VIRGIN GOLD CORP.

Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2022
and the period from incorporation on November 27, 2020 to January 31, 2021

Unaudited - Expressed in Canadian dollars

Notice of Disclosure of Non-Auditor Review of the Condensed Interim Consolidated Financial Statements for the three and six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021.

Pursuant to subsection 4.3(3)(a) of National Instrument 51-102 - Continuous Disclosure Obligations, issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Virgin Gold Corp. for the three and six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditors, Smythe LLP, have not performed a review of these condensed interim consolidated financial statements.

March 25, 2022

VIRGIN GOLD CORP.
Condensed Interim Consolidated Statements of Financial Position
As at January 31, 2022 and July 31, 2021
Unaudited - (Expressed in Canadian dollars)

	Note	**January 31, 2022**	July 31, 2021
		$	$
Assets			
Current assets			
Cash		**3,806,315**	563,862
GST/HST receivable		**31,263**	4,686
		3,837,578	568,548
Exploration and evaluation assets	4	**50,000**	50,000
Land option deposits	4	**154,520**	154,520
Total assets		**4,042,098**	773,068
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	**138,063**	107,703
Deposit received		**175,000**	175,000
Total liabilities		**313,063**	282,703
Shareholders' equity			
Share capital	5	**6,152,515**	1,012,250
Reserves	5	**1,549,634**	-
Deficit		**(3,973,114)**	(521,885)
Total shareholders' equity		**3,729,035**	490,365
Total liabilities and shareholders' equity		**4,042,098**	773,068

Nature of operations and going concern (note 1)
Subsequent events (note 11)

These condensed interim consolidated financial statements were approved and authorized for issuance on behalf the Board of Directors on March 25, 2022.

Leo Hathaway
Director

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

VIRGIN GOLD CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and six months ended January 31, 2022 and period from incorporation on November 27, 2020 to January 31, 2021
Unaudited - (Expressed in Canadian dollars, except number of shares)

	Note	**Three months ended January 31, 2022**	**Six months ended January 31, 2022**	Period from incorporation to January 31, 2021
		$	**$**	$
Operating expenses				
Bank fees		**1,347**	**3,045**	184
Consulting fees	6	**32,333**	**54,824**	-
Exploration and evaluation expenditures	4, 6	**1,573,364**	**2,803,345**	28,000
Filing fees		**10,025**	**35,576**	-
General and administrative		**45,986**	**115,280**	2,000
Insurance		**112,118**	**112,118**	-
Marketing		**93,036**	**93,036**	-
Professional fees	6	**129,973**	**232,537**	49,683
Total operating expenses		**(1,998,182)**	**(3,449,761)**	(79,867)
Other expenses				
Foreign exchange loss		**-**	**(1,468)**	(12,087)
Loss and comprehensive loss		**(1,998,182)**	**(3,451,229)**	(91,954)
Loss per share				
Basic and diluted		**(0.10)**	**(0.18)**	(0.03)
Weighted average number of shares				
Basic and diluted		**20,955,554**	**19,086,327**	3,654,231

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

VIRGIN GOLD CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021
Unaudited - (Expressed in Canadian dollars, except number of shares)

	Note	Number of outstanding common shares	Share capital	Shares to be issued	Reserves	Deficit	Total shareholders' equity
		#	$	$	$	$	$
Balance, November 27, 2020 (incorporation)		1	-	-	-	-	-
Common share cancelled	5	(1)	-	-	-	-	-
Shares issued for services	5	5,625,000	37,500	-	-	-	37,500
Shares issued in private placement	5	7,462,500	49,750	-	-	-	49,750
Share subscriptions received	5	-	-	60,000	-	-	60,000
Loss and comprehensive loss		-	-	-	-	(91,954)	(91,954)
Balance, January 31, 2021		13,087,500	87,250	60,000	-	(91,954)	55,296
Shares issued in private placement	5	1,734,375	925,000	(60,000)	-	-	865,000
Loss and comprehensive loss		-	-	-	-	(429,931)	(429,931)
Balance, July 31, 2021		14,821,875	1,012,250	-	-	(521,885)	490,365
Units issued in private placement	5	7,870,469	5,140,265	-	1,549,634	-	6,689,899
Loss and comprehensive loss		-	-	-	-	(3,451,229)	(3,451,229)
Balance, January 31, 2022		**22,692,344**	**6,152,515**	**-**	**1,549,634**	**(3,973,114)**	**3,729,035**

