 1090 West Pender Street, Vancouver, B.C., V6E 2N7.

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

On February 20, 2020, the Company filed a non-offering prospectus and listed its common shares on the Canadian Securities Exchange ("CSE").

2. BASIS OF PREPARATION

Statement of compliance and going concern

These 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").

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.

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. The total impact on the Company is not currently determinable but management continues to monitor the situation.

These financial statements were approved by the Board of Directors and authorized for issue on September 28, 2020.

2. BASIS OF PREPARATION (continued)

Basis of measurement

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.

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 judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgements apart from those involving estimates, in applying accounting policies. Management has determined that the only significant judgements applying to the financial statements for the year ended May 31, 2020 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.

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 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. The Company has classified cash and cash equivalent at FVTPL and trade payables at amortized cost.

(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 derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

***Financial instruments** (continued)*

(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) Derecognition

Financial assets
The Company derecognizes 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 derecognizes 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 derecognition 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.

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.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)

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.

Leases

IFRS 16 replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019. As the Company does not have any leases, this standard did not have any impact on the financial statements.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Diluted loss per share is not presented as there are no dilutive securities outstanding.

Recent accounting pronouncements

Certain new accounting standards, amendments to standards and interpretations have been issued, effective for annual periods beginning on or after May 31, 2020. 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.

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

		May 31, 2020		May 31, 2019
Acquisition cost				
Beginning of year	$	22,500	$	22,500
Additions		20,000		-
End of year		42,500		22,500
Exploration costs:				
Beginning of year	$	19,440	$	1,500
Consulting		-		17,940
Drilling		57,986		-
Sampling		15,961		-
Geophysics		1,815		-
Other		14,525		-
End of year		109,727		19,440
	$	152,227	$	41,940

5. SHARE CAPITAL

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

Issued

During the year ended May 31, 2019, the Company issued 5,000,000 common shares at a price of $0.10 for proceeds of $500,000. At May 31, 2019, $1,000 in proceeds have been recorded as subscriptions receivable and were received during the year ended May 31, 2020.

There were no shares issued during the year ended May 31, 2020.

5. SHARE CAPITAL (continued)

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. Pursuant to the terms of the escrow agreements, 10% of the escrowed shares were released from escrow on March 3, 2020. As at May 31, 2020 6,063,300 shares were held within the escrow and will be released over a period of 36 months. Subsequent to the year ended May 31, 2020 additional 1,010,550 from the remaining shares were released from the escrow.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at May 31, 2020, the Company's only financial instruments are comprised of cash and cash equivalents 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 May 31, 2020, 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 May 31, 2020, the Company had a cash balance of $424,208 to settle current and future liabilities. The Company will require additional funding to carry over its exploration program. Liquidity risk is high.

(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. Interest rate risk is assessed as low.

(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.

6. 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.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at May 31, 2020, the Company's shareholders' equity was $559,246. 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 year ended May 31, 2020.

8. INCOME TAXES

	May 31, 2020	May 31, 2019
Net loss for the year	$ (112,827)	$ (26,751)
Tax rate	27%	27%
Expected income tax recovery	(30,463)	(7,223)
Effect of change in tax rate	-	(12)
Change in unrecognized benefit of non-capital losses	30,463	7,235
	$ -	$ -

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

	May 31, 2020	May 31, 2019
Non-capital loss carry-forwards	$ 139,578	$ 26,751

The Company has accumulated non-capital losses of approximately $140,000, which may be deducted in the calculation of taxable income in future years. The losses commence expiring in 2040.

9. RELATED PARTY TRANSACTIONS

During the year ended May 31, 2020, the Company paid or accrued $18,000 (2019 - $NIL) in management fees to a director of the Company.

Included in trade payables at May 31, 2020 is $18,900 (2019 - $NIL) owing to a director of the Company.

Management Discussion and Analysis

Goldblock Capital Inc.

For the fiscal year ended May 31, 2020

The Management Discussion and Analysis ("MD&A"), prepared May 31, 2020 should be read in conjunction with the audited financial statements and notes thereto for the years ended May 31, 2020 and 2019 of Goldblock Capital Inc. ("Goldblock" or the "Company"), which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements" within the meaning of Canadian securities laws. Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed above. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of molybdenum and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required.

DESCRIPTION OF BUSINESS

Goldblock Capital Inc.was incorporated under the laws of the Province of British Columbia on January 29, 2018. The Company was formed to acquire, explore and develop mining claims in Canada. To date the Company has entered into the Option Agreement with Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the "Optionors") to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty to be retained by the Optionors, by making staged payments totaling $192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Option Agreement.

The principal business of the Company is the exploration of natural resource properties.

The following information regarding the Property has been summarized from a technical report entitled "Technical Report on the Copper Canyon Property, Nicole Mining Division, British Columbia, prepared for Goldblock Capital Inc., dated effective January 31, 2019, and prepared by D. Cullen, P.Geo., and J. Garry Clark, P.Geo., (collectively, the "author"). Messrs. Cullen and Clark are independent Qualified Persons as defined by NI 43-101. The Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Company during normal business hours. The full Technical Report will also be made available on SEDAR at www.sedar.com.

EXPLORATION AND EVALUATION ASSETS

The Copper Canyon Property consists of 7 claims totaling 2,853.6 hectares. The claims are owned by Seven Devils Exploration Ltd, and Multiple Metals Resources Ltd. (the "Optionors", each of which own 50% of the Property), both of Vancouver, B.C., and have been optioned to the Company under an Option Agreement dated April 25, 2018.

Under the terms of the Option Agreement, the Company has the right to earn a 100% interest in the Property, subject to a 1.5% Net Smelter Royalty (the "NSR") to be retained by the Optionors, by making staged payments totaling $192,500 over three years and completing exploration expenditures totaling $450,000 over four years from the date of the Option Agreement. The Company has the right to purchase 0.5% of the NSR from the Optionors for $1,000,000.

No permitting is required for the early stage of exploration work that is proposed. From the proposed program, if successful, the Company would identify drill targets and a Notice of Work (NOW) would be applied for.

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	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.

A preliminary exploration work program was conducted on Copper Canyon from June 12 to June 26, 2019; as summarized:

Soil sampling grid 312 soil samples (using a soil auger) and 76 prospector rock samples were collected to test the presence of precious and base metal mineralization. Approximately 11km of Magnetometer-VLF survey were conducted in the north of the claims. 30 soil samples were from 2 lines starting at MGT and east to the claim boundary. A small grid was established along the southern boundary, consisting of four lines, then soil sampled. A 3rd was completed over part of the VLF-EM/ Magnetometer survey that was conducted in the north of the claims.

67 rock samples were collected from all over the claims with the exception of the westernmost reaches, and particularly the NW because of a lack of access. The southern boundary was prospected very closely from one side to the other, including using a drone to locate smaller patches of rocks that were not seen by prospectors.

The results from the soil sampling had peak values for Au of 82 ppb, for Ag 8.4 ppm, and Cu 810 ppm. The silver and copper peaks are significantly high and skew the percentiles for those metals slightly. At the 85% percentile the anomaly thresholds are 9.3 ppb Au, 1.4 ppm Ag, 46 ppm Cu, 15 ppb Pb, 117 ppb Zn and 8 ppb As. These are in line for the area, except for Ag and Cu, which are higher than normal for the area. Using the 85% percentile (or even 90% percentile) there are significant broad and narrow anomalies.

Of the 67 rock samples collected, the best gold assay was 12 ppb in the area of the MGT Showing, and this sample also ran 1.22% Cu. The rest were at or below the detection limit of 5 ppb gold.

EXPLORATION AND EVALUATION ASSETS *(continued)*

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

Property Payments and Exploration Cost as of May 31, 2020

	May 31, 2020	May 31, 2019
Acquisition cost		
Beginning of year	$ 22,500	$ 22,500
Additions	20,000	-
End of year	42,500	22,500
Exploration costs:		
Beginning of year	$ 19,440	$ 1,500
Consulting	-	17,940
Drilling	57,986	-
Sampling	15,961	-
Geophysics	1,815	-
Other	14,525	-
End of year	109,727	19,440
	$ 152,227	$ 41,940

SUMMARY FINANCIAL INFORMATION

	Fiscal Year Ended May 31, 2020 (Audited)	Fiscal Year Ended May 31, 2019 (Audited)
Total Assets	$ 591,721	$ 695,146
Total Liabilities	$ 32,475	$ 24,073
Net Income	$ (112,827)	$ (26,751)
Shareholders' Equity	$ 559,246	$ 671,073
Total Common Shares	12,000,000	12,000,000

SHARE CAPITAL

Authorized

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

Issued

During the period ended May 31, 2018, the Company issued 2,000,000 common shares at a price of $0.005 for proceeds of $10,000, 2,000,000 common shares at a price of $0.02 for proceeds of $40,000 and a further 3,000,000 common shares at a price of $0.05 for proceeds of $150,000.
During the year ended May 31, 2019, the Company issued 5,000,000 common shares at a price of $0.10 for proceeds of $500,000, of which $1,000 in proceeds was recorded as subscriptions receivable, which was received during the year ended May 31, 2020.

The Company has 12,000,000 shares issued and outstanding as at May 31, 2020.

SELECTED ANNUAL INFORMATION

	May 31, 2020	May 31, 2019	May 31, 2018	May 31, 2017
Revenue	$ Nil	$ Nil	$ Nil	N / A
Comprehensive loss	$ 112,827	$ (26,751)	$ (1,176)	
Basic and Diluted Loss per Share	$ (0.02)	$ (0.01)	$ (0.00)	
Number of common shares outstanding	12,000,000	12,000,000	7,000,000	
<u>Statement of Financial Position data</u>				
Working capital	$ 407,019	$ 629,133	$ 174,824	
Total assets	$ 591,721	$ 695,146	$ 200,000	

During the year ended May 31, 2020 the Company incurred professional fees of $63,180 paid to the lawyer for filing the prospectus and $17,500 for audit and accounting fees.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial data reported by the Company for the Year ended May 31, 2020 and the previous six quarters

	May 31, 2020 $	Feb 29, 2020 $	Nov 30, 2019 $	Aug 31, 2019 $	May 31, 2019 $	Feb 28, 2019 $	Nov 30, 2018 $
Current assets	439,494	494,484	553,850	557,748	653,206	657,736	200,760
Exploration and evaluation assets	152,227	129,932	129,902	129,207	41,940	41,940	41,940
Total assets	591,721	624,416	683,752	686,955	695,146	699,677	242,700
Current liabilities	32,475	26,892	51,298	36,821	24,073	1,176	1,176
Share capital	700,000	700,000	700,000	700,000	700,000	700,000	242,700
Comprehensive loss	(38,278)	(33,755)	(17,680)	(23,114)	(26,428)	(323)	Nil
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	Nil
Outstanding shares	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	7,427,000

RESULT OF OPERATIONS

Fiscal 2020

During the fiscal year 2020, the Company recorded a loss of $112,827 compared to a loss of $26,571 in the fiscal year 2019. The change is mainly due to higher professional fees of $80,680 which was paid to lawyer for filing prospectus with regulatory bodies, audit fees, accounting fees (see related party transactions below) and filing fees incurred during the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at May 31, 2020 was $424,208 compared to $642,403 at May 31, 2019.

Cash used in operating activities during the year ended May 31, 2020, totaled $108,908 (2019 – $4,657), which was attributed to the loss during the period of $112,827 (2019 – $26,751) and the changes in the working capital items comprising of an increase in amounts receivable of $9,096(2019 – $803), an increase in accounts payable of $8,402 (2019 – $22,897), an increase in accrued interest receivable of $5,387(2019 – $Nil) and increase of prepaid expenses of $10,000 (2019 - $Nil).

Cash generated from financing activity during the year ended May 31, 2020, totaled $1,000 (2019 – $499,000). Cash generated from financing activities during the year and during the same period of the previous year were all due to shares issued for cash.

Cash used for investing activity during the year ended May 31, 2020 totaled $110,287 (2019 - $17,940). Cash was used for exploration expenses on the property.

The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

RELATED PARTY TRANSACTIONS

The following is a summary of transactions with an officer and director of the Company:

	For the Year Ended	
	May 31, 2020	May 31, 2019
Fees for accounting (included in accounts payable and accrued liabilities)	$ 7,500	$ NIL
Management fees	18,000	NIL

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims as discussed under the Exploration Project section.

SUBSEQUENT EVENT

None

Stock Options

The Company has nil stock options outstanding at May 31, 2020

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. Pursuant to the terms of the escrow agreements, 10% of the escrowed shares were released from escrow on March 3, 2020. As at May 31, 2020 6,063,300 shares were held within the escrow and will be released over a period of 36 months. Subsequent to the year ended May 31, 2020 additional 1,010,550 from the remaining shares were released from the escrow.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, the requirement and ability to raise additional capital through future financings.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

RISKS AND UNCERTAINTIES *(continued)*

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity toinfrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

GOLDBLOCK CAPITAL INC.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MAY 31, 2019 AND
FOR THE PERIOD FROM JANUARY 29, 2018 (date of incorporation)
TO MAY 31, 2018**

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Directors of Goldblock Capital Inc.

Opinion

We have audited the financial statements of Goldblock Capital Inc. (the "Company"), which comprise the statements of financial position as at May 31, 2019 and 2018, and the statements of loss and comprehensive loss, shareholder's equity and cash flows for the year ended May 31, 2019 and for the period from January 29, 2018 (date of incorporation) to May 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2019 and 2018, and its financial performance and its cash flows for the year ended May 31, 2019 and for the period from January 29, 2018 (date of incorporation) to May 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates that the Company incurred a net loss of $26,751 during the year ended May 31, 2019. As stated in Note 2, this event or condition, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 12, 2020

MOORE

An independent firm
associated with Moore
Global Network Limited

GOLDBLOCK CAPITAL INC.
STATEMENTS OF FINANCIAL POSITION

	As at May 31, 2019	As at May 31, 2018
ASSETS		
Current		
Cash	$ 642,403	$ 166,000
Receivable	803	-
Prepaid	10,000	10,000
	653,206	176,000
Exploration and evaluation asset (Note 4)	41,940	24,000
TOTAL ASSETS	$ 695,146	$ 200,000
LIABILITIES		
Trade payables	$ 14,073	$ 1,176
Accrued liability	10,000	-
	24,073	1,176
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	700,000	200,000
Subscriptions receivable (Note 5)	(1,000)	-
Deficit	(27,927)	(1,176)
	671,073	198,824
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 695,146	$ 200,000

Going concern (Note 2)
Subsequent event (Note 9)

Approved by the Board of Directors:

"Jim Mustard"	"Azim Dhalla"
Jim Mustard, CEO and Director	*Azim Dhalla, Director*

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

GOLDBLOCK CAPITAL INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

		Year ended May 31, 2019		For the period from January 29, 2018 (date of incorporation) to May 31, 2018
EXPENSES				
Bank fees	$	354	$	-
Filing fee		3,500		-
Professional fees		22,897		1,176
NET LOSS AND COMPREHENSIVE LOSS	$	(26,751)	$	(1,176)

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

GOLDBLOCK CAPITAL INC.
STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MAY 31, 2019 AND FOR THE PERIOD FROM JANUARY 29, 2018 (date of incorporation) to MAY 31, 2018

	Share capital				
	Shares	Amount	Deficit	Subscriptions receivable	Total shareholders' equity
BALANCE, JANUARY 29, 2018 (date of incorporation)	-	$ -	$ -	$ -	$ -
Issued for cash (Note 5)	7,000,000	200,000	-	-	200,000
Net loss for the period	-	-	(1,176)	-	(1,176)
BALANCE, MAY 31, 2018	7,000,000	200,000	(1,176)	-	198,824
Issued for cash (Note 5)	5,000,000	500,000	-	(1,000)	499,000
Net loss for the year	-	-	(26,751)	-	(26,751)
BALANCE, MAY 31, 2019	12,000,000	$ 700,000	$ (27,927)	$ (1,000)	$ 671,073

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

GOLDBLOCK CAPITAL INC.
STATEMENTS OF CASH FLOWS

	Year ended May 31, 2019	For the period from January 29, 2018 (date of incorporation) to May 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (26,751)	$ (1,176)
Change in non-cash working capital items:		
Receivable	(803)	-
Prepaid	-	(10,000)
Trade payables and accrued liability	22,897	1,176
	(4,657)	(10,000)
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation asset	(17,940)	(24,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	499,000	200,000
INCREASE IN CASH	476,403	166,000
CASH BALANCE, BEGINNING OF THE PERIOD	166,000	-
CASH BALANCE, AT END OF THE PERIOD	$ 642,403	$ 166,000

Non-cash transactions:

During the year ended May 31, 2019, the Company recorded $1,000 in subscriptions receivable (Note 5).

There were no non-cash transactions during the period from January 29, 2018 (date of incorporation) to May 31, 2018.

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

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 808, 1090 West Pender Street, Vancouver, B.C., V6E 2N7.

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

Subsequent to May 31, 2019, the Company is in the process of filing a non-offering prospectus and applying to list its common shares on the Canadian Securities Exchange ("CSE"). See Note 9.

2. BASIS OF PREPARATION

Statement of compliance and going concern

These 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").

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 February 12, 2020.

Basis of measurement

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.

Functional and presentation currency

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

2. BASIS OF PREPARATION (continued)

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 judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgements apart from those involving estimates, in applying accounting policies. Management has determined that the only significant judgement applying to the financial statements for the year ended May 31, 2019 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments *(continued)*

(iv) Derecognition

Financial assets
The Company derecognizes 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 derecognizes 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 derecognition 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation expenditures *(continued)*

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.

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 May 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	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.

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

		Copper Canyon
Balance, January 29, 2018	$	-
Acquisition costs		22,500
Exploration costs:		
Consulting		1,500
Balance, May 31, 2018		24,000
Exploration costs:		
Consulting		17,940
Balance, May 31, 2019	$	41,940

5. SHARE CAPITAL

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

Issued
During the period ended May 31, 2018, the Company issued 2,000,000 common shares at a price of $0.005 for proceeds of $10,000, 2,000,000 common shares at a price of $0.02 for proceeds of $40,000 and a further 3,000,000 common shares at a price of $0.05 for proceeds of $150,000.

During the year ended May 31, 2019, the Company issued 5,000,000 common shares at a price of $0.10 for proceeds of $500,000. At May 31, 2019, $1,000 in proceeds have been recorded as subscriptions receivable and were received subsequent to May 31, 2019.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at May 31, 2019, the Company's only financial instruments are comprised of cash 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 May 31, 2019, 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 May 31, 2019, the Company had a cash balance of $642,403 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.

(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.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at May 31, 2019, the Company's shareholders' equity was $671,073. 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 year ended May 31, 2019.

8. INCOME TAXES

	Year ended May 31, 2019	For the period from January 29, 2018 (date of incorporation) to May 31, 2018
Net loss for the period	$ (26,751)	$ (1,176)
Tax rate	27%	26%
Expected income tax recovery	(7,223)	(306)
Effect of change in tax rate	(12)	-
Change in unrecognized benefit of non-capital losses	7,235	306
	$ -	$ -

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

	May 31, 2019	May 31, 2018
Exploration and evaluation asset	$ 41,940	$ 24,000
Non-capital loss carry-forwards	27,927	1,176
	$ 69,876	$ 25,176

The Company has accumulated non-capital losses of approximately $28,000, which may be deducted in the calculation of taxable income in future years. The losses commence expiring in 2038.

9. SUBSEQUENT EVENT

The Company is in the process of filing a non-offering prospectus and applying to list its common shares on the CSE. The completion of the offering and application are subject to the Company fulfilling and meeting the listing requirements of the CSE.

SCHEDULE B
FINANCIAL STATEMENTS AND MD&A OF THE TARGET

[Attached]

VIRGIN GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the eight months ended October 31, 2021
and the period from incorporation on November 27, 2020 to February 28, 2021

(Expressed in Canadian dollars)

The following Management's Discussion & Analysis ("MD&A") has been prepared by management, in accordance with the requirements of NI 51-102 as of January 28, 2022 and should be read in conjunction with the consolidated financial statements for the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28 of Virgin Gold Corp., and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

In this MD&A, "Virgin Gold", the "Company", or the words "we", "us", or "our", collectively refer to Virgin Gold Corp. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The period from incorporation on November 27, 2020 to February 28, 2021 is referred to as "fiscal 2021".

BUSINESS OVERVIEW

Virgin Gold Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 27, 2020. The Company's registered office address is Suite 1050 - 400 Burrard Street, Vancouver, BC, V6C 3A6.

The Company is in the business of acquiring, exploring, and developing mineral properties, primarily those containing gold and associated base and precious metals. The Company is in the process of pursuing potential acquisitions of exploration and evaluation properties in order to become a target of a reverse takeover transaction with a publicly listed entity. The Company will be required to obtain additional financing to explore and develop its future resource properties.

On December 16, 2020, the Company signed a Letter of Intent ("LOI") with Goldblock Capital Inc. ("Goldblock") outlining the principal terms and conditions upon which Goldblock would consider acquiring all of the issued and outstanding shares of the Company. The Company received a non-refundable deposit of $175,000 to enter into exclusive negotiations with Goldblock.

The indicative terms of the business combination (the "Proposed Transaction") whereby Goldblock will acquire 100% of the outstanding common shares of the Company and in exchange, Goldblock will issue 15,000,000 post-consolidation common shares to the Company's shareholders. Any unexercised options, warrants or other convertible securities of Goldblock will be cancelled. Prior to closing of the Proposed Transaction, Goldblock will consolidate its common shares on a two to one basis.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The following table summarizes selected information as at October 31, 2021 and February 28, 2021:

	October 31, 2021	February 28, 2021
	$	$
Exploration and evaluation assets	**50,000**	-
Land option deposits	**154,520**	154,520
Total assets	**3,447,591**	1,025,570
Current liabilities	**303,850**	195,260
Total liabilities	**303,850**	195,260
Working capital surplus	**2,939,221**	675,790

The following table summarizes the results of operations for the eight months ended October 31, 2021 and the period from incorporation on November 2020 to February 28, 2021:

	Eight months ended October 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
Operating expenses	**$**	$
Bank fees	**2,574**	320
Consulting fees	**22,491**	37,500
Exploration expenditures	**1,462,545**	78,991
Filing fees	**30,551**	-
General and administrative	**85,420**	2,000
Professional fees	**208,434**	39,286
	1,812,015	158,097
Other expenses		
Foreign exchange	**977**	3,843
Loss and comprehensive loss	**(1,812,992)**	(161,940)
Weighted average number of common shares outstanding - basic and diluted	**20,669,561**	8,925,082
Loss per common share - basic and diluted	**(0.09)**	(0.02)

During the eight months ended October 31, 2021:

The Company had operating expenses of $1,812,015. The largest drivers of the increase in operating expenses were as follows:

- Exploration and evaluation expenditures of $1,462,545 represent technical expenditures on exploration properties and setup costs.
- Professional fees of $208,434 were comprised of legal, audit and accounting fees associated with the Company.
- General and administrative fees of $85,420.

The following table provides a summary of exploration and evaluation expenditures for the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021:

	Eight months ended October 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
	$	$
Camp costs	**319,881**	-
Drilling expenditures	**474,696**	-
Geological consulting	**190,430**	10,627
Miscellaneous	**477,538**	68,364
Total	**1,462,545**	78,991

Summary of year-to-date results

	Eight months ended October 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
	$	$
Total revenues	**-**	-
Loss and comprehensive loss	**(1,812,992)**	(161,940)
Total assets	**3,447,591**	1,025,570
Working capital surplus	**2,939,221**	675,790
Total liabilities	**303,850**	195,260
Loss per share - basic and diluted	**(0.09)**	(0.02)

FISCAL HIGHLIGHTS

Mineral Properties

Fish Creek Joint Venture & Option Agreement

On December 29, 2020, the Company and its subsidiary Aurous Guyana Inc. ("AGI") entered into a joint venture and option agreement with Guiana Shield Resources ("GSR"), a related party controlled by a director of the Company. GSR owns and controls the Fish Creek prospecting license. There are no liens, mortgages or encumbrances on or conflicting claims of ownership or right to ownership of the property or the mineral rights. The mineral rights are in good standing.

The Company, through its subsidiary AGI, will be responsible for paying all rentals or other fees that become due during the term of the agreement to keep the mineral rights in good standing with the Guyana Geology and Mines Commission. The term of the agreement is for five years with possible extensions.

If the Company provides payment of such amount indicated in the table below, the term of the agreement shall be automatically maintained for an additional year:

Year (to be paid on or before the anniversary date of the date of the initial payment)	**Amounts**
	US$
Within 6 months of effective date	150,000
1st anniversary	200,000
2nd anniversary	200,000
3rd anniversary	200,000
4th anniversary	300,000
Total	**1,050,000**

As at October 31, 2021, the Company has not made any payments to GSR.

Romanex Guyana Option Agreement

On March 10, 2021, the Company signed an option agreement with Romanex Guyana Exploration Ltd. ("Romanex") to acquire 100% of the right, title and interest in its shares. During the period ended February 28, 2021, the Company completed a non-refundable exclusivity payment to Romanex of $154,520 (US$120,000) in consideration for a twelve-month due diligence period.

Under the terms of the agreement, the Company will pay Romanex US$10,000 per month beginning April 1, 2021 until the satisfactory completion of the due diligence process. In addition, the Company will pay 50% of the mining license rental fees due to the Guyana Geology and Mines Commission for a period up to April 2022.

If the Company decides to exercise the option, the exercise of option payment will be completed valued at US$800,000 in cash or in a combination of cash and issuance of shares in the following manner:

- US$400,000 in cash;
- US$400,000 as consideration shares of the resulting issuer following an initial public offering or a reverse takeover transaction, with the number of consideration shares issued to be calculated based on the pricing terms of the resulting issuer's shares on the date of the final payment;
- If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, or at a later date to be mutually agreed upon, the Company will make the second payment of US$400,000 in cash; and
- As part of the final payment, a further 500,000 shares of the resulting issuer will be issued to Romanex at the date of the final payment. If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, the share payment will not be made.

Sardine Hill Option Agreement

On May 24, 2021, the Company, through its subsidiary AGI, signed an Exclusive Right and Option Agreement ("Letter of Agreement") with the property owners of the Mariwa Property ("Sardine Hill"). AGI has paid an exclusivity payment of US$1 to begin the due diligence process and shall enter into a Definitive Agreement with the property owners within 60 days of the Letter of Agreement.

AGI will assume responsibility of ensuring all rents and renewal fees are remitted on a timely basis to maintain the property in good standing. AGI will also cover all costs of the transfer of permits upon completion of all payments to the property owners. The property owners will retain all surface mining rights until all remaining payments of US$4,500,000 are completed.

Arakaka

On May 26, 2021, the Company signed an agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc., which are 100% owned entities of Alicanto Minerals Limited ("Alicanto"). These two entities make up the Arakaka Gold Project in Guyana ("Arakaka").

In consideration for the purchase of the Arakaka the Company has agreed to the following terms:

(i) $50,000 in cash within 5 business days of execution of the agreement (paid);

(ii) $700,000 in cash on completion of the listing capital raise; and

(iii) $1,000,000 value of listed entity shares upon the satisfaction of every resource target set out in the table below (which amounts to the sum of any Inferred, Indicated, or Measured 43-101 resources) delineated on the tenements, the designated area or a combination of the tenements and the designated area in the two years following Completion (the "Deferred Consideration Shares").

The Deferred Consideration Shares will be issued upon achieving the following resource targets:

Resources targets - Million ounces of gold ("Moz Au")	Shares equivalent
	$
0.50 Moz Au	1,000,000
0.75 Moz Au	1,000,000
1.00 Moz Au	1,000,000
2.00 Moz Au	1,000,000
Total	**4,000,000**

(iv) the Deferred Consideration Shares will be issued by the Company to Alicanto within 60 days of the date that the Company announces the relevant resource to the market; and

(v) the Deferred Consideration Shares will be issued at the price equal to the volume weighted average price of the listed entity's common shares as traded on the CSE in the ordinary course of trade over the 30 trading days following the release of a new resource estimate to the market by the listed entity.

(vi) In the event that there is a consolidation or share split of listed entity's shares prior to completion, the number of Deferred Consideration Shares will be adjusted by the same ratio.

Share capital highlights

During the eight months ended October 31, 2021

During the eight months ended October 31, 2021, the Company completed a private placement for gross proceeds of $20,000 through the issuance of 50,000 common shares at $0.40 per common share.

On September 16, 2021, the Company completed a private placement for gross proceeds of $4,106,423 through the issuance of 4,831,086 units at $0.85 per unit. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share in the capital of the Company for a period of 24 months at a price of $1.35. As a result, $949,290 was recorded in reserves for the fair value of the warrants.

During the period from incorporation on November 27, 2020 to February 28, 2021

On November 27, 2020, the date of incorporation, the Company issued one common share at $0.01 which was subsequently repurchased by the Company for $0.01 and subsequently cancelled.

On January 10, 2021, 7,500,000 common shares were issued with a fair value of $37,500 in consideration for consulting services performed.

On January 15, 2021, the Company completed a private placement for gross proceeds of $49,750 through the issuance of 9,950,000 common shares at $0.005 per common share.

On February 19, 2021, the Company completed a private placement for gross proceeds of $905,000 through issuance of 2,262,500 common shares at $0.40 per common share.

HIGHLIGHTS SUBSEQUENT TO OCTOBER 31, 2021

On December 23, 2021, the Company completed a private placement for gross proceeds of $2,583,476 through the issuance of 3,039,383 units at $0.85 per unit. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share in the capital of the Company for a period of 24 months at a price of $1.35.

On December 23, 2021, pursuant to the Romanex Guyana Option Agreement, the Company made a payment of US$400,000 to Romanex and its shareholders for the purchase of the associated rights of the Marudi Mountain Mining License.

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2021, the Company had cash of $3,225,924 and a net working capital surplus of $2,939,221.

The Company's cash flows from operations are negative as it is an exploration stage company. The Company's net cash used in operating activities for the eight months ended October 31, 2021 was $1,721,449 ($104,280 during the period from incorporation on November 27, 2020 to February 28, 2021).

During the eight months ended October 31, 2021 the Company used $50,000 cash in investing activities ($154,520 during the period from the period of incorporation on November 27, 2020 to February 28, 2021, which related to payment of land option deposits).

During the eight months ended the Company had net cash provided by financing activities of $4,126,423 from private placements ($1,129,750 from the period of incorporation on November 27, 2020 to February 28, 2021).

The Company's current assets are not sufficient to support the company's general administrative and corporate operating requirements on an ongoing basis and the Company may seek to obtain additional financing through debt or equity.

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavors and does not generate cash flows from operations.

The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

Liquidity outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

The Company will need to complete additional external financing either through equity, debt, or other forms of financing.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes that there will be risks involved which may be beyond its control.

GOING CONCERN

The Company's consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at October 31, 2021, the Company has not yet achieved profitable operations. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. The consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

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.

CONTRACTUAL OBLIGATIONS

The Company has certain remaining commitments with respect to Fish Creek Joint Venture & Option Agreement:

Year (to be paid on or before the anniversary date of the date of the initial payment)	Amounts
	US$
Within 6 months of effective date	150,000
1st anniversary	200,000
2nd anniversary	200,000
3rd anniversary	200,000
4th anniversary	300,000
Total	**1,050,000**

The Company has certain remaining commitments with respect to the Romanex Guyana Option Agreement:

Under the terms of the agreement, the Company will pay Romanex US$10,000 per month beginning April 1, 2021 until the satisfactory completion of the due diligence process. In addition, the Company will pay 50% of the mining license rental fees due to the Guyana Geology and Mines Commission for a period up to April 2022.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found in note 3 of the consolidated financial statements for the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), effective as of the date of this MD&A. The Company's significant accounting policies are described in note 3 of the Company's consolidated financial statements.

Future accounting changes:
The Company has not yet adopted the following revised or new IFRS that are not yet effective on October 31, 2021. The new and revised standard described below may be early-adopted. The Company is currently assessing the impact that this standard may have on the Company's consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

IAS 1, *Presentation of Financial Statements* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

On December 29, 2020, the Company and its subsidiary AGI entered into a joint venture and option agreement with GSR, a related party controlled by a director of the Company.

During the period ended February 28, 2021, the Company issued 7,300,000 common shares with a fair value of $36,500 to directors of the Company in consideration for consulting services performed.

During the eight months ended October 31, 2021, the Company paid $606,272 to a company owned by the CEO of the Company for exploration expenditures.

During the eight months ended October 31, 2021, the Company paid $20,000 to a company owned by a director of the Company for consulting fees.

During the eight months ended October 31, 2021, the Company paid $45,000 to a company owned by an officer of the Company for professional fees.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at October 31, 2021 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at October 31, 2021 or at the date of this MD&A.

FINANCIAL INSTRUMENTS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash and accounts payable are recorded at level 1.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. As at October 31, 2021, the Company had cash of $3,225,924 (February 28, 2021 - $870,950) with a large Canadian bank. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no sources of revenue and has obligations to meet its exploration and evaluation commitments and to settle amounts payable. As at October 31, 2021, the Company has a working capital surplus of $2,939,221 (February 28, 2021 - $675,790). The Company assesses liquidity risk as moderate.

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. The Company does not expect exchange rates, and commodity and equity prices to have a material impact to the Company.

Interest rate risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's cash is held in bank accounts. The Company is not exposed to significant interest rate risk.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of the date of this MD&A, the Company had 27,632,969 shares outstanding and 3,935,235 common share purchase warrants outstanding. Each common share purchase warrant entitles the holder to acquire one common share in the capital of the Company for a period of 24 months at a price of $1.35.

RISK FACTORS

An investment in the Company should be considered highly speculative, not only due to the nature of Virgin Gold's business and operations, but also because of the uncertainty related to completion of the Proposed Transaction. In addition to the other information in this MD&A, an investor should carefully consider each of, and the cumulative effect of, the risk factors listed in the Company's Management's Discussion & Analysis for the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021.

Financing and share price fluctuation risks

The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flow and obtain additional financing. The Company has traditionally financed its cash requirements through the issuance of common shares. If the Company is unable to generate cash from operations or obtain additional financing its ability to continue as a going concern could be impeded.

There is no assurance that additional funding from this or other sources will be available to the Company when needed for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties. Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues or the value of the Company's equity and derivative investments and corresponding effect on the Company's financial position.

Exploration and development

Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Company's mineral properties and there is no certainty that the expenditures made by the Company in the exploration of its mineral properties or otherwise will result in discoveries of commercially recoverable quantities of minerals.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

There is no assurance that the Company's mineral properties possess commercially mineable bodies of ore. The Company's mineral properties are in the exploration stage as opposed to the development stage and has no known body of economic mineralization. The known mineralization of the properties has not been determined to be economic ore and there can be no assurance that a commercially mineable ore body exists on the properties. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine is likely to be economic. In order to carry out exploration and development programs of any economic ore body and place it into commercial production, the Company may be required to raise substantial additional funding.

Title of mineral properties

There is no assurance that the Company's title to its properties will not be challenged. Title to and the area of mineral properties may be disputed. While the Company has diligently investigated title to its properties, it may be subject to prior unregistered agreements or transfers or indigenous land claims to which title may be affected. Consequently, the boundaries may be disputed.

Option agreements

The Company is currently earning some of its interests in its mineral properties through option agreements and acquisition of title to the property is only completed when the option conditions have been met. These conditions generally include making option payments and incurring exploration expenditures on the properties. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

Unknown environmental risks for past activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Political regulatory risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

COVID-19

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 corona virus which was declared a global pandemic by the World Health Organization in March 2020. COVID-19 infections have been reported globally, including Canada, and Guyana, countries in which the Company operates. The extent to which COVID-19 may impact the Company's business, including its operations and the market for its securities, will depend on future developments which cannot be predicted, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak.

The continued spread of COVID-19 globally could materially and adversely impact the Company's business, financial condition and results of operations including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to any drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Due diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Commodity price

The Company is exposed to commodity price risk. Declines in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party. The Company's past royalty revenue was derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of precious and base metals discovered or extracted. Metal prices have historically fluctuated widely. Consequently, the economic viability of the Company's property and royalty interests cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

VIRGIN GOLD CORP.

Consolidated Financial Statements

(Unaudited)

For the eight months ended October 31, 2021
and the period from incorporation on November 27, 2020 to February 28, 2021

(Expressed in Canadian dollars)

VIRGIN GOLD CORP.
Consolidated Statements of Financial Position
As at October 31, 2021 and February 28, 2021
(Unaudited - Expressed in Canadian dollars)

	Note	**October 31, 2021**	February 28, 2021
		$	$
Assets			
Current assets			
Cash		**3,225,924**	870,950
Accounts receivable		**17,147**	100
		3,243,071	871,050
Exploration and evaluation assets	4	**50,000**	-
Land option deposits	4	**154,520**	154,520
Total assets		**3,447,591**	1,025,570
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**128,850**	20,260
Deposit received	1	**175,000**	175,000
Total liabilities		**303,850**	195,260
Shareholders' equity			
Share capital	5	**4,169,383**	992,250
Reserves		**949,290**	-
Deficit		**(1, 974,932)**	(161,940)
Total shareholders' equity		**3,143,741**	830,310
Total liabilities and shareholders' equity		**3,447,591**	1,025,570

These consolidated financial statements are approved and authorized for issuance on behalf the Board of Directors on February 1, 2022.

Veljko Brcic (signed)
President, Director

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

VIRGIN GOLD CORP.
Consolidated Statements of Comprehensive Loss
For the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Eight months ended October 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
		$	$
Operating expenses			
Bank fees		**2,574**	320
Consulting fees	6	**22,491**	37,500
Exploration expenditures	4, 6	**1,462,545**	78,991
Filing fees		**30,551**	-
General and administrative		**85,420**	2,000
Professional fees	6	**208,434**	39,286
		1,812,015	158,097
Other expenses			
Foreign exchange		**977**	3,843
Net loss and comprehensive loss for the period		**(1,812,992)**	(161,940)
Loss per share			
Basic and diluted		**(0.09)**	(0.02)
Weighted average number of shares			
Basic and diluted		**20,669,561**	8,925,082

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

VIRGIN GOLD CORP.
Consolidated Statements of Changes in Shareholders' Equity
For the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021
(Unaudited - Expressed in Canadian dollars, except for the number of shares)

	Number of outstanding common shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, November 27, 2020 (incorporation)	1	-	-	-	-
Common share cancelled	(1)	-	-	-	-
Shares issued for cash	12,212,500	954,750	-	-	954,750
Shares issued for services	7,500,000	37,500	-	-	37,500
Net loss for the period	-	-	-	(161,940)	(161,940)
Balance, February 28, 2021	19,712,500	992,250	-	(161,940)	830,310
Shares issued for cash	50,000	20,000	-	-	20,000
Units issued for cash	4,831,086	3,157,133	949,290	-	4,106,423
Net loss for the period	-	-	-	(1,812,992)	(1,812,992)
Balance, October 31, 2021	**24,593,586**	**4,169,383**	**949,290**	**(1,974,932)**	**3,143,741**

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

VIRGIN GOLD CORP.
Consolidated Statements of Cash Flows
For the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021
(Unaudited - Expressed in Canadian dollars)

	Note	Eight months ended October 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
		$	$
Operating activities			
Net loss for the period		**(1,812,992)**	(161,940)
Non-cash items:			
Shares issued for services		**-**	37,500
Changes in non-cash working capital:			
Accounts receivable		**(17,047)**	(100)
Accounts payable and accrued liabilities		**108,590**	20,260
Net cash used in operating activities		**(1,721,449)**	(104,280)
Investing activities			
Investment in exploration and evaluation assets	4	**(50,000)**	-
Payment of land option deposits	4	**-**	(154,520)
Net cash used in investing activities		**(50,000)**	(154,520)
Financing activities			
Deposit received	1	**-**	175,000
Shares issued for cash	5	**20,000**	954,750
Units issued for cash	5	**4,106,423**	-
Net cash provided by financing activities		**4,126,423**	1,129,750
Net increase in cash		**2,354,974**	870,950
Cash, beginning of the period		**870,950**	-
Cash, end of the period		**3,225,924**	870,950
Supplemental disclosure of non-cash transactions:			
Shares issued for services		**-**	37,500

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Virgin Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on November 27, 2020. The Company's registered office address is Suite 1050 - 400 Burrard Street, Vancouver, BC, V6C 3A6.

The Company is in the business of acquiring, exploring, and developing mineral properties, primarily those containing gold and associated base and precious metals. The Company is in the process of pursuing potential acquisitions of exploration and evaluation properties in order to become a target of a reverse takeover transaction with a publicly listed entity. The Company will be required to obtain additional financing to explore and develop its future resource properties.

On December 16, 2020, the Company signed a Letter of Intent ("LOI") with Goldblock Capital Inc. ("Goldblock") outlining the principal terms and conditions upon which Goldblock would consider acquiring all of the issued and outstanding shares of the Company. The Company received a non-refundable deposit of $175,000 to enter into exclusive negotiations with Goldblock.

The indicative terms of the business combination (the "Proposed Transaction") whereby Goldblock will acquire 100% of the outstanding common shares of the Company and in exchange, Goldblock will issue 15,000,000 post-consolidation common shares to the Company's shareholders. Any unexercised options, warrants or other convertible securities of Goldblock will be cancelled. Prior to closing of the Proposed Transaction, Goldblock will consolidate its common shares on a two to one basis.

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company has not generated any revenues. During the eight months ended October 31, 2021, the Company incurred a net loss of $1,812,992 (period from incorporation on November 27, 2020 to February 28, 2021 - $161,940). Without additional financing, the Company may not be able to fund its ongoing operations and exploration activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

In March 2020, the World Health Organization declared a global pandemic caused by the outbreak of the novel coronavirus, specifically identified as "COVID-19". The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results of the Company in the future.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements present the business of the Company, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company.

b) Basis of presentation

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

2. BASIS OF PRESENTATION (Continued)

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Aurous Guyana Inc.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. All significant intercompany balances and transactions have been eliminated.

d) Functional and presentation currency

The Company and its wholly owned subsidiary's reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

e) Approval of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on February 1, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company classifies cash as fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

There are no financial assets classified as measured at FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method, net of any impairment allowance.

There are no financial assets classified as measured at amortized cost.

(ii) Derecognition

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of operations.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company’s financial liabilities include accounts payable and accrued liabilities.

(iv) Fair value hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company’s financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable. Their carrying values approximate the fair values due to short-term maturity of these instruments.

b) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Warrants

Share purchase warrants are classified as a component of equity. Share purchase warrants are initially recorded as a part of warrant reserves in equity at the recognized fair value. The fair value of the common share purchase warrants is determined using the Black-Scholes pricing model. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from warrant reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital. Should the warrants expire before exercise the previously recognized fair value of the warrants expired is reallocated to deficit from warrant reserves.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the value of the warrants is determined based on the Black-Scholes option pricing model and the difference between the gross proceeds and the estimated fair market value of the warrants is allocated to the shares.

d) Earnings (loss) per share

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

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

e) Foreign exchange

Transactions in currencies other than the entity’s functional currency are recorded at the average rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. The resulting foreign exchange gains or losses are recorded in profit or loss.

f) Exploration and evaluation assets and exploration expenditures

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. The Company will perform an impairment test on transition from the exploration stage to the development stage.

Expenditures incurred subsequent to a development decision, and to increase or extend the life of existing production, are capitalized and will be transferred to property, plant and equipment and amortized using the unit-of-production method based upon proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property will be assessed for impairment.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

g) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

h) Share-based payment transactions

The Company records all share-based payments at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs. On the exercise of stock options, agent options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to share-based payments reserve. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

i) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement

j) Future accounting changes

The Company has not yet adopted the following revised or new IFRS that are not yet effective on October 31, 2021. The new and revised standard described below may be early-adopted. The Company is currently assessing the impact that this standard may have on the Company's consolidated financial statements.

(Unaudited - Expressed in Canadian dollars, except where noted)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

IAS 1, *Presentation of Financial Statements* has been revised to incorporate amendments issued by the IASB in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a summary of exploration and evaluation expenditures for the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021:

	Eight months ended October 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
	$	$
Camp costs	**319,881**	-
Drilling expenditures	**474,696**	-
Geological consulting	**190,430**	10,627
Miscellaneous	**477,538**	68,364
Total	**1,462,545**	78,991

Fish Creek Joint Venture & Option Agreement

On December 29, 2020, the Company and its subsidiary Aurous Guyana Inc. ("AGI") entered into a joint venture and option agreement with Guiana Shield Resources ("GSR"), a related party controlled by a director of the Company. GSR owns and controls the Fish Creek prospecting license. There are no liens, mortgages, or encumbrances on or conflicting claims of ownership or right to ownership of the property or the mineral rights. The mineral rights are in good standing.

The Company, through its subsidiary AGI, will be responsible for paying all rentals or other fees that become due during the term of the agreement to keep the mineral rights in good standing with the Guyana Geology and Mines Commission. The term of the agreement is for five years with possible extensions.

If the Company provides payment of such amount indicated in the table below, the term of the agreement shall be automatically maintained for an additional year:

Year (to be paid on or before the anniversary date of the date of the initial payment)	**Amounts**
	US$
Within 6 months of effective date	150,000
1st anniversary	200,000
2nd anniversary	200,000
3rd anniversary	200,000
4th anniversary	300,000
Total	**1,050,000**

As at October 31, 2021, the Company has not made any payments to GSR.

Romanex Guyana Option Agreement

On March 10, 2021, the Company signed an option agreement with Romanex Guyana Exploration Ltd. ("Romanex") to acquire 100% of the right, title and interest in its shares. During the period ended February 28, 2021, the Company completed a non-refundable exclusivity payment to Romanex of $154,520 (US$120,000) in consideration for a twelve-month due diligence period.

Under the terms of the agreement, the Company will pay Romanex US$10,000 per month beginning April 1, 2021 until the satisfactory completion of the due diligence process. These amounts are expensed as exploration and evaluation expenditures. In addition, the Company will pay 50% of the mining license rental fees due to the Guyana Geology and Mines Commission for a period up to April 2022.

(Unaudited - Expressed in Canadian dollars, except where noted)

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (Continued)

If the Company decides to exercise the option, the exercise of option payment will be valued at US$800,000 in cash or in a combination of cash and issuance of shares in the following manner:

- US$400,000 in cash;
- US$400,000 as consideration shares of the resulting issuer following an initial public offering or a reverse takeover transaction, with the number of consideration shares issued to be calculated based on the pricing terms of the resulting issuer's shares on the date of the final payment;
- If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, or at a later date to be mutually agreed upon, the Company will make the second payment of US$400,000 in cash; and
- As part of the final payment, a further 500,000 shares of the resulting issuer will be issued to Romanex at the date of the final payment. If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, the share payment will not be made.

Sardine Hill Option Agreement

On May 24, 2021, the Company, through its subsidiary AGI, signed an Exclusive Right and Option Agreement ("Letter of Agreement") with the property owners of the Mariwa Property ("Sardine Hill"). AGI has paid an exclusivity payment of US$1 to begin the due diligence process and shall enter into a Definitive Agreement with the property owners within 60 days of the Letter of Agreement.

AGI will assume responsibility of ensuring all rents and renewal fees are remitted on a timely basis to maintain the property in good standing. AGI will also cover all costs of the transfer of permits upon completion of all payments to the property owners. The property owners will retain all surface mining rights until all remaining payments of US$4,500,000 are completed.

Arakaka

On May 26, 2021, the Company signed an agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc., which are 100% owned entities of Alicanto Minerals Limited ("Alicanto"). These two entities make up the Arakaka Gold Project in Guyana ("Arakaka").

In consideration for the purchase of the Arakaka the Company has agreed to the following terms:

(i) $50,000 in cash within 5 business days of execution of the agreement (paid);

(ii) $700,000 in cash on completion of the listing capital raise; and

(iii) $1,000,000 value of listed entity shares upon the satisfaction of every resource target set out in the table below (which amounts to the sum of any Inferred, Indicated, or Measured 43-101 resources) delineated on the tenements, the designated area or a combination of the tenements and the designated area in the two years following Completion (the "Deferred Consideration Shares").

The Deferred Consideration Shares will be issued upon achieving the following resource targets:

Resources targets - Million ounces of gold ("Moz Au")	Shares equivalent
	$
0.50 Moz Au	1,000,000
0.75 Moz Au	1,000,000
1.00 Moz Au	1,000,000
2.00 Moz Au	1,000,000
Total	**4,000,000**

(Unaudited - Expressed in Canadian dollars, except where noted)

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (Continued)

(iv) the Deferred Consideration Shares will be issued by the Company to Alicanto within 60 days of the date that the Company announces the relevant resource to the market; and

(v) the Deferred Consideration Shares will be issued at the price equal to the volume weighted average price of the listed entity's common shares as traded on the CSE in the ordinary course of trade over the 30 trading days following the release of a new resource estimate to the market by the listed entity.

(vi) In the event that there is a consolidation or share split of listed entity's shares prior to completion, the number of Deferred Consideration Shares will be adjusted by the same ratio.

5. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the eight months ended October 31, 2021

During the eight months ended October 31, 2021, the Company completed a private placement for gross proceeds of $20,000 through the issuance of 50,000 common shares at $0.40 per common share.

On September 16, 2021, the Company completed a private placement for gross proceeds of $4,106,423 through the issuance of 4,831,086 units at $0.85 per unit. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share in the capital of the Company for a period of 24 months at a price of $1.35. As a result, $949,290 was recorded in reserves for the fair value of the warrants.

During the period from incorporation on November 27, 2020 to February 28, 2021

On November 27, 2020, the date of incorporation, the Company issued one common share at $0.01 which was subsequently repurchased by the Company for $0.01 and subsequently cancelled.

On January 10, 2021, 7,500,000 common shares were issued with a fair value of $37,500 in consideration for consulting services performed.

On January 15, 2021, the Company completed a private placement for gross proceeds of $49,750 through the issuance of 9,950,000 common shares at $0.005 per common share.

On February 19, 2021, the Company completed a private placement for gross proceeds of $905,000 through issuance of 2,262,500 common shares at $0.40 per common share.

c) Common share purchase warrants

In relation to the private placement closed on September 16, 2021, 2,415,543 common share purchase warrants were issued and an amount of $949,290 was recorded in reserves for fair value of the common share purchase warrants. The fair values of the warrants are determined by the Black-Scholes option pricing model and the following assumptions:

	September 16, 2021
Expected life (years)	2.00
Expected volatility	110%
Risk-free rate	0.44%
Dividend yield	-

The volatility is based on historical observations of comparable companies. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the warrants' expected life. The Company has not paid and does not anticipate paying dividends on its common stock.

(Unaudited - Expressed in Canadian dollars, except where noted)

5. SHARE CAPITAL (Continued)

The following is a summary of the Company's warrants for the eight months ended October 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021:

	Warrants	Weighted average exercise price
	#	$
Balance, November 27, 2020 and February 28, 2021	-	-
Issued	2,415,543	1.35
Balance, October 31, 2021	**2,415,543**	**1.35**

Expiry date	Warrants	Weighted average exercise price	Weighted average remaining life
	#	$	years
September 16, 2023	2,415,543	1.35	1.88
Balance, October 31, 2021	**2,415,543**	**1.35**	**1.88**

6. RELATED PARTY TRANSACTIONS

On December 29, 2020, the Company and its subsidiary AGI entered into a joint venture and option agreement with GSR, a related party controlled by a director of the Company (Note 4).

During the period ended February 28, 2021, the Company issued 7,300,000 common shares with a fair value of $36,500 to directors of the Company in consideration for consulting services performed.

During the eight months ended October 31, 2021, the Company paid $606,272 to a company owned by the CEO of the Company for exploration expenditures.

During the eight months ended October 31, 2021, the Company paid $20,000 to a company owned by a director of the Company for consulting fees.

During the eight months ended October 31, 2021, the Company paid $45,000 to a company owned by an officer of the Company for professional fees.

7. RISK MANAGEMENT

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at October 31, 2021, the Company has cash of $3,225,924 (February 28, 2021 - $870,950) available to apply against short-term business requirements and current liabilities of $303,850 (February 28, 2021 - $195,260). All of the Company's financial liabilities are due within 90 days.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

(Unaudited - Expressed in Canadian dollars, except where noted)

8. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

9. INCOME TAXES

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	Eight months ended October 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
	$	$
Net loss for the period	**(1,812,992)**	(161,940)
Statutory rate	**27%**	27%
Income tax recovery at statutory rate	**(489,535)**	(43,724)
Benefit of tax losses not recognized	**489,535**	43,724
Income tax expense	**-**	-

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to be able to utilize those tax assets. The Company's unused tax losses for which no deferred tax asset is recognized is $533,259.

The Company has non-capital losses for Canadian tax purposes of approximately $1,975,000 available for carry-forward to reduce future years' taxable income and will expire in 2041.

10. SUBSEQUENT EVENTS

On December 23, 2021, the Company completed a private placement for gross proceeds of $2,583,476 through the issuance of 3,039,383 units at $0.85 per unit. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share in the capital of the Company for a period of 24 months at a price of $1.35.

On December 23, 2021, pursuant to the Romanex Guyana Option Agreement (Note 4), the Company made a payment of US$400,000 to Romanex and its shareholders for the purchase of the associated rights of the Marudi Mountain Mining License.

VIRGIN GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the five months ended July 31, 2021
and the period from incorporation on November 27, 2020 to February 28, 2021

(Expressed in Canadian dollars)

The following Management's Discussion & Analysis ("MD&A") has been prepared by management, in accordance with the requirements of NI 51-102 as of [October 20, 2021] and should be read in conjunction with the audited condensed interim consolidated financial statements for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28 of Virgin Gold Corp., and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

In this MD&A, "Virgin Gold", the "Company", or the words "we", "us", or "our", collectively refer to Virgin Gold Corp. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The period from incorporation on November 27, 2020 to February 28, 2021 is referred to as "fiscal 2021".

BUSINESS OVERVIEW

Virgin Gold Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 27, 2020. The Company's registered office address is Suite 1050 – 400 Burrard Street, Vancouver, BC, V6C 3A6.

The Company is in the business of acquiring, exploring, and developing mineral properties, primarily those containing gold and associated base and precious metals. The Company is in the process of pursuing potential acquisitions of exploration and evaluation properties in order to become a target of a reverse takeover transaction with a publicly listed entity. The Company will be required to obtain additional financing to explore and develop its future resource properties. On December 16, 2020 the Company signed a Letter of Intent ("LOI") with Goldblock Capital Inc. ("Goldblock") outlining the principal terms and conditions upon which Goldblock would consider acquiring all of the issued and outstanding shares of the Company. The Company received a non-refundable deposit of $175,000 to enter into exclusive negotiations with Goldblock.

The indicative terms of the business combination (the "Proposed Transaction") whereby Goldblock will acquire 100% of the outstanding common shares of the Company and in exchange, Goldblock will issue 15,000,000 post-consolidation common shares to the Company's shareholders. Any unexercised options, warrants or other convertible securities of Goldblock will be cancelled. Prior to closing of the Proposed Transaction, Goldblock will consolidate its common shares on a two to one basis.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward- looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

The following table summarizes selected information as at July 31, 2021:

	July 31, 2021	February 28, 2021
	$	$
Exploration and evaluation assets	**50,000**	-
Land option deposits	**154,520**	154,520
Total assets	**773,068**	1,025,570
Current liabilities	**282,703**	195,260
Total liabilities	**282,703**	195,260
Working capital surplus	**285,845**	675,790

The following table summarizes the results of operations for the five months ended July 31, 2021:

	Five months ended July 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
Operating expenses	**$**	$
Bank fees	**876**	320
Consulting fees	**-**	37,500
Exploration and evaluation expenditures	**237,564**	78,991
General and administrative	**16,125**	2,000
Professional fees	**105,870**	39,286
	360,435	158,097
Other expenses		
Foreign exchange	**(490)**	3,843
Loss and comprehensive loss	**(359,945)**	(161,940)
Weighted average number of common shares outstanding – basic and diluted	**19,761,842**	8,925,082
Loss per common share – basic and diluted	**(0.02)**	(0.02)

During the five months ended July 31, 2021:

The Company had operating expenses of $360,435. The largest drivers of the increase in operating expenses were as follows:

- Exploration and evaluation expenditures of $237,564 represent technical expenditures on exploration properties and setup costs.
- Professional fees of $105,870 were comprised of legal, audit and accounting fees associated with the Company.

The following table provides a summary of exploration and evaluation expenditures for the years for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021:

	Five months ended July 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
	$	$
Camp costs	**100,000**	-
Geological consulting	**53,179**	10,627
Miscellaneous	**84,385**	68,364
Total	**237,564**	78,991

Summary of quarterly results

	Five months ended July 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
	$	$
Total revenues	**-**	-
Loss and comprehensive loss	**(359,945)**	(161,940)
Total assets	**773,068**	1,025,570
Working capital surplus	**285,845**	675,790
Total liabilities	**282,703**	195,260
Loss per share – basic and diluted	**(0.02)**	(0.02)

FISCAL HIGHLIGHTS

Mineral Properties

Fish Creek Joint Venture & Option Agreement

On December 29, 2020, the Company and its subsidiary Aurous Guyana Inc. ("AGI") entered into a joint venture and option agreement with Guiana Shield Resources ("GSR"), a related party controlled by a director of the Company. GSR owns and controls the Fish Creek prospecting license. There are no liens, mortgages or encumbrances on or conflicting claims of ownership or right to ownership of the property or the mineral rights. The mineral rights are in good standing. The Company, through its subsidiary AGI, will be responsible for paying all rentals or other fees that become due during the term of the agreement to keep the mineral rights in good standing with the Guyana Geology and Mines Commission. The term of the agreement is for five years with possible extensions.

If the Company provides payment of such amount indicated in the table below, the term of the agreement shall be automatically maintained for an additional year:

Year (to be paid on or before the anniversary date of the date of the initial payment)	Amounts
	US$
Within 6 months of effective date	150,000
1st anniversary	200,000
2nd anniversary	200,000
3rd anniversary	200,000
4th anniversary	300,000
Total	**1,050,000**

As at July 31, 2021, the Company has not made any payments to GSR.

Romanex Guyana Option Agreement

On March 10, 2021, the Company signed an option agreement with Romanex Guyana Exploration Ltd. ("Romanex") to acquire 100% of the right, title and interest in its shares. During the period ended February 28, 2021, the Company completed a non-refundable exclusivity payment to Romanex of $154,520 (US$120,000) in consideration for a twelve-month due diligence period.

Under the terms of the agreement, the Company will pay Romanex US$10,000 per month beginning April 1, 2021 until the satisfactory completion of the due diligence process. In addition, the Company will pay 50% of the mining license rental fees due to the Guyana Geology and Mines Commission for a period up to April 2022.

If the Company decides to exercise the option, the exercise of option payment will be completed valued at US$800,000 in cash or in a combination of cash and issuance of shares in the following manner:

- US$400,000 in cash;
- US$400,000 as consideration shares of the resulting issuer following an initial public offering or a reverse takeover transaction, with the number of consideration shares issued to be calculated based on the pricing terms of the resulting issuer's shares on the date of the final payment;
- If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, or at a later date to be mutually agreed upon, the Company will make the second payment of US$400,000 in cash; and
- As part of the final payment, a further 500,000 shares of the resulting issuer will be issued to Romanex at the date of the final payment. If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, the share payment will not be made.

Sardine Hill Option Agreement

On May 24, 2021, the Company, through its subsidiary AGI, signed an Exclusive Right and Option Agreement ("Letter of Agreement") with the property owners of the Mariwa Property ("Sardine Hill"). AGI has paid an exclusivity payment of US$1 to begin the due diligence process and shall enter into a Definitive Agreement with the property owners within 60 days of the Letter of Agreement.

AGI will assume responsibility of ensuring all rents and renewal fees are remitted on a timely basis to maintain the property in good standing. AGI will also cover all costs of the transfer of permits upon completion of all payments to the property owners. The property owners will retain all surface mining rights until all remaining payments of US$4,500,000 are completed.

Arakaka

On May 26, 2021, the Company signed an agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc., which are 100% owned entities of Alicanto Minerals Limited ("Alicanto"). These two entities make up the Arakaka Gold Project in Guyana ("Arakaka").

In consideration for the purchase of the Arakaka the Company has agreed to the following terms:

(i) $50,000 in cash within 5 business days of execution of the agreement (paid);

(ii) $700,000 in cash on completion of the listing capital raise; and

(iii) $1,000,000 value of listed entity shares upon the satisfaction of every resource target set out in the table below (which amounts to the sum of any Inferred, Indicated, or Measured 43-101 resources) delineated on the tenements, the designated area or a combination of the tenements and the designated area in the two years following Completion (the "Deferred Consideration Shares").

The Deferred Consideration Shares will be issued upon achieving the following resource targets:

Resources targets - Million ounces of gold ("Moz Au")	Shares equivalent
	$
0.50 Moz Au	1,000,000
0.75 Moz Au	1,000,000
1.00 Moz Au	1,000,000
2.00 Moz Au	1,000,000
Total	**4,000,000**

(iv) the Deferred Consideration Shares will be issued by the Company to Alicanto within 60 days of the date that the Company announces the relevant resource to the market; and

(v) the Deferred Consideration Shares will be issued at the price equal to the volume weighted average price of the listed entity's common shares as traded on the CSE in the ordinary course of trade over the 30 trading days following the release of a new resource estimate to the market by the listed entity.

(vi) In the event that there is a consolidation or share split of listed entity's shares prior to completion, the number of Deferred Consideration Shares will be adjusted by the same ratio.

Share capital highlights

During the five months ended July 31, 2021

The Company completed a private placement for gross proceeds of $20,000 through the issuance of 50,000 common shares at $0.40 per common share.

During the period from incorporation on November 27, 2020 to February 28, 2021

On November 27, 2020, the date of incorporation, the Company issued 1 common share at $0.01 which was subsequently repurchased by the Company for $0.01 and subsequently cancelled.

On January 10, 2021, 7,500,000 common shares were issued with a fair value of $37,500 in consideration for consulting services performed.

On January 15, 2021, the Company completed a private placement for gross proceeds of $49,750 through the issuance of 9,950,000 common shares at $0.005 per common share.

On February 19, 2021, the Company completed a private placement for gross proceeds of $905,000 through issuance of 2,262,500 common shares at $0.40 per common share.

HIGHLIGHTS SUBSEQUENT TO JULY 31, 2021

On September 16, 2021, the Company completed a private placement for gross proceeds of $4,106,423 through the issuance of 4,831,086 units at $0.85 per unit. Each unit consists of 1 common share and 0.5 common share purchase warrant.

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2021, the Company had cash of $563,862 and a net working capital surplus of $285,845.

The Company's cash flows from operations are negative as it is an exploration stage company. The Company's net cash used in operating activities for the five months ended July 31, 2021 was $277,088 ($104,280 during the period from incorporation on November 27, 2020 to February 28, 2021).

During the five months ended July 31, 2021 the Company used $50,000 cash in investing activities. ($154,520 during the period from the period of incorporation on November 27, 2020 to February 28, 2021, the Company used in cash for investing activities, related to payment of land option deposits).

During the five months ended the Company had net cash provided by financing activities of $20,000 from the issuance of common shares ($1,129,750 from the period of incorporation on November 27, 2020 to February 28, 2021).

The Company's current assets are not sufficient to support the company's general administrative and corporate operating requirements on an ongoing basis and the Company may seek to obtain additional financing through debt or equity.

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations.

The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

Liquidity outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

The Company will need to complete additional external financing either through equity, debt or other forms of financing. This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes that there will be risks involved which may be beyond its control.

GOING CONCERN

The Company's consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at July 31, 2021, the Company has not yet achieved profitable operations. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. The consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

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.

CONTRACTUAL OBLIGATIONS

The Company has certain remaining commitments with respect to Fish Creek Joint Venture & Option Agreement:

Year (to be paid on or before the anniversary date of the date of the initial payment)	Amounts
	US$
Within 6 months of effective date	150,000
1st anniversary	200,000
2nd anniversary	200,000
3rd anniversary	200,000
4th anniversary	300,000
Total	**1,050,000**

Under the terms of the agreement, the Company will pay Romanex US$10,000 per month beginning April 1, 2021 until the satisfactory completion of the due diligence process. In addition, the Company will pay 50% of the mining license rental fees due to the Guyana Geology and Mines Commission for a period up to April 2022.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found in note 3 of the financial statements for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"), effective as of the date of this MD&A. The Company's significant accounting policies are described in note 3 of the Company's financial statements.

Future accounting changes:

The Company has not yet adopted the following revised or new IFRS that are not yet effective on July 31, 2021. All of the new and revised standards described below may be early-adopted. The Company is currently assessing the impact that these standards may have on the Company's consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

IAS 1, *Presentation of Financial Statements* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

On December 29, 2020, the Company and its subsidiary AGI entered into a joint venture and option agreement with GSR, a related party controlled by a director of the Company.

During the period ended February 28, 2021, the Company issued 7,300,000 common shares with a fair value of $36,500 to directors of the Company in consideration for consulting services performed.

During the five months ended July 31, 2021, the Company paid $25,000 to a company owned by an officer of the Company for professional fees.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at July 31, 2021 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at July 31,2021 or at the date of this MD&A.

FINANCIAL INSTRUMENTS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash is recorded at level 1.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. As at July 31, 2021, the Company had cash of $563,862 with a large Canadian bank. The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no sources of revenue and has obligations to meet its exploration and evaluation commitments and to settle amounts payable. As at July 31, 2021, the Company has a working capital surplus of $357,392. The Company assesses liquidity risk as moderate.

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. The Company does not expect exchange rates, and commodity and equity prices to have a material impact to the Company.

Interest rate risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's cash is held in bank accounts. The Company is not exposed to significant interest rate risk.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of the date of this MD&A, the Company had 24,593,586 shares outstanding and 2,415,543 common share purchase warrants outstanding. Each common share purchase warrant entitles the holder to acquire one common share in the capital of the Company for a period of 24 months at a price of $1.35.

RISK FACTORS

An investment in the Company should be considered highly speculative, not only due to the nature of Virgin Gold's business and operations, but also because of the uncertainty related to completion of the Proposed Transaction. In addition to the other information in this MD&A, an investor should carefully consider each of, and the cumulative effect of, the risk factors listed in the Company's Management's Discussion & Analysis for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021.

Financing and share price fluctuation risks

The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flow and obtain additional financing. The Company has traditionally financed its cash requirements through the issuance of common shares. If the Company is unable to generate cash from operations or obtain additional financing its ability to continue as a going concern could be impeded.

There is no assurance that additional funding from this or other sources will be available to the Company when needed for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties. Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues or the value of the Company's equity and derivative investments and corresponding effect on the Company's financial position.

Exploration and development

Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Company's mineral properties and there is no certainty that the expenditures made by the Company in the exploration of its mineral properties or otherwise will result in discoveries of commercially recoverable quantities of minerals.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

There is no assurance that the Company's mineral properties possess commercially mineable bodies of ore. The Company's mineral properties are in the exploration stage as opposed to the development stage and has no known body of economic mineralization. The known mineralization of the properties has not been determined to be economic ore and there can be no assurance that a commercially mineable ore body exists on the properties. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine is likely to be economic. In order to carry out exploration and development programs of any economic ore body and place it into commercial production, the Company may be required to raise substantial additional funding.

Title of mineral properties

There is no assurance that the Company's title to its properties will not be challenged. Title to and the area of mineral properties may be disputed. While the Company has diligently investigated title to its properties, it may be subject to prior unregistered agreements or transfers or indigenous land claims to which title may be affected. Consequently, the boundaries may be disputed.

Option agreements

The Company is currently earning some of its interests in its mineral properties through option agreements and acquisition of title to the property is only completed when the option conditions have been met. These conditions generally include making option payments and incurring exploration expenditures on the properties. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

Unknown environmental risks for past activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Political regulatory risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

COVID 19

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 corona virus which was declared a global pandemic by the World Health Organization in March 2020. COVID-19 infections have been reported globally, including Canada, and Guyana, countries in which the Company operates. The extent to which COVID-19 may impact the Company's business, including its operations and the market for its securities, will depend on future developments which cannot be predicted, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak.

The continued spread of COVID-19 globally could materially and adversely impact the Company's business, financial condition and results of operations including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to any drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Due diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Commodity price

The Company is exposed to commodity price risk. Declines in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party. The Company's past royalty revenue was derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of precious and base metals discovered or extracted. Metal prices have historically fluctuated widely. Consequently, the economic viability of the Company's property and royalty interests cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

VIRGIN GOLD CORP.

Consolidated Financial Statements

For the five months ended July 31, 2021
and the period from incorporation on November 27, 2020 to February 28, 2021

(Expressed in Canadian dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF VIRGIN GOLD CORP.

Opinion

We have audited the consolidated financial statements of Virgin Gold Corp. (the "Company"), which comprise:

- the consolidated statements of financial position as at July 31, 2021 and February 28, 2021;
- the consolidated statements of comprehensive loss for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021;
- the consolidated statements of changes in shareholders' equity for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021;
- the consolidated statements of cash flows for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2021 and February 28, 2021, and its consolidated financial performance and its consolidated cash flows for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $359,945 during the five months ended July 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Smythe LLP

Chartered Professional Accountants
Vancouver, British Columbia

October 20, 2021

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VIRGIN GOLD CORP.
Consolidated Statements of Financial Position
As at July 31, 2021 and February 28, 2021
(Expressed in Canadian dollars)

	Note	**July 31, 2021**	February 28, 2021
		$	$
ASSETS			
Current assets			
Cash		**563,862**	870,950
Accounts receivable		**4,686**	100
		568,548	871,050
Exploration and evaluation assets	4	**50,000**	-
Land option deposits	4	**154,520**	154,520
TOTAL ASSETS		**773,068**	1,025,570
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	**107,703**	20,260
Deposit received	1	**175,000**	175,000
TOTAL LIABILITIES		**282,703**	195,260
SHAREHOLDERS' EQUITY			
Share capital	5	**1,012,250**	992,250
Deficit		**(521,885)**	(161,940)
TOTAL SHAREHOLDERS' EQUITY		**490,365**	830,310
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**773,068**	1,025,570

Approved by on behalf of the Board:

Veljko Brcic (signed)
President, Director

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

VIRGIN GOLD CORP.
Consolidated Statements of Comprehensive Loss
For the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021
(Expressed in Canadian dollars, except number of shares)

	Note	**Five months ended July 31, 2021**	Period from incorporation on November 27, 2020 to February 28, 2021
		$	$
Operating expenses			
Bank fees		**876**	320
Consulting fees		**-**	37,500
Exploration and evaluation expenditures	4	**237,564**	78,991
General and administrative		**16,125**	2,000
Professional fees	6	**105,870**	39,286
		360,435	158,097
Other expenses			
Foreign exchange		**(490)**	3,843
Net loss and comprehensive loss for the period		**(359,945)**	(161,940)
Loss per share			
Basic and diluted		**(0.02)**	(0.02)
Weighted average number of shares			
Basic and diluted		**19,761,842**	8,925,082

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

VIRGIN GOLD CORP.
Consolidated Statements of Changes in Shareholders' Equity
For the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021
(Expressed in Canadian dollars, except for the number of shares)

	Number of outstanding Shares	Share capital	Deficit	Total shareholders' equity
	#	$	$	$
Balance, November 27, 2020 (incorporation)	1	-	-	-
Common share cancelled	(1)	-	-	-
Shares issued for cash	12,212,500	954,750	-	954,750
Shares issued for services	7,500,000	37,500	-	37,500
Net loss for the period	-	-	(161,940)	(161,940)
Balance, February 28, 2021	19,712,500	992,250	(161,940)	830,310
Shares issued for cash	50,000	20,000	-	20,000
Net loss for the period	-	-	(359,945)	(359,945)
Balance, July 31, 2021	**19,762,500**	**1,012,250**	**(521,885)**	**490,365**

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

VIRGIN GOLD CORP.
Consolidated Statements of Cash Flows
For the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021
(Expressed in Canadian dollars)

	Note	**Five months ended July 31, 2021**	Period from incorporation on November 27, 2020 to February 28, 2021
		$	$
Operating activities			
Net loss for the period		**(359,945)**	(161,940)
Non-cash items:			
Shares issued for services		**-**	37,500
Changes in non-cash working capital:			
Accounts receivable		**(4,586)**	(100)
Accounts payable and accrued liabilities		**87,443**	20,260
Net cash used in operating activities		**(277,088)**	(104,280)
Investing activity			
Investment in exploration and evaluation assets	4	**(50,000)**	-
Payment of land option deposits	4	**-**	(154,520)
Net cash used in investing activities		**(50,000)**	(154,520)
Financing activities			
Deposit received	1	**-**	175,000
Shares issued for cash	5	**20,000**	954,750
Net cash provided by financing activities		**20,000**	1,129,750
Net (decrease) increase in cash		**(307,088)**	870,950
Cash, beginning of the period		**870,950**	-
Cash, end of the period		**563,862**	870,950
Supplemental disclosure of non-cash transactions:			
Shares issued for services		**-**	37,500

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Virgin Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on November 27, 2020.

The Company's registered office address is Suite 1050 – 400 Burrard Street, Vancouver, BC, V6C 3A6.

The Company is in the business of acquiring, exploring, and developing mineral properties, primarily those containing gold and associated base and precious metals. The Company is in the process of pursuing potential acquisitions of exploration and evaluation properties in order to become a target of a reverse takeover transaction with a publicly listed entity. The Company will be required to obtain additional financing to explore and develop its future resource properties.

On December 16, 2020 the Company signed a Letter of Intent ("LOI") with Goldblock Capital Inc. ("Goldblock") outlining the principal terms and conditions upon which Goldblock would consider acquiring all of the issued and outstanding shares of the Company. The Company received a non-refundable deposit of $175,000 to enter into exclusive negotiations with Goldblock.

The indicative terms of the business combination (the "Proposed Transaction") whereby Goldblock will acquire 100% of the outstanding common shares of the Company and in exchange, Goldblock will issue 15,000,000 post-consolidation common shares to the Company's shareholders. Any unexercised options, warrants or other convertible securities of Goldblock will be cancelled. Prior to closing of the Proposed Transaction, Goldblock will consolidate its common shares on a two to one basis.

These audited consolidated financial statements (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company has not generated any revenues. During the five months ended July 31, 2021, the Company incurred a net loss of $359,945 (February 28, 2021 - $161,940). Without additional financing, the Company may not be able to fund its ongoing operations and exploration activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

In March 2020, the World Health Organization declared a global pandemic caused by the outbreak of the novel coronavirus, specifically identified as "COVID-19". The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results of the Company in the future.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements present the business of the Company, representing the activities, assets and liabilities of the Company that relate to or have been assigned to the Company.

(b) Basis of presentation

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

2. BASIS OF PRESENTATION (Continued)

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Aurous Guyana Inc.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. All significant intercompany balances and transactions have been eliminated.

(d) Functional and presentation currency

The Company and its wholly owned subsidiary's reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

(e) Approval of the consolidated financial statements

These financial statements were authorized for issue by the Board of Directors on October 20, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company classifies cash as fair value through profit or loss.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

There are no financial assets classified as measured at FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method, net of any impairment allowance.

There are no financial assets classified as measured at amortized cost.

(ii) Derecognition

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of operations.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities.

(iv) Fair value hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable. Their carrying values approximate the fair values due to short-term maturity of these instruments.

(b) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Earnings (loss) per share

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

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(d) Foreign exchange

Transactions in currencies other than the entity's functional currency are recorded at the average rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. The resulting foreign exchange gains or losses are recorded in profit or loss.

(e) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation assets are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors. Costs not directly attributable to exploration and evaluation assets activities, including general administrative costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain mineral property expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets expenditures in respect of that project are deemed to be impaired. As a result, those mineral property expenditures, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

(f) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income taxes (Continued)

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(g) Share-based payment transactions

The Company records all share-based payments at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs. On the exercise of stock options, agent options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to share-based payments reserve. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

(h) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement

(i) Future accounting changes

The Company has not yet adopted the following revised or new IFRS that are not yet effective on July 31, 2021. All of the new and revised standards described below may be early-adopted. The Company is currently assessing the impact that these standards may have on the Company’s consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

(Expressed in Canadian dollars, except where noted)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Future accounting changes (Continued)

IAS 1, *Presentation of Financial Statements* has been revised to incorporate amendments issued by the IASB in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a summary of exploration and evaluation expenditures for the years for the five months ended July 31, 2021 and the period from incorporation on November 27, 2020 to February 28, 2021:

	Five months ended July 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
	$	$
Camp costs	**100,000**	-
Geological consulting	**53,179**	10,627
Miscellaneous	**84,385**	68,364
Total	**237,564**	78,991

Fish Creek Joint Venture & Option Agreement

On December 29, 2020, the Company and its subsidiary Aurous Guyana Inc. ("AGI") entered into a joint venture and option agreement with Guiana Shield Resources ("GSR"), a related party controlled by a director of the Company. GSR owns and controls the Fish Creek prospecting license. There are no liens, mortgages or encumbrances on or conflicting claims of ownership or right to ownership of the property or the mineral rights. The mineral rights are in good standing.

The Company, through its subsidiary AGI, will be responsible for paying all rentals or other fees that become due during the term of the agreement to keep the mineral rights in good standing with the Guyana Geology and Mines Commission. The term of the agreement is for five years with possible extensions.

If the Company provides payment of such amount indicated in the table below, the term of the agreement shall be automatically maintained for an additional year:

Year (to be paid on or before the anniversary date of the date of the initial payment)	**Amounts**
	US$
Within 6 months of effective date	150,000
1st anniversary	200,000
2nd anniversary	200,000
3rd anniversary	200,000
4th anniversary	300,000
Total	**1,050,000**

As at July 31, 2021, the Company has not made any payments to GSR.

Romanex Guyana Option Agreement

On March 10, 2021, the Company signed an option agreement with Romanex Guyana Exploration Ltd. ("Romanex") to acquire 100% of the right, title and interest in its shares. During the period ended February 28, 2021, the Company completed a non-refundable exclusivity payment to Romanex of $154,520 (US$120,000) in consideration for a twelve-month due diligence period.

(Expressed in Canadian dollars, except where noted)

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (Continued)

Under the terms of the agreement, the Company will pay Romanex US$10,000 per month beginning April 1, 2021 until the satisfactory completion of the due diligence process. These amounts are expensed as exploration and evaluation expenditures. In addition, the Company will pay 50% of the mining license rental fees due to the Guyana Geology and Mines Commission for a period up to April 2022.

If the Company decides to exercise the option, the exercise of option payment will be valued at US$800,000 in cash or in a combination of cash and issuance of shares in the following manner:

- US$400,000 in cash;
- US$400,000 as consideration shares of the resulting issuer following an initial public offering or a reverse takeover transaction, with the number of consideration shares issued to be calculated based on the pricing terms of the resulting issuer's shares on the date of the final payment;
- If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, or at a later date to be mutually agreed upon, the Company will make the second payment of US$400,000 in cash; and
- As part of the final payment, a further 500,000 shares of the resulting issuer will be issued to Romanex at the date of the final payment. If the Company does not complete an initial public offering or a reverse takeover transaction within six months of the final closing date, the share payment will not be made.

Sardine Hill Option Agreement

On May 24, 2021, the Company, through its subsidiary AGI, signed an Exclusive Right and Option Agreement ("Letter of Agreement") with the property owners of the Mariwa Property ("Sardine Hill"). AGI has paid an exclusivity payment of US$1 to begin the due diligence process and shall enter into a Definitive Agreement with the property owners within 60 days of the Letter of Agreement.

AGI will assume responsibility of ensuring all rents and renewal fees are remitted on a timely basis to maintain the property in good standing. AGI will also cover all costs of the transfer of permits upon completion of all payments to the property owners. The property owners will retain all surface mining rights until all remaining payments of US$4,500,000 are completed.

Arakaka

On May 26, 2021, the Company signed an agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc., which are 100% owned entities of Alicanto Minerals Limited ("Alicanto"). These two entities make up the Arakaka Gold Project in Guyana ("Arakaka").

In consideration for the purchase of the Arakaka the Company has agreed to the following terms:

(i) $50,000 in cash within 5 business days of execution of the agreement (paid);

(ii) $700,000 in cash on completion of the listing capital raise; and

(iii) $1,000,000 value of listed entity shares upon the satisfaction of every resource target set out in the table below (which amounts to the sum of any Inferred, Indicated, or Measured 43-101 resources) delineated on the tenements, the designated area or a combination of the tenements and the designated area in the two years following Completion (the "Deferred Consideration Shares").

The Deferred Consideration Shares will be issued upon achieving the following resource targets:

Resources targets - Million ounces of gold ("Moz Au")	Shares equivalent
	$
0.50 Moz Au	1,000,000
0.75 Moz Au	1,000,000
1.00 Moz Au	1,000,000
2.00 Moz Au	1,000,000
Total	**4,000,000**

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (Continued)

(iv) the Deferred Consideration Shares will be issued by the Company to Alicanto within 60 days of the date that the Company announces the relevant resource to the market; and

(v) the Deferred Consideration Shares will be issued at the price equal to the volume weighted average price of the listed entity's common shares as traded on the CSE in the ordinary course of trade over the 30 trading days following the release of a new resource estimate to the market by the listed entity.

(vi) In the event that there is a consolidation or share split of listed entity's shares prior to completion, the number of Deferred Consideration Shares will be adjusted by the same ratio.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the five months ended July 31, 2021

During the five months ended July 31, 2021, the Company completed a private placement for gross proceeds of $20,000 through the issuance of 50,000 common shares at $0.40 per common share.

During the period from incorporation on November 27, 2020 to February 28, 2021

On November 27, 2020, the date of incorporation, the Company issued 1 common share at $0.01 which was subsequently repurchased by the Company for $0.01 and subsequently cancelled.

On January 10, 2021, 7,500,000 common shares were issued with a fair value of $37,500 in consideration for consulting services performed.

On January 15, 2021, the Company completed a private placement for gross proceeds of $49,750 through the issuance of 9,950,000 common shares at $0.005 per common share.

On February 19, 2021, the Company completed a private placement for gross proceeds of $905,000 through issuance of 2,262,500 common shares at $0.40 per common share.

6. RELATED PARTY TRANSACTIONS

On December 29, 2020, the Company and its subsidiary AGI entered into a joint venture and option agreement with GSR, a related party controlled by a director of the Company (Note 4).

During the period ended February 28, 2021, the Company issued 7,300,000 common shares with a fair value of $36,500 to directors of the Company in consideration for consulting services performed.

During the five months ended July 31, 2021, the Company paid $25,000 to a company owned by an officer of the Company for professional fees. As at July 31, 2021, a balance of $5,250 (February 28, 2021 - $nil) remains owing to a company owned by the CFO of the Company, and is included within accounts payable and accrued liabilities.

7. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(Expressed in Canadian dollars, except where noted)

7. RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at July 31, 2021, the Company has cash of $563,862 (February 28, 2021 - $870,950) available to apply against short-term business requirements and current liabilities of $282,703 (February 28, 2021 - $195,260). All of the Company's financial liabilities are due within 90 days.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

8. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

9. INCOME TAXES

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	Five months ended July 31, 2021	Period from incorporation on November 27, 2020 to February 28, 2021
Net loss for the period	**$ (359,945)**	$ (161,940)
Statutory rate	**27%**	27%
Income tax recovery at statutory rate	**(97,185)**	(43,724)
Benefit of tax losses not recognized	**97,185**	43,724
Income tax expense	**$ -**	$ -

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to be able to utilize those tax assets. The Company's unused tax losses for which no deferred tax asset is recognized is $127,409.

The Company has non-capital losses for Canadian tax purposes of approximately $522,000 available for carry-forward to reduce future years' taxable income and will expire in 2041.

10. SUBSEQUENT EVENTS

On September 16, 2021, the Company completed a private placement for gross proceeds of $4,106,423 through the issuance of 4,831,086 units at $0.85 per unit. Each unit consists of 1 common share and 0.5 common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share in the capital of the Company for a period of 24 months at a price of $1.35.

SCHEDULE C
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER

[Attached]

GOLDBLOCK CAPITAL INC.

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2021

(Unaudited - Expressed in Canadian dollars)

GOLDBLOCK CAPITAL INC.
Pro forma consolidated statement of financial position
(Unaudited - expressed in Canadian dollars)

	Goldblock Capital Inc.	Virgin Gold Corp.	Notes	Pro forma adjustments	Pro forma total
	November 30, 2021	October 31, 2021			
	$	$		$	**$**
Assets					
Current					
Cash	12,326	3,225,924	6(e)	2,583,476	**5,821,726**
Accounts receivable	9,202	17,147		-	**26,349**
Marketable securities	45,000	-		-	**45,000**
Total current assets	66,528	3,243,071		2,583,476	**5,893,075**
Advance	175,000	-	6(h)	(175,000)	**-**
Exploration and evaluation assets	122,201	50,000		-	**172,201**
Land option deposits	-	154,520		-	**154,520**
Total assets	363,729	3,447,591		2,408,476	**6,219,796**
Liabilities					
Current					
Accounts payable and accrued liabilities	73,032	128,850		-	**201,882**
Deposit received	-	175,000	6(h)	(175,000)	**-**
Due to related parties	6,000	-		-	**6,000**
Total liabilities	79,032	303,850		(175,000)	**207,882**
Shareholders' equity					
Share capital	700,000	4,169,383	6(e), 6(f), 6(g)	4,565,193	**9,434,576**
Reserves	-	949,290	6(e)	510,292	**1,459,582**
Deficit	(415,303)	(1,974,932)	6(f)	(2,492,009)	**(4,882,244)**
Total shareholders' equity	284,697	3,143,741		2,583,476	**6,011,914**
Total liabilities and shareholders' equity	363,729	3,447,591		2,408,476	**6,219,796**

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements

GOLDBLOCK CAPITAL INC.
Pro forma consolidated statement of loss and comprehensive loss
(Unaudited - expressed in Canadian dollars)

	Goldblock Capital Inc.	Virgin Gold Corp.	Note	Pro forma adjustments	Pro forma total
	Twelve months ended November 30, 2021 (Note 9)	Eight months ended October 31, 2021			
	$	$		$	**$**
Operating expenses					
Bank fees	166	2,574		-	**2,740**
Consulting fees	-	22,491		-	**22,491**
Exploration expenditures	-	1,462,545		-	**1,462,545**
Filing fees	12,833	30,551		-	**43,384**
General and administrative	-	85,420		-	**85,420**
Management fees	72,000	-		-	**72,000**
Professional fees	53,119	208,434		-	**261,553**
Rent	25,000	-		-	**25,000**
Transfer agent fees	5,140	-		-	**5,140**
Total operating expenses	168,258	1,812,015		-	**1,980,273**
Other expenses					
Foreign exchange	-	977		-	**977**
Interest income	1,106	-		-	**1,106**
Listing expense	-	-	6(f)	2,907,312	**2,907,312**
Unrealized loss on marketable securities	60,000	-		-	**60,000**
Total other expenses	61,106	977		2,907,312	**2,969,395**
Loss and comprehensive loss for the period	(229,364)	(1,812,992)		(2,907,312)	**(4,949,668)**

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements of Goldblock Capital Inc. ("Goldblock" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") from information contained in the financial information of Goldblock and Virgin Gold Corp. ("Virgin Gold") to show the effect of the proposed transactions as per note 4. The unaudited pro forma consolidated financial statements have been prepared for inclusion in the Form 2A - Listing Statement of the Company prepared in connection with the Company's application for listing on the Canadian Securities Exchange (the "CSE").

The unaudited pro forma consolidated financial statements have been prepared by management using the following:

- The audited consolidated financial statements of Goldblock for the year ended May 30, 2021;
- The unaudited consolidated financial statements of Goldblock for the six months ended November 30, 2021 and 2020;
- The unaudited consolidated financial statements of Virgin Gold for the eight months ended October 31, 2021; and
- Additional information set out in note 4 and note 9.

The pro forma consolidated financial statements are not necessarily indicative of the combined results or financial position that would have been achieved if the proposed Transactions had been completed on the dates indicated and does not purport to project the financial position of the consolidated entities for any future period. In the opinion of the management of the Company, the unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation of the proposed Transactions described in note 4. Unless otherwise noted, the unaudited pro forma consolidated financial statements and accompanying notes are presented in Canadian dollars. The unaudited pro forma consolidated statement of financial position combines the historical audited statement of financial position of Goldblock and the historical unaudited statement of financial position of Virgin Gold to give the effect of the Transactions as if it had occurred on November 30, 2021.

2. FUNCTIONAL AND PRESENTATION CURRENCY

All financial information has been presented in Canadian ("CAD") dollars, which is also the functional currency of the Company and Virgin Gold.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation for the unaudited pro forma consolidated financial statements are those set out in Goldblock's audited financial statements for the year ended May 30, 2021. In preparing the unaudited pro forma consolidated financial statements, a review was undertaken to identify accounting policy differences between Virgin Gold and Goldblock where the impact was potentially material. The significant accounting policies of Virgin Gold conform in all material respects to those of Goldblock.

4. TRANSACTIONS

On March 13, 2021, the Company incorporated a wholly owned subsidiary, 1294320 B.C. Ltd. in the province of British Columbia.

On April 19, 2021, Goldblock entered into a definitive agreement with Virgin Gold Corp., a private mineral exploration company with exploration activities 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 B.C. 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.

4. TRANSACTIONS (Continued)

Immediately prior to the completion of the Amalgamation, the Company will complete a share consolidation on a 8:3 basis. As at November 30, 2021, Goldblock has 12,000,000 shares issued and outstanding. Following the share consolidation, and prior to closing of the Transaction, Goldblock will have 4,500,000 shares outstanding. In connection with the Transaction, the Company will change its name to "Golden Shield Resources Corp." and reconstitute its board of directors such that the board of the Company following completion of the Transaction will consist of five directors, nominated by Virgin Gold.

Immediately prior to the completion of the Amalgamation, Virgin Gold will complete a share consolidation on a 4:3 basis. In connection with the Transaction, the Company or Virgin Gold undertook two non-brokered private placements of units for gross proceeds of $6,689,899 (Note 6). As at November 30, 2021, Virgin Gold has 24,593,586 shares issued and outstanding.

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

5. REVERSE TAKEOVER

The Amalgamation has been accounted for in accordance with IFRS 2, *Share-based payments* ("IFRS 2") and IFRS 3, *Business combinations* ("IFRS 3"). As Goldblock did not qualify as a business according to the definition of IFRS 3, this Amalgamation has been accounted for as an asset acquisition.

A reverse takeover transaction involving a non-public operating entity and a public non-operating company is in substance a shared based transaction rather than a business combination. The Amalgamation is equivalent to the issuance of common shares by the non-public operating entity, Virgin Gold Corp., for the net assets and the listing status of the public non-operating company, Goldblock.

The fair value of the common shares issued as consideration in the Transaction was determined based on the fair value of the common shares issued by the Company. For financial reporting purposes, the Company is considered a continuation of the acquiree, the legal subsidiary, except with regard to authorized and issued share capital, which is that of the Company, the legal parent.

The fair value of the net assets of the Company deemed to be acquired will ultimately be determined at the date of closing of the Amalgamation and the actual costs of acquisition may vary from those estimates. Therefore, the allocation of the consideration among the assets and liabilities of the Company may vary from those shown above and such differences may be material.

6. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated financial statements include the following pro forma assumptions and adjustments as if they had occurred at November 30, 2021:

a) Immediately prior to the completion of the Amalgamation, Goldblock completed a consolidation of the common shares on the basis of three new common shares for each eight old common shares.
b) Immediately prior to the completion of the Amalgamation, Virgin Gold completed a consolidation of its common shares on the basis of three new common shares for each four old common shares.
c) Pursuant to the Amalgamation, all 14,821,875 outstanding common shares of Virgin Gold are exchanged for 14,821,875 common shares of Goldblock.
d) On September 16, 2021, the Virgin Gold completed a private placement for gross proceeds of $4,106,423 through the issuance of 4,831,086 units at $0.85 per unit. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share in the capital of Virgin Gold for a period of 24 months at a price of $1.35. As a result, $949,290 was recorded in reserves for the fair value of the warrants.
e) On December 23, 2021, Virgin Gold completed a private placement for gross proceeds of $2,583,476 through the issuance of 3,039,383 units at $0.85 per unit. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share in the capital of Virgin Gold for a period of 24 months at a price of $1.35. As a result, $510,292 was recorded in reserves for the fair value of the warrants.

(Unaudited - Expressed in Canadian dollars, except where noted)

6. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (Continued)

f) The consideration effectively transferred for the acquisition of Goldblock is as follows:

	$
Fair value of common shares issued	3,192,009
Total consideration	**3,192,009**
Fair value of net assets of Goldblock acquired as at November 30, 2021	
Cash	12,326
Accounts receivable	9,202
Marketable securities	45,000
Advance	175,000
Exploration and evaluation assets	122,201
Accounts payable and accrued liabilities	(73,032)
Due to related parties	(6,000)
Net assets acquired	**284,697**
Listing expense	**2,907,312**

g) Elimination of $700,000 share capital of Goldblock based on the pro forma assumptions and adjustments.
h) Elimination of $175,000 deposit paid by Goldblock to Virgin Gold (note 4).

7. PRO FORMA EQUITY

	Notes	Number of common shares	Share capital	Reserves	Deficit	Total shareholders' equity
		#	$	$	$	$
Goldblock equity (post 8:3 consolidation)	6(a)	4,500,000	700,000	-	(415,303)	284,697
Virgin Gold equity (post 4:3 consolidation and 1:1 exchange)	6(b), 6(c)	14,821,875	1,012,250	-	(1,974,932)	(962,682)
Proceeds from private placements	6(d), 6(e)	7,870,469	6,689,899	-	-	6,689,899
Fair value of common share purchase warrants issued	6(d), 6(e)	-	(1,459,582)	1,459,582	-	-
Total consideration for acquisition of Goldblock	6(f)	-	3,192,009	-	-	3,192,009
Elimination of Goldblock equity	6(g)	-	(700,000)	-	415,303	(284,697)
Listing expense	6(f)	-	-	-	(2,907,312)	(2,907,312)
Balance, November 30, 2021		**27,192,344**	**9,434,576**	**1,459,582**	**(4,882,244)**	**6,011,914**

8. PRO FORMA STATUTORY INCOME TAX RATE

The pro forma effective statutory income tax rate of the combined companies will be 27% but due to the lack of recoverability of the companies' losses carried forward no tax consequences were reflected in the pro forma consolidated financial statements.

(Unaudited - Expressed in Canadian dollars, except where noted)

9. CONSTRUCTION OF GOLDBLOCK'S HISTORICAL FINANCIAL STATEMENTS

Goldblock's unaudited consolidated statement of loss and comprehensive loss for the twelve months ended November 30, 2021:

	Year ended May 31, 2021	Six months ended November 30, 2021	Six months ended November 30, 2020	**Twelve months ended November 30, 2021**
	A	B	C	**D = A + B - C**
	$	$	$	**$**
Operating expenses				
Bank fees	197	60	91	**166**
Filing fees	15,508	4,500	7,175	**12,833**
General and administrative	139	-	139	**-**
Management fees	72,000	36,000	36,000	**72,000**
Professional fees	52,115	4,900	3,896	**53,119**
Rent	25,000	-	-	**25,000**
Transfer agent fees	5,140	-	-	**5,140**
	170,099	45,460	47,301	**168,258**
Other expenses				
Interest income	(986)	(24)	(2,116)	**1,106**
Unrealized loss on marketable securities	25,000	35,000	-	**60,000**
	24,014	34,976	(2,116)	**61,106**
Net loss and comprehensive loss	(194,113)	(80,436)	(45,185)	**(229,364)**
Net loss per share				
Basic and diluted	(0.02)	(0.01)	(0.00)	**(0.02)**
Weighted average number of shares outstanding				
Basic and diluted	12,000,000	12,000,000	12,000,000	**12,000,000**

SCHEDULE D
STATEMENT OF EXECUTIVE COMPENSATION

Prior to completion of the Transaction, the Target was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6 – Statement of Executive Compensation ("**Form 51-102F6**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6.

Compensation Discussion and Analysis

In this section, "Named Executive Officer" means each of the following individuals:

(a) the Target's chief executive officer, including an individual performing functions similar to a chief executive officer (the "**CEO**");

(b) the Target's chief financial officer, including an individual performing functions similar to a chief financial officer (the "**CFO**");

(c) the most highly compensated executive officer of the Target and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than C$150,000, as determined in accordance with Form 51-102F6, for that financial year; and

(d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Target and was not acting in a similar capacity, at the end of that financial year.

The Target's Named Executive Officers for the purposes of this section are Veljko Brcic (CEO) and Grant Tanaka (CFO).

The Target has not been a reporting issuer during any financial period to date. Future compensation to be awarded or paid to the Resulting Issuer's directors and/or executive officers, including Named Executive Officers, once the Target becomes a reporting issuer is expected to consist primarily of management fees, stock options and bonuses. Payments may be made from time to time to executive officers, including Named Executive Officers, or companies they control for the provision of consulting or management services. Following completion of the Transaction, the Resulting Issuer expects to pay fees for management services pursuant to the terms of the agreements described in "Employment, Consulting and Management Agreements" below.

The Target has not granted incentive stock options to any of its directors and management. Concurrently with completion of the Transaction, the Resulting Issuer will approve, subject to regulatory approval and shareholder approval, the adoption of the Stock Option Plan and grant a total of 2,525,000 stock options to certain directors, officers and advisors, including Named Executive Officers. The board of directors of the Resulting Issuer will from time to time determine the stock option grants to be made pursuant to the Stock Option Plan. See "Stock Option Plan" below and "Options to Purchase Securities" in the Listing Statement. In addition, it is anticipated that the board of directors of the Resulting Issuer may award bonuses, in its sole discretion, to executive officers, including Named Executive Officers, from time to time.

In assessing the compensation of its directors and executive officers, including the Named Executive Officers, the Target does not have in place any formal objectives, criteria or analysis. Compensation payable to executive officers and directors is currently reviewed and recommended by the board of directors, on an annual basis. The Target has not established any specific performance criteria or goals to which total compensation or any significant element of total compensation to be paid to any Named Executive Officer is dependent. Named Executive Officers' performance is reviewed in light of the Target's objectives from time to time. Though the Target does not have pre-existing performance criteria, objectives or goals, it is anticipated that, the board of directors of the Resulting Issuer will review all compensation arrangements and policies in place and consider the adoption of formal compensation guidelines.

External Management Companies

The Target has not engaged any external management companies to provide services.

Stock Option Plan

The Target does not have a stock option plan.

Concurrently with completion of the Transaction, the Resulting Issuer will approve, subject to regulatory approval and shareholder approval, the adoption of the Stock Option Plan. The Stock Option Plan is expected to be used to grant stock options to directors, officers (including Named Executive Officers), employees and consultants of the Resulting Issuer, as additional compensation and as an opportunity to participate in the success of the Resulting Issuer. The granting of such options is intended to align the interests of such persons with those of the Resulting Issuer's shareholders.

In determining the number of options to be granted to directors or executive officers, including the Named Executive Officers, the directors will take into account, among other things:

- the number of options, if any, previously granted to each director or executive officer; and
- the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the CSE and closely align the interests of the directors and executive officers with the interests of shareholders.

See "Options to Purchase Securities" for the material terms of the Stock Option Plan.

Employment, Consulting and Management Agreements

Other than as disclosed below, the Target is not party to any agreement or arrangement under which compensation was provided during any prior financial period or is payable in respect of services provided to the Target or any of its subsidiaries that were performed by a director or Named Executive Officer or performed by any other party but are services typically provided by a director or Named Executive Officer.

On February 1, 2021, the Target entered into an executive consulting agreement with 1295296 B.C Ltd. ("**Tanaka Co**"), a company controlled by Grant Tanaka (the "**Tanaka Agreement**"). Pursuant to the Tanaka Agreement, Tanaka Co agreed to provide the services of Chief Financial Officer to the Target. Tanaka Co has agreed that Mr. Tanaka will provide such services to the Target. The Tanaka Agreement has an initial term that expires on March 15, 2022, but is automatically renewed unless terminated by either party at least 60 days prior. Tanaka Co is paid a fee of $60,000 annually (subject to review by the board of directors). Tanaka Co is also eligible to receive an annual bonus payment at the discretion of the board of directors. The Target has the right to terminate the Tanaka Agreement by providing not less than 12 months notice, in which scenario the Target can either: (i) pay Tanaka Co the annual fee payable as full compensation for termination; or (ii) not require Tanaka Co to perform any services during the notice period and still receive any annual fee payable. Tanaka Co has the right to terminate the Tanaka Agreement by providing 30 days notice to the Target. In the event that the Tanaka Agreement is terminated by the Target within 12 months of a change of control, Tanaka Co is entitled to receive an amount equal to the annual fee payable multiplied by 18. The Target also has the right to terminate the Tanaka Agreement for just cause (as defined in the Tanaka Agreement), in which case no notice is required and no severance is payable. Tanaka Co has the right to terminate the Tanaka Agreement by providing 30 days notice to the Target. The Tanaka Agreement also contains standard confidentiality provisions.

Director Compensation

The Target's directors do not receive cash compensation. It is anticipated that equity compensation will be granted to the directors of the Resulting Issuer following completion of the Transaction.

SCHEDULE E
PROPERTY DISCLOSURE

Unless stated otherwise, the information in this Schedule E is based on the Marudi Technical Report, is effective as of the date of the Marudi Technical Report and was reviewed by, and included with the consent of the authors of the Marudi Technical Report. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of Marudi Technical Report which is available for review on SEDAR at www.sedar.com and readers are encouraged to review the Marudi Mountain Technical Report.

Capitalized terms used but not defined in this Schedule E have the meanings given to them in the Marudi Technical Report. All figures and tables from the Marudi Technical Report are reproduced in and form part of this Listing Statement.

Property Description and Location

The Marudi Gold Project is located in the Rupununi Mining District in southern Guyana. The project comprises Mining License ML1/2009 with an area of 13,602ac (5,504.5ha) valid for an initial 20-year term until April 17th, 2029 renewable for 7-year terms thereafter. The title to ML1/2009 is owned by Romanex Guyana Exploration Limited (Romanex).

Aurous Guyana Inc. (Aurous) is a private company incorporated in Guyana, which is a wholly-owned subsidiary of Virgin Gold Corporation. Aurous has entered into an option agreement with Romanex whereby Aurous will acquire 100% of the shares and assets of Romanex for a consideration payable to the shareholders of Romanex. Aurous will pay the Romanex shareholders US$120,000 for an exclusive Due Diligence period of 12 months until December 18th, 2021. On being satisfied with the results of the Due Diligence, Aurous will issue a Notice of Satisfaction and proceed to exercise their option with a final payment.

The Final Payment of US$800,000 is payable in cash and shares of the listed company, less any liabilities of Romanex. The first half of the Final Payment (US$400,000) is payable in cash, and is due within 45 days of issue of the Notice of Satisfaction. The second half of the Final Payment is payable in shares of a new listed company on the Canadian Securities Exchange. As part of the Final Payment and as an incentive, 500,000 shares of the listed company will be granted to the shareholders of Romanex if the stock exchange listing is completed within six months. Should the new listing take longer than 6 months, the Romanex shareholders may opt for the final payment in cash.

Aurous has indicated that the Property is not subject to any royalties (other than the statutory royalties to the Government of Guyana), back-in rights, payments or other agreements or encumbrances. The Property is not subject to any environmental liabilities. No other permits other than those regulatory requirements of the existing mining licence and succeeding Prospecting License are required to conduct any work on the Property including mining. Aurous has indicated that there are no known significant factors or risks that may affect access, title or the right or ability to perform work on the Property.

The Marudi Gold Project comprises one Mining License ML1/2009 described as follows:

> *Annex A*
>
> *Tract of state land located in the Rupununi Mining District No.6 as shown on Terra Surveys*

Topographic Map 77SE/NE, and described as follows:-

From a reference point located at the confluence of Kwitaro and Powis Rivers located at geographical coordinates of longitude 59°3'27"W and latitude 2°19'13"N, thence at true bearing of 249°, for a distance of approximately 8 miles 538 yards, to Point A, located at geographical coordinates of longitude 59°10'09"W and latitude 2°16'34"N, thence at true bearing of 146°, for a distance of approximately 5 miles 1182 yards, to Point B, located at geographical coordinates of longitude 59°7'23'W and latitude 2°12'28"N, thence at true bearing of 236°, for a distance of approximately 3 miles 1230 yards, to Point C, 2°10'39"N. thence at true bearing of 325°, for a distance of approximately 5 miles 1073 yards, to Point D, located at geographical coordinates of longitude 59°12'49"W and latitude 2°14'41"N, thence at true bearing of 55°, for a distance of approximately 3 miles 1327 yards, to Point of commencement A.

Thus enclosing an area of approximately 13,602 acres, save and except all lands lawfully held or occupied.

Extract from: Mining License ML1/2009 issued by GGMC

Table 3 of the Marudi Technical Report summarizes the corner coordinates of Mining License ML1/2009.

The Mining License is valid from April 17th, 2009 for an initial 20-year term (expiring April 17th, 2029). The license may be renewed for additional 7-year terms if the project remains viable.

Prior to Virgin Gold entering into the Option Agreement with Romanex, the GGMC , after discussions with Romanex, reduced the size of the Mining License by approximately 2,165 Ac (876.14 ha). Table 4 of the Marudi Technical Report summarizes the corner coordinates of Mining Licence ML1/2009 after such reduction. The total reduced area of Mining License ML1/2009 is 11,340 Ac Within the boundaries of ML1/2009 exist three claim groups owned by independent third parties: Lamazon Claims, Atkinson Paunch Creek Claims, and Young Claims. It is not required under Guyanese regulations for claims to be surveyed, thus claim locations are considered imprecise. Claims are however physically marked on the ground and registered with the GGMC. Claims made after the registration of the Mining License are invalid.

Figure 2 of the Marudi Technical Report shows a map of the Mining Licence and internal mineral claims.

An Agreement in Principle has been reached between the Ministry of Natural Resources, the Guyana Geology & Mines Commission and the companies Romanex and Aurous Guyana to convert the Marudi Mining License to a Prospecting License; it is subject to ratification by the local community stakeholders at a Consultation Meeting which is scheduled to occur shortly. (4589.14ha). Romanex and Aurous Guyana will be indemnified from environmental and social liabilities as a result of the activities within the Special Mining Permit.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Marudi Gold Project is located in the Rupununi District, southwestern Guyana centred at approximately Longitude 50° 09’W and Latitude 02°13’N. Marudi is approximately 500km south of the capital Georgetown, and 60km east of the international border with Brazil.

The nearest community to the property is Aishalton (population 1,069 in 2012), 35km to the northwest. Aishalton has a 915m grass airstrip for light chartered aircraft. The nearest community with scheduled air service is Lethem (pop. 1,702 in 2012), approximately 200km northwest of Marudi.

Lethem is the main regional supply centre with road connections to Georgetown (550km) and Boa Vista in Brazil (130km).

The access road from Aishalton to the Marudi camp requires 4X4 vehicles and may have difficult access during the rainy season from April to August. The first 10km from Aishalton to Bushmouth is sand road on the flat savanna. The last 35km from Bushmouth to the Marudi camp is a muddy track.

Figure 3 of the Marudi Technical Report shows a map of road accesss.

The local climate from Lethem is indicative of that in the Marudi camp, but may differ in local rainfall and temperature due to the dense tropical forest vegetation in the camp area.

Lethem has a tropical savanna climate with distinct rainy season and dry winter (Köppen climate classification Aw). Weather patterns are shown in Table 5 of the Marudi Technical Report.

The Marudi property is located between 260 to 520m altitude, with subdued rolling hills. Vegetation comprises both high canopy trees and low brush with a thick organic soil cover.

The Marudi camp has been on care and maintenance through 2020 to date, primarily due to o the financial challenges faced by the previous Optioners and latterly by COVID-19 precautions and travel restrictions. Most of the information below is the result of a recent site visit by Mr. Ronsha Hamilton (geological Engineer) and Ms. Erin Earl (Geologist), both employees of Aurous Guyana Inc, who visited the site in February, 2021 (Earl, 2021).

Camp infrastructure includes:

- Wood frame buildings (kitchen, dining room, office, bunk house, medical station, core shed, vehicle workshop, security office)
- Aluminium frame Weatherport type tents
- Steel shipping containers
- 20 kVA diesel generator and local reticulation
- Satellite internet network

The camp has accommodated up to 80 people at peak operations.

The Medical centre is staffed by an EMT/Nurse, and provides emergency first aid to both employees and local artisanal claim miners in the area. Most common treatment is for Vivax malaria and minor injuries, with more serious cases referred to the nearest hospital in Aishalton.

Vehicles and heavy plant owned by the project include:

- 2X Toyota 4X4 light vehicles (not in service)
- 2X Honda ATV (one in service)
- Kabota 4X4 tractor with winch (in service)
- Doosan DX 225GCA excavator (in service)
- Caterpillar D66F wheel loader (not in service)
- Morooka MST-300VD tracked hauler (not in service)

- Morooka RG-30 tracked dumper (not in service)
- Caterpillar 7H bulldozer (not in service)

Essential equipment for the care and maintenance status of the project is available and working, but significant repairs will be necessary especially on heavy plant when the project is reactivated.

The camp is staffed by eleven people, 9 of whom are based on site, including:

- Camp Manager
- Security Supervisor
- 2X security guards
- Operations Manager
- Cook
- Camp attendant
- Service technician
- 2X general labourers
- Medic

Staff are rotated on a monthly basis, and have been recruited mostly from local communities.

Five different types of core boxes have been used on the project: waxed cardboard, corrugated plastic, resin, galvanised steel, and local wood. Core from the 2012 drilling by Guyana Frontier Mining Corp and the 2017 drilling by Goldstrike are stored in wooden boxes and are well preserved, although labelling and metre marking has faded. Core prior to 2012 are stored in cardboard boxes which have seriously deteriorated and about half may not be recoverable. No core remains from drilling conducted by Rupununi Gold (1946-1947) and Norman (1981). Table 6 of the Marudi Technical Report summarizes the core inventory.

Romanex share office space with Falcon Logistics to provide secretarial, communications, supplies and logistics to the Marudi camp.

As shown in the core inventory summary (see Table 6 of the Marudi Technical Report), approximately 50% of the core prior to 2012 are stored in cardboard boxes which are seriously degraded. New wooden boxes, plastic metre markers, and aluminium labels are required for preservation, with an index of the core shed. This task is ongoing during the care and maintenance period.

In the rainy season, the bush track from Bushmouth to the Marudi camp may be impassable or take a significant amount of time to traverse. In case of medical emergency, the trip from camp to the nearest hospital at Aishalton takes a minimum of 5 hours. Supplies from the regional centre at Lethem is a +8hour journey by road. A local airstrip within the Mining license is considered desirable, both in case of medical emergency, and to reduce road logistics costs.

History

Since the 20th century, gold has been identified in the area. Small-scale mining by artisanal and informal alluvial has been conducted intermittently in the area since the 1920s.

From 1946-1949, modern exploration of the Condor Project area began with Rupununi Gold Company in the form of geologic mapping, prospecting, test pitting and trenching, and 59 drill holes totalling 10,670 m, most of which were drilled on the Marudi North Zone. Additionally, an exploration adit was driven 84 m into the west flank of the Mazoa Hill Zone. In 1949, Rupununi estimated a (non-compliant Historical) alluvial gold resource of 459,000 m^3 grading 0.45 g/m^3 (206,550 Oz gold in creeks draining away from Marudi Mountain.

After Rupununi Gold Company, no formal exploration was conducted again until NorMan Mines Ltd. held and explored the property. Norman Mines drilled two holes at Mazoa Hill and had preliminary metallurgical test work completed by Witteck Development Inc. NorMan also performed an alluvial sampling program on the Property and estimated gold concentrations between 0.62 and 1.24 grams per tonne.

Noranda Inc. and Guyana Mining Enterprise held the property in 1984 and the only known work conducted by the companies was an extension of the adit at Mazoa Hill to 183 m.

From 1988-1990, Eastern Caribbean Mining Development (Guyana) Ltd. The company established a control grid and conducted geologic mapping, soil geochemical and geophysical surveys, as well as trenching. Most notably, the geologists recognized the association of gold with iron-bearing quartzite.

Subsequent to Eastern Caribbean Mining Development (Guyana) Ltd., Romanex Guyana Exploration Ltd. / Sutton Resources Ltd. obtained and held the property from 1990-1999. Access and camp construction were completed in the fall of 1990 and diamond drilling commenced in May 1991. Drilling (72 holes totalling 14,468 m) was focused primarily on the Mazoa Hill Zone with limited drill tests of the Marudi North, Peace, and Toucan targets. Magnetic / VLF, soil and rock chip surveys were also conducted.

In 1992, Romanex completed eighteen diamond drill holes at Mazoa Hill and three holes on the Marudi North Zone, together totalling 4,400m. At the Marudi North Zone, auger holes tested interpreted northwest-trending veins. Auger holes at Mazoa Hill intercepted brecciated gold-bearing quartzite. Romanex commissioned metallurgical test work by Westcoast Testing (Vancouver) including bench scale gravity, flotation, cyanide leaching studies.

In 1993 Romanex completed nine diamond drill holes totalling 2,626m at Marudi North, Toucan, and below Mazoa Hill and in 1994, drilling continued with 34 holes totalling 7,309m. In 1995, metallurgical studies were completed by Lakefield Research (Toronto, Ontario) which indicated recoveries of to up to 98%. Romanex commissioned Kilborn Engineering Ltd. to complete an evaluation study including a capital expenditure model which indicated that resources additional to those already identified would be necessary to make the project economically viable.

Vannessa Ventures Ltd ("Vannessa") acquired Romanex on July 22, 1999 and remained owner until 2005. Vannessa compiled data and conducted field validations to confirm previous data, carried out geochemical sampling and also completed an in-house feasibility study to evaluate mining the upper portion of the Mazoa deposit and the surrounding gold-bearing saprolite. 13 diamond drill holes totalling 2,627m were drilled by the company, including five at Mazoa Hill, four at the Peace Creek target and four at the Marudi North Zone. The Mazoa Hill drilling tested for extensions to the known limits of the zone and three of the five holes intersected mineralization of potential economic interest. The Peace Creek drilling was intended to test a mineralized structure that had been identified by Rupununi Mines during the period 1946-1949. Three of the four holes drilled here intersected gold mineralization with grades up to 4.9 g/t over intercepts of up to 2.7 m. The Marudi North holes ended in the hanging wall of the mineralized stratigraphy.

From 2007-2012 the property was held by Shoreham Resources Ltd. / Guyana Frontier Mining Corp. In 2007 and 2008 Shoreham Resources Ltd. conducted exploration programs consisting of trenching, auger drilling, and geochemical sampling. The locations of Shoreham work areas were partially guided by results of grid soil sampling conducted by Vannessa in 2000.

Shoreham drilled 1,050 auger holes (5,500 aggregate m), primarily in two detailed grids referred to as Marudi East and Toucan Hill to explore for new targets. The holes were vertical, penetrated saprolite and weathered bedrock, ranged in depth from 2 m to 8 m, and produced 5,500 1-metre samples.

Within the he Marudi East grid, 420 of 1,324 auger holes intersected intervals with greater than 0.2 g/t gold. Gold values ranged from detection limit to 29.6 g/t over one-metre intervals. The most encouraging of the shallow drill holes terminated in well-mineralized material and contained an average of 11.2 g/t gold over 6.0m within a zone that averaged 1.36 g/t across a width of 120m. New targets were identified in the Toucan Hill area, with 391 of 3,615 samples exceeding 0.2 g/t and sample values ranging up to 23.0 g/t.

Several trenches at Mazoa Hill and one at Marudi North were excavated and sampled by vertical cuts along the walls and by auger holes along the base. Qualitative assessment of gold potential was estimated by pan concentrates and visible gold counts.

On January 31st, 2011 Shoreham Resources Ltd. changed its name to Guyana Frontier Mining Corp. (Guyana Frontier). Guyana Frontier did not generate a report to document their 2011-2012 exploration programs that included trenching and drilling; information appeared only in press releases. Nineteen trenches with an aggregate length of 3,400 m were excavated in the Marudi North target area. The results of the trenching indicate that gold mineralization is present in bedrock within the area tested.

A total of 1,059 trench samples, each weighing between 1 to 3 kilograms, were taken in continuous horizontal 3-m intervals with the exception of the first three trenches in which 10 samples were 5 m in length. Two samples were collected for each three-metre interval: one sample was panned to determine the presence of and to count gold grains, and the other was sent for assay. Gold mineralization is associated with the subcrops of quartzite and consists of fine gold dust and gold grains up to 0.5 x 2.0mm in size. The angular, wire, and hackly shapes of gold grains indicate that the gold has weathered in-situ and has not been transported a significant distance from its source.

Guyana Frontier's 2012 drilling program comprised 12 holes totalling 1,977m. Three holes were drilled at Mazoa Hill to confirm results obtained in holes drilled by Romanex, and the remaining nine holes were drilled in the Marudi North area. All Mazoa Hill 2012 drill holes intersected gold mineralization, most notably hole MH12-132 returned a weighted average of 2.59 g/t gold over 37.47m. Four of the holes drilled in the Marudi North target area encountered gold mineralization in excess of 0.2 g/t. The most notable intercept returned 4.3 g/t gold over 17.6m.

Guyana Frontier failed to complete the earn-in commitments, and ownership of the project remained with Romanex.

Historical Mineral Resources

Virgin Gold Corporation has not done sufficient work to validate the previously disclosed Mineral Resource on the Mazoa Hill zone (Mosher, 2017 for Guyana Goldstrike Inc.). The resource is not considered Current under the NI 43-101 definition. Virgin Gold are treating the previous resource estimate as Historical, and the known mineralization as an exploration target.

The following information is summarized from Mosher (2017) on behalf of Guyana Goldstrike Inc:

> *The Mazoa Hill Zone has been explored by surface trenching and approximately 63 drillholes. This work has defined a zone of mineralized quartzite that strikes northwest, is approximately 300 metres long along strike, 150 metres wide across strike and has been traced to a depth of 250 metres below surface. The zone is near-vertical or dips steeply to the northeast. The saprolite layer above the quartzite is up to 30 metres thick but is generally thinner and the Mazoa Formation quartzite is partially exposed at surface.*
>
> *A Mineral Resource estimate was carried out for the Mazoa Hill Zone and is summarized [below]. This estimate has been constrained by a conceptual pit and is stated at a cutoff grade of 0.5 g/t gold.*

Table 7 of the Marudi Technical Report summarizes the Mazoa Hill Zone mineral resource estimate in conceptual pit at 0.5 g/t cutoff.

There has been no commercial gold production from the Marudi Gold Project, although small scale artisanal mining of alluvial gold has been sustained for more than 90 years. No estimate of artisanal mining production has been made.

Geological Setting

Regional Geology

The primary source references for the regional geology as summarized in reports by Bardoux et al 2018, Lunceford, 2010, Mosher, 2017 and Strickland, 2016 based on inter alia Berrangé, 1972, and Carter, 1962. Other references of interest include Gibbs and Barron, 1983; Singh, 1974; Corrêa et al, 2014, and Heesterman (2019).

Guyana is underlain by Neo- to Mesoarchaean rocks of the Guiana Shield, which comprises the northern half of the Amazon craton and extends from Venezuela to Brazil. The Guiana Shield has historically produced significant gold, and has an estimated present-day endowment in excess of 110Moz.

The Archaean core of the craton is mantled by Neo-Proterozoic orogenic belts comprising volcano-sedimentary greenstone belts, which have been metamorphosed to greenschist and amphibolite facies. Most of the hard rock gold occurrences in the Amazon craton occur in greenstone belt rocks.

The greenstones in southern Guyana are known as the Kwitaro Group (2,090 Ma. ±42 m.y.), which occurs as five discrete enclaves of metasedimentary rocks, each several hundred km2 in extent, and each bounded by intrusive rocks of the Southern Guyana Granite Complex (1,701 Ma ±28 m.y. to 1,838 Ma ±30 m.y.). The most common lithologies are pelitic and semipelitic metasediment, now represented by metasiltstone, biotite-muscovite phyllite, schist and gneiss.

Heesterman (2019) asserts that the Kwitaro Group are not strictly greenstones due to the paucity of bimodal volcanics and preponderance of sediments, although gold mineralization is known, and the region is underexplored.

The Marudi Formation occurs at the base of the Kwitaro Group and is comprised of quartzite, pelite, quartz pebble conglomerate, andesite and amphibolite, probably derived from a basalt or andesitic protolith. The pelite shows graded bedding and current structures, and the quartzites display compositional banding and cross-bedding. Dips of planar structures and mineral lineations vary from horizontal to vertical. Folding is tight to open. Contact metamorphism within Kwitaro Group rocks occurs adjacent to the Southern Guyana

Granite Complex intrusives. Veins and dikes of aplite-pegmatite cut the metasediments and small xenoliths of metasedimentary rocks occur within the granite.

The Southern Guyana Granite Complex largely consists of two types: grey, biotite + muscovite, hornblende, epidote granite to granodiorite with steep foliation and/or lineation and less-abundant pink, biotite-muscovite granite that may be fine or coarse-grained and is in part foliated. The pink granites were inferred by Berrangé (1972) to have evolved metasomatically from the grey granite. The Marudi Granodiorite is a small pluton located on the north side of the Marudi Formation enclave coincident with a northwest-trending synclinal axis (Figure 7.1). This intrusive is younger than the Southern Guyana Granite Complex and is possibly associated with the gold mineralization that occurs within the Property.

Two major compressional deformation events are recognised:

- Broad regional deformation of the greenstones (Kwitaro Group) resulting in tight upright NE trending folding
- NE-SW compression resulting in NW-SE trending open folds caused by Intrusion of the Southern Guyana Granite Complex, accompanied by brittle deformation fracturing and faulting

Both of the regional deformation events are likely related to the Trans-Amazonian Orogeny (2.0 Ga).

See Figure 6 of the Marudi Technical Report for a geological map of Guyana.

Local and Project Geology

The local property geology is summarised in Lunceford (2010), Mosher (2017), and Strickland (2016) and various internal reports by the previous operators.

The Marudi Gold Project is underlain predominantly by the Marudi Formation at the base of the Palaeo-Proterozoic Kwitaro Group, the major units of which are meta-andesite, pelitic metasediment and quartzite that contains intervals of meta-andesite, tuff and magnetite-bearing metasediment. The assumed stratigraphic sequence is, from oldest to youngest, andesite-metasediment-quartzite.

These rocks have been subjected to upper-greenschist to lower-amphibolite grade regional metamorphism. The Marudi Granodiorite, on the north flank of Marudi Mountain, post-dates the Marudi Formation and has caused marginal contact-metamorphism.

The meta-andesite is a dark green, compact, massive rock with no internal fabric and is largely comprised of amphibolite and feldspar. Altered pyroxene and calcite-filled amygdules occur locally. Epidote schlieren, white calcite veinlets and scattered red jasper are found throughout the unit. Very fine-grained chilled zones and incipient breccia in the upper few metres of the unit characterize the sharp contact with the overlying quartzite.

In some but not all drillholes, pelitic metasediment occurs between the andesite and quartzite and also occurs as interbeds within the quartzite. The metasediment is fine-grained, dark to medium grey, and displays bedding and laminations.

The quartzite horizon is the principal or only host of gold mineralization within the Property and is estimated to be approximately 40m thick, although locally can be significantly thicker. This unit is pale blue-grey or white, and commonly contains white quartz stringers and veins near the contacts. The quartzite is medium-grained and exhibits faint colour banding, possibly indicative of bedding. Cross-bedding was noted in outcrops at the Mazoa Hill Zone. There is some debate about the protolith of the quartzite, which may be a chemical sediment (based on association with fine grained pelitic sediments and BIF), or a clean sandstone (based on sedimentary textures).

Iron oxide is a common minor component of the quartzite, occurs in quantities up to five percent and is pervasive as fine streaks and dusty clouds between quartz grains. In fresh rock, iron is commonly present as magnetite. At Mazoa Hill the quartzite contains specular hematite in addition to magnetite which may be indicative hydrothermal alteration.

Within the quartzite, magnetite is mostly concentrated in a magnetite-silicate “banded iron formation” unit that is approximately 50 cm thick. Medium-green intervals of fine, dense, massive iron silicate (possibly chlorite or annite) three to ten cm in thickness, are separated by one to three-cm layers of brown to beige euhedral garnet. Magnetite occurs as streaks and bands in a one to two-cm layer. Chert beds consisting of cryptocrystalline dark blue grey silica in layers one to two cm thick also occur. An acicular green silicate, possibly actinolite, is commonly associated with minor calcite and is prominent in some intervals of the quartzite.

Quartzite-metachert (Q-MC) is a locally derived term and refers to the undifferentiated group of quartzite and banded ironstone derived from clean sandstone and chemical iron-silica sedimentary protoliths.

Grey, leucocratic feldspar dikes, quartz-feldspar porphyry dikes and green mafic dikes were intersected in some of the drillholes at Mazoa Hill. The dikes strike easterly and dip vertically or steeply to the north. Contacts are generally chilled. Fresh felsic dikes are very competent. The mafic dikes appear to have been metamorphosed. As well, foliation is common in the mafic dikes indicating that they could be older than the feldspar porphyry dikes.

See Figure 8 of the Marudi Technical Report for a project geology map.

Exploration

Exploration activities since the last NI 43-101 by Mosher (2017) were primarily excavator trenching and airborne geophysics. A total of US$775,614 of exploration activities primarily consisting of excavator trenching, airborne geophysics, and camp support costs were performed on the Marudi Gold Project.
Results of the trenching were disclosed in various press releases by Guyana Goldstrike Inc. (Goldstrike, 2018, 2019).

Interpretation of the airborne geophysics survey in 2018 on behalf of Guyana Goldstrike Inc is the specific focus of this report.
Virgin Gold Corp. has not conducted any exploration to date on the Marudi Gold Project.

Geophysical Exploration Model

The salient points of the geology and mineralization results in a geophysical exploration model:

- Strong magnetic signature indicative of BIF, locally diminished by alteration associated with mineralization (demagnetization)
- Tabular shape indicative of stratigraphic unit or structural control
- Weathering resistance of siliceous units forming topographic highs
- Structural elements may be important in focussing mineralizing fluids
- Thick forest cover precludes use of radiometrics as generally useful technique, although K-enriched

spoil from artisanal mining suggests this may be an effective core logging method to identify subtle alteration
- Potassium is a common association with alteration that may accompany certain styles of gold mineralization

Airborne Magnetic and Radiometric Survey

The principal objectives of the interpretation of geophysical data over the Marudi Gold Project, Guyana are as follows:

- Using available historical and recent geophysical and geological data, provide an interpretive map of the underlying geology and structure
- By direct measurement of magnetic susceptibility on representative samples of available core, rock grab samples and outcrop, tie the geophysical interpretation to the mapped geology
- Using *a priori* knowledge of the specific host rocks and alteration associated with known Au mineralization, identify targets for further detailed exploration (Model-Driven approach)
- Using statistical analysis of the magnetic, radiometric and derived data, identify exploration targets which are inherently anomalous (Data-Driven approach)

The following software and equipment are used to complete the principal objectives:

- Geosoft Mapping System – visualisation and generation of all map products
- Geosoft MAGMAP – processing of geophysical data, including magnetic derivatives
- Geosoft VOXI – 3D inversion of magnetic data for susceptibility
- SAGA (System for Automated Geoscientific Analyses) – statistical analysis of radiometric data (classification)

The primary source of geophysical data used for this interpretation was a helicopter-borne magnetics and radiometrics survey conducted by Precision GeoSurveys Inc. of Langley, BC in October 2018 (Precision, 2018-1; Precision, 2018-2).
The main specifications of the survey are tabulated in Table 8 of the Marudi Technical Report. The survey covered 1,321line-km of traverse and control lines, covering an area of 54.6 km^2.

Targets selected in this report are areas to focus exploration efforts, not specific drillhole sites. Target numbers use a prefix indicating the type of data used for selection, for example K, Th, U, and M refer to potassium, thorium, uranium and magnetic targets respectively.

Images shown in this report have been contrast stretched to maximize the amount of detail in the individual images to highlight features of interest. Colours cannot be compared between images, only the magnitude of the responses. Due to the large dynamic range of the data, weaker responses are subdued if a constant contrast stretch is applied to all images.

Aspects of the regional geology relevant to this interpretation are as follows:

- Project is located within the Guiana Shield, underlain by Palaeoproterozoic Kwitaro Group (2,090 Ma. ±42 my), and younger Southern Guyana Granite Complex (1,701 Ma ±28 m.y. to 1,838 Ma ±30 m.y.)
- Kwitaro Group comprises shallow water closed basin chemical and fine-grained clastic sediments and interbedded mafic to intermediate volcanics

- Southern Guyana Granite Complex comprises granite to granodiorite which enclose enclaves of the Kwitaro Group sediments
- Marudi Formation at the base of the Kwitaro Group comprises quartzite (including BIF), pelite, carbonates, quartz pebble conglomerate, andesite and amphibolite
- Stratigraphic sequence (*cf* drill hole MH12-131) upwards from mafic to intermediate volcanics, volcaniclastic pelitic sediments, BIF, quartzite with lateral facies equivalent carbonates, granitoids
- Regional metamorphic grade upper greenschist to lower amphibolite as part of the Trans-Amazonian Orogeny (also known as the Trans- Amazonian Tectonothermal Episode or TATE)
- Two local deformation events at different phases of TATE: North-east trending penetrative upright folding, followed by NW striking refolding
- Resulting pattern is Type 1 interference folding (dome and basin)
- Subsequent deep tropical weathering (Lujan and Armbruster, 2011)

The salient points relevant to this interpretation are as follows:

- Primary host rock for Au mineralization is dominantly quartzite (Quartzite-Metachert or Q-MC) with a minor component of silicate facies BIF
- Massive (unbanded) quartzite (wisps and disseminations of iron as magnetite, no lithic fragments) is dominant, which indicates change in depositional environment from BIF; protolith is likely pure quartz sandstone
- Origin of the quartzite is the subject of debate, either as a clean sandstone or chemical precipitate
- The BIF is a minor component and undifferentiated from massive quartzite in geological logging
- BIF is generally strongly magnetic, and is thought to represent a silica facies Banded Iron Formation
- Genetic depositional model based on direct precipitation of SiO_2 and Fe from suboceanic hot springs in quiet back-arc basin, low sulphur, little lithic clastic input, associated proximal volcanics

Magnetic Susceptibility

The magnetic susceptibility is a dimensionless constant measuring the degree of magnetization of a material in response to an applied magnetic field. Magnetic susceptibility is related primarily to the quantity of magnetic minerals in rocks, and also anisotropy and grain size.

Magnetic minerals in rocks are related to the diagenetic, metamorphic and alteration history of the rocks, not necessarily the original lithology. Despite these limitations, direct measurement of magnetic susceptibility of representative rock types remains the primary method of correlating magnetic surveys to the underlying geology.

By nature of common occurrence in sediments, volcanic and intrusive rocks, and strong inherent susceptibility, magnetic susceptibility of rocks may be thought of as the amount of magnetite in the sample. Other minerals which may contribute to the susceptibility include maghaemite, ilmenite, and pyrrhotite.

<u>Previous Geophysics Work</u>

Previous ground geophysics surveys and magnetic susceptibility measurements (Thornton, 1992) were conducted in the Marudi Mountain and Mazoa Hill areas, but no digital data is available and the survey location is imprecise. Thornton concluded the following:

- Thornton makes note of a previous magnetic survey by Eastern Caribbean Mining and Development Company (EMCD) in 1988, with "suspect" results
- Quartzites, banded iron formation and garnet skarn are the only rocks to contain appreciable magnetite
- Magnetic susceptibility of the quartzite is highly variable
- VLF-EM {very low frequency electromagnetic conductors} suggest the Marudi North mineralization is cut by two North-South faults
- Magnetic response is considerably weaker at Marudi North site than at Mazoa Hill

The Thornton work is superseded by the airborne geophysics survey and magnetic susceptibility results reported herein.

Magnetic Susceptibility Test Methodology

- Exploranium KT-9 portable field magnetic susceptibility meter, measures the change of oscillator frequency of an induction coil in the presence of a rock sample, which is proportional to the magnetic susceptibility of the sample
- Before each sample measurement, the meter is zeroed in free space (ie. without the rock sample on the coil)
- The core sample is measured with the flat side of the split core on the KT-9 sensor, reducing the effect of irregular surface and normalising any change of sample volume
- Samples were taken adjacent to drillers metre marking blocks in the core trays, reducing depth measurement errors
- Susceptibility measurements greater than 2.0 were repeated with the core sample rotated on the sensor, giving an estimate of the measurement precision
- Magnetic susceptibility of trench channel samples were taken with the sensor on the sample bag, which due to volumetric and density variation may not be directly comparable to solid core samples

Results

- Measurements were conducted on all drill core from the 2012 drilling programme, and other samples of representative rock types and gold occurrences from holes where core is well preserved from older drilling
- A total of 1709 core samples were measured on 24 holes from the Marudi project
- Magnetic susceptibility readings >2.0 were repeated with a measurement precision of 3% on 620 repeats (36% repeat readings)
- Magnetic susceptibility measurements on 66 channel samples from Trench TEM-18-17 were taken for comparison to relative magnetization tests in the field where a pocket magnet was used for direct magnetic susceptibility testing on a subjective scale of 0 to 4.

Figures 14 to 17 of the Marudi Technical Report show a graphs of certain magnetic susceptibility measurements. Tables 9 and 10 of the Marudi Technical Report summarize certain findings related to the magnetic susceptibility measurements.

Discussion of Magnetic Susceptibility Results

- Measurements are made at discrete points on the core, and are not directly related to logging intervals or geochemical samples which are composite samples over length intervals
- Lithology codes from the 2012 drilling are internally consistent, but are not comparable to older geological logging
- High precision of magnetic susceptibility readings indicates homogeneity of magnetite distribution in the sample at the scale of and at the measurement point
- Quartzite/Quartzite-Metachert (Q-MC)(primary host rock for Au mineralization) has a distinctive strong magnetic susceptibility, which substantiates the assertion that magnetic surveys are the key exploration indicator
- However, more than 50% of the Q-MC samples measured have a low magnetic susceptibility <10, which overlaps the susceptibility range of other lithotypes, and is thus not a unique geologic indicator
- Strong magnetic susceptibility portions of the logged Q-MC lithology are reported to be banded silicate facies Iron Formation (BIF) distinguished from massive quartzite, but BIF is not differentiated in the geologic logs and this assertion cannot be validated

Linking Magnetic Susceptibility to Au Mineralization

It has been reported in several previous works (Lunceford, 2010; Mosher, 2017; Strickland, 2016) that the primary host to gold mineralization on the property is silicate facies Banded Iron Formation (BIF) within a thicker massive quartzite unit. From an exploration standpoint, it is not clear that stronger magnetic response correlates to higher gold tenor. However, there is an undeniable spatial correlation of gold occurrence with strong magnetic response, which suggests a genetic link.

To test this assertion, gold assays from drillhole MH12-131 were plotted against magnetic susceptibility. Although visually the correlation is poor, statistically the correlation is weak positive (0.125), which permits a working hypothesis that this is a valid but not exclusive assumption.

Figure 18 of the Marudi Technical Report shows a graph of gold versus magnetic susceptibility measurements from drill hole MH12-131.

Magnetic Field Measurements

The theory of magnetic field measurements is well covered in various treatises on geophysics, for example Grant and West, 1965. Only the salient points relative to the current survey are reported herein as follows:

- The Earth’s magnetic field at the survey location is approximately 30,000 nT, which is approximately half that at the magnetic pole, resulting in induced field strength approximately half strength compared to higher latitudes
- The inclination of the Earth’s magnetic field at the survey location is 15.1° (down), resulting in dipolar induced magnetic anomalies
- Due to the relatively low magnetic latitude, induced magnetic anomalies appear as “stretched” dipoles, which are not located directly above underlying magnetic rocks
- Magnetic survey data are not directly interpretable, and require mathematical Reduction to Pole (RTP) to accurately locate underlying magnetic rocks
- Magnetic response is not directly correlated to the composition of the source rock, but is the combination of the diagenetic, metamorphic, and alteration history of the rocks

The standard map projection and datum for all reporting to the Government of Guyana is Universal Transverse Mercator (UTM), on the Provisional South American Datum 1956 (PSAD56) (Guyana, 2010; Miller, 2003). GPS navigation uses the Geographic coordinate system (Latitude/Longitude) on the World Geodetic System 1984 (WGS-84) datum. As Geographic coordinates are spherical, and UTM coordinates are planar and rectangular, a transformation is required between the two systems.

The coordinates of the mineral tenement were given in UTM/PSAD56 for flight path planning and navigation. The field operations team assumed incorrectly the PSAD56 coordinates were on the WGS84 datum, resulting in an offset of the survey from the mineral tenement. The error in the map datum results in an offset of the survey of approximately 148.7m East and 373.8m North.

The end result of this error is a strip of approximately 120 m width on the south-west boundary of the mineral tenement that was not covered in the airborne geophysics survey, but there is more coverage to the north-east and north-west of the mineral tenement. As the main area of interest (Mazoa Hill, Marudi North, and Toucan Ridge) are central to the survey block, the interpretation is not restricted (see Figure 19 of the Marudi Technical Report).

<u>2D Results</u>

In 2D interpretation, the magnetic field represents the integrated response of the rocks to great depth (*i.e.* the Curie Point where demagnetization occurs). However, most of the response is from shallow sources closest to the measurement point, with deeper responses attenuating and broadening with depth. 2D interpretation in complex geological environments tells us little about the underlying structure.

In all of the magnetic derivatives discussed below, the data were first Reduced to Pole (RTP) to remove the dipole effect at low magnetic latitude.

The Apparent Magnetic Susceptibility calculation is a forward model where the magnetic properties (magnetic susceptibility) of an assumed geometric model (in this case a vertical square prism) are iteratively varied so the resulting calculated magnetic anomaly matches the measured data (Total Magnetic Intensity). As the magnetic susceptibility of the model does not vary vertically, this derivative does not provide structural information at depth.

Based on results of the magnetic susceptibility readings on drill core, the highest measurements are from Q-MC, assumed to be the silicate facies BIF. It is clear that the Mazoa Hill mineralization is spatially related to the strongest apparent magnetic susceptibility (= BIF), but the Marudi North mineralization is related to weaker magnetism in host rocks.

The host rocks for the Mazoa Hill and Marudi North occurrences are logged similarly in drill core, although the Mazoa rocks have a much stronger magnetic susceptibility. This could suggest two scenarios: the stronger magnetic unit is a different stratigraphic horizon which resulted in greater proportion of magnetite; or the strong magnetic rocks could be a magnetite alteration product associated with mineralizing processes.

Taking into account that the siliceous BIF is resistive to weathering, targets are selected on linear bands of high magnetic susceptibility correlated to ridges of relatively high topography. Twenty-one targets selected are tabulated in Table 11 of Marudi Technical Report.

As mentioned before, 2D magnetic targets do not provide information on depth or structure, so emphasis on 3D targets selected below is recommended.

3D Analysis

The original modern theoretical work on 3D inversion of magnetic field data from surface measurements was by Li and Oldenburg, 1996. Inversion differs from forward modelling (where a simplified geometric model is assumed and physical properties changed to reproduce the original data); in that the geometry and physical properties of the model are iteratively changed to match the observed data. In short, the earth model represented by 3D grid of volume elements voxels) is changed to match the observed data. No assumptions are made about the earth model.

3D inversion is computationally intensive, given the large number of voxels in the model and number of parameters, which may far exceed the number of original observation points. Inversion of large datasets was originally constrained by the processing power of commercially available PCs, but thanks to Cloud computing technology, where the user submits only the data and parameters to a remote processing centre and only the resulting voxel matrix is returned, 3D inversion is now the norm.

The 3D inversion software used in this interpretation was based on academic work at the University of British Columbia – Geophysical Inversion Facility (eg. Williams, 2006) which has been commercialized by Geosoft Inc of Toronto, Canada and is known as Voxi Inversion.

One of the main issues with potential field inversion is the non-uniqueness of the model solution. This means that there is an infinite number of source distributions that will produce the measured field. From the analytical perspective, this means there is no depth resolution inherent in the magnetic field data. The non-uniqueness problem is addressed by applying constraints to the inversion (known as Regularization) such that the inversion models are small (compact), smooth, and within acceptable parameter ranges (eg. Non-infinite magnetic susceptibility.

The model submitted to the Voxi Inversion Cloud processing is unconstrained, as no a priori geological information was input to limit the model results. The resulting model is therefore independently data-driven, and may not match the known geology precisely. As the geology of the Marudi area is relatively poorly known outside of areas of concentrated drilling, and isolated or uncertain data may distort the model, this is an acceptable limitation of the model to provide an unbiased model.

One issue in presentation of the results of a 3D inversion model is evident in this report: 3D models are interactive, whereas reports are generally static images. The approach taken in this report is to present vertical and horizontal sections through the voxel model to illustrate particular features.

3D magnetic targets are selected based on strong magnetic susceptibility from planar source bodies at the shallowest depth point. In the horizontal image, the Area of Interest is shown as blue dashed rectangles and the inversion section line shown as stars.

Note that the colour scales in the vertical inversion sections represent small variations in the apparent (calculated) magnetic susceptibility, so the scale numbers are not shown correctly on the diagram.

Table 12 of the Marudi Technical report shows 3D magnetic targets.

Fault structures are not directly imaged in magnetic surveys, as they are generally low magnetic features

from destruction of magnetic minerals. However, faults can be inferred from the offsets in magnetic marker horizons or linear magnetic trends.
Magnetic lineaments are interpreted from linear contour patterns, offsets and terminations of magnetic features, and may represent faults, lithological contacts, dykes, or data processing artefacts. Not all magnetic lineaments are faults, and lineaments are quite subjective depending on the interpreter.

Analysis of interpreted magnetic lineaments on the Marudi project identify three main trends: azimuth 035° representing F1 trends, azimuth 148° representing F2 trends, and azimuth 005° representing the interference fold pattern conjugate.

Mosher (2017) and others have suggested some N-S structural control on mineralization at Mazoa Hill. From this magnetic lineament analysis, this corresponds to the 005° trend which is formed by the interference of F1 and F2 deformation, and reflects the lithological trend rather than brittle faulting (cf stereonet analysis).

Figures 21 to 24 show certain cross sections and diagrams related to 3D interpretation.

Radiometrics

Airborne radiometrics or gamma ray spectrometry surveys map the distribution of radiation emitted by the decay of radioactive isotopes of potassium, thorium and uranium, which are common though small components of all rocks. As radiation detectors measure directly the energy of gamma rays unique to the elements, the technique is essentially a geochemical survey.

The relative abundance of these elements may be characteristic of certain rock types or mineralizing processes.
Because gamma rays are absorbed by matter (*eg.* rocks, vegetation and air) proportional to density, radiometric surveys are essentially a surface mapping technique with little penetration. The radiometric response is also limited by aircraft terrain clearance and air humidity.

It is assumed that spectral calibration and cosmic radiation are compensated by the instrumentation.

The efficacy of gamma ray spectrometry surveys for mapping geology may be limited due to the following factors:

- Transported soil covering rocks of interest, masking the radiation emitted or transporting anomalies from the primary source
- Vegetation cover masking
- Atmospheric radon
- Weathering processes which displace radioactive elements from the source

<u>Radiometric Results</u>

Due to the generally low radiometric signature in the survey area, two processing techniques were used to enhance anomalous zones: Normalisation and Z Score.

Normalisation divides the channel response by the Total Count response to remove the effect of aircraft ground clearance, and to trace weak anomalies. Z Score is a statistical method of converting anomalies to standard deviation above the mean. Resulting maps are shown in Appendix I of the Marudi Technical Report, with comments below.

- Potassium
  - Northern half of the survey relatively higher response, indicating change in soil type or vegetation, suggested northern (higher) response area is soils derived from granitic parent material, southern (lower) response area soil derived from sediment parent material
  - Linear high response follows drainage from alluvial mine workings east of Mazoa Hill, suggests saprolite material being mined is K-enriched, possibly alteration associated with mineralization
  - Large area target K-03 (259989E/246224N) is parallel to F1 structural trend, with contamination by artisanal mining spoil noted
  - K/Th ratio indicates K enrichment assuming Th is immobile, suggested this is a criteria to distinguish K anomalies from natural sources compared to alluvial spoil
  - Table 13 of the Marudi Technical Report summarizes potassium anomalies
- Thorium
  - Thorium generally immobile in metamorphic rocks up to highest grades, and in weathering, so can be used to normalise other element data for areas of relative enrichment
  - Th generally higher in granitic rocks compared to mafics, but this is not the case in this area (i.e. granitoids to the north have high K but low Th signature)
  - Th typically very low in carbonates
  - Table 14 of the Marudi Technical Report summarizes thorium anomalies
- Uranium
  - U is generally enriched in felsic rocks compared to mafics
  - Enriched particularly in strong redox environments (i.e., carbonaceous sediments)
  - Table 15 of the Marudi Technical Report summarizes uranium anomalies

A pseudo-geology and soils map can be represented by classifying the responses from the three element radiometric channels. The classification map is shown in Appendix I to the Marudi Technical Report, with the results summarized below. Table 17 of the Marudi Technical Report summarizes the radiometrics classification.

Accurate geological mapping in this environment is difficult due to ubiquitous vegetation cover and deep tropical weathering. The radiometrics classification is primarily a soil map, which if *in situ* residual soils may indicate the underlying geology.

Radiometrics needs calibration to representative rock and soil types by field mapping and direct spectrometer measurements.

Figure 25 of the Marudi Technical Reports show the radiometics classification.

Most of the radiometric response is from surface material, which if *in situ* can be an indicator of the underlying lithology and structure. Although there is little outcrop in the area, there is some evidence in the radiometrics of the underlying structure as shown in Figure 26 of the Marudi Technical Report.

Mineralization

Gold is the only mineral of economic interest that occurs within the Marudi property.

Gold occurs as two main types: Oxide Zone, including saprolite, alluvium, colluvium and other surface material, and the Primary Sulphide Zone comprising fresh parent material, including quartz-meta chert (Q-

MC) primary host rock. The Q-MC is known as the Quartzite Domain by Mosher (2017).

Gold in alluvial and colluvial surface materials may be concentrated mechanically by density separation of denser metallic particles from lighter minerals, and generally occurs at the base of topographic slopes and creeks. Alluvium, colluvium and other surficial material is heterogeneous and undifferentiated, and the gold resource is basically exhausted by decades of informal mining.

Intense tropical weathering zone is variable thickness but is generally 30m or more. Saprolite is formed by *in situ* oxidization and leaching of the host rocks, and is comprised mostly of clay, silica, and iron oxide and hydroxide. Saprolite may retain the fabric and geometry of the original host rock. The lower boundary between saprolite and fresh bedrock is transitional, and is variable depending on the composition and hardness of the parent material. Weathering may be deeper in fault zones, and shallower over siliceous rocks. Gold in sulphides are liberated by decomposition of the sulphides.

Gold in saprolite may be leached, precipitated, and enriched geochemically at the redox boundary between weathered and fresh material (supergene enrichment). The saprolite material is free digging, and is being exploited by local artisanal miners.

The Saprolite Domain contains approximately 7.6% of the Indicated mineral resource and 19.3% of Inferred (uncapped @ 0.5g/t Au cut-off) (Mosher, 2017).

For the purpose of geophysical interpretation, the oxide zone is magnetically transparent due to oxidation of primary magnetic minerals.

Primary gold mineralization occurs in quartz veins, associated with pyrite, pyrrhotite, arsenopyrite and chalcopyrite, and hosted by quartzite-metachert. The Q-MC host rock is undifferentiated in geologic logging, but contains clean quartzite and conventional banded iron formation.

Gold occurs within the sulphides and occasionally as free gold in quartz veins. The gold deportment between the host rock and the quartz veins needs further study.

Mineralization appears to be spatially associated with more chemically reactive material such as BIF and carbonaceous pelitic sediments.

Drilling

Virgin Gold Corporation has not conducted any drilling on the Marudi Gold Project.

Sampling, Analysis and Security

Virgin Gold Corporation has not conducted any sampling or geochemical analyses on the Marudi Gold Project.

Mineral Resources and Mineral Reserves

There have been no updates or revisions of the mineral resources on the property since the report by Mosher (2017). The resource is not considered Current under NI 43-101 definition. Virgin Gold are treating the previous resource estimate as Historical, and the known mineralization as an exploration target.

Conclusions

The following technical conclusions are drawn from the results of this study:

- There is a clear spatial association of gold with rocks of higher magnetic susceptibility
- The rocks with the highest measured magnetic susceptibility are quartzite-metachert (Q-MC), which is the primary host to gold mineralization
- Targets based on the highest magnetic susceptibility response are favourable for intersection of Au mineralization, but there are other factors (structure, alteration) which should be considered to optimise technical success
- Magnetic sources are below the depth of weathering. Magnetite in the fresh bedrock is mostly altered to iron oxides and hydroxides in the weathering profile. Fresh bedrock is generally below depth of excavation in trenches; quartzite-metachert (Q-MC) is relatively resistant to weathering.
- The magnetic patterns indicate a complex history of folding and faulting which is not easily explained by simple 2 phase interference folding suggested by the tectonic interpretation by Mosher (2017). More structural measurements on core and exposed bedrock is necessary
- Magnetic lineaments indicate three main trends: azimuth 035° representing F1 trends, azimuth 148° representing F2 trends, and azimuth 005° representing the interference fold pattern conjugate.
- Targets based on the strongest magnetic response attributed to quartzite-metachert (Q-MC) have been selected for further investigation
- Two types of geophysical targets are identified:
    - Expansion of the known gold resources at Mazoa Hill and Marudi North,
    - New target areas
- Airborne radiometric responses of bedrock are generally supressed by vegetation and soil cover. There is evidence of higher potassium response in areas of artisanal mining spoil, suggesting potassic alteration associated with mineralization. Ternary radiometric classification is basically a soils map which can be used for interpretation of soil geochemical surveys.