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

VIRGIN GOLD CORP.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021
Unaudited - (Expressed in Canadian dollars)

	Note	**Six months ended January 31, 2022**	Period from incorporation to January 31, 2021
		$	$
Operating activities			
Loss and comprehensive loss		**(3,451,229)**	(91,954)
Adjustment for non-cash item:			
Shares issued for services	5	**-**	37,500
Changes in non-cash working capital:			
GST/HST receivable		**(26,577)**	(100)
Accounts payable and accrued liabilities		**30,360**	-
Net cash used in operating activities		**(3,447,446)**	(54,554)
Investing activity			
Investment in exploration and evaluation assets	4	**-**	(154,520)
Net cash used in investing activity		**-**	(154,520)
Financing activities			
Units issued for cash	5	**6,689,899**	-
Deposit received	1	**-**	175,000
Share subscriptions received	5	**-**	60,000
Shares issued for cash	5	**-**	49,750
Net cash provided by financing activities		**6,689,899**	284,750
Net increase in cash		**3,242,453**	75,676
Cash, beginning of the period		**563,862**	-
Cash, end of the period		**3,806,315**	75,676
Supplemental disclosures with respect to cash flows:			
Interest paid		**-**	-
Income taxes paid		**-**	-

The accompanying notes are an integral part of the condensed interim 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 will be required to obtain additional financing to explore and develop its future resource properties.

Reverse takeover

On December 16, 2020, the Company signed a Letter of Intent 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.

On April 19, 2021, the Company entered into a definitive agreement with Goldblock, pursuant to which Goldblock will acquire all of the issued and outstanding shares of the Company (the "Transaction"). The Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia), whereby a wholly owned subsidiary of Goldblock, 1294320 B.C. Ltd., will amalgamate with Virgin Gold (the "Amalgamation") (note 11).

On September 15, 2021, the Company consolidated its common shares on a four to three basis. As a result, all information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in these consolidated financial statements have been adjusted retroactively to reflect the share consolidation.

Effective February 15, 2022, any unexercised options, warrants or other convertible securities of Goldblock will be cancelled. Prior to closing of the Transaction, Goldblock will consolidate its common shares on a two to one basis.

Share consolidation

On September 15, 2021, in connection with the Transaction, the common shares of the Company were consolidated on a basis of four pre-consolidation common shares to three post-consolidation shares, no fractional shares were issued. Accordingly, the Company has effected the share consolidation in these consolidated financial statements as if it had happened at the beginning of periods reported, and disclosed all share capital information respectively on a post consolidated basis.

Going concern

These condensed interim consolidated financial statements for the three and six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021 (the "interim 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 at January 31, 2022, the Company has an accumulated deficit of $3,973,114 (July 31, 2021 - $521,885). The Company is an exploration stage entity with no sources of operating cash flows. 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.

As of the date of these interim financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

2. BASIS OF PREPARATION

a) Statement of compliance

These interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

2. BASIS OF PREPARATION (continued)

The interim 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.

The interim financial statements were authorized for issuance in accordance with a resolution from the Board of Directors on March 25, 2022.

b) Basis of presentation

These interim 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 interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

The Company and its wholly owned subsidiary's reporting and functional currency is the Canadian dollar ("C$"). Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss. Amounts denominated in United States dollars are denoted as US$.

d) Basis of consolidation

These interim 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.

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 in this category.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The Company has no financial assets in this category as at January 31, 2022 or July 31, 2021.

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. The Company classifies GST/HST receivable in this category.

(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 and deposit received.

(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; and
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 GST/HST receivable. Their carrying values approximate the fair values due to short-term maturity of these instruments.

b) Common shares

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

c) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are recorded as share issue costs when the financing transactions are completed if the completion of the transaction is considered likely. Otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) 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. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

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.

j) 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.

Unaudited - (Expressed in Canadian dollars, except where noted)

4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a summary of exploration and evaluation expenditures for the three and six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021:

	Three months ended January 31, 2022	**Six months ended January 31, 2022**	Period from incorporation to January 31, 2021
	$	**$**	$
Camp costs	**53,963**	**58,603**	-
Drilling expenditures	**446,675**	**921,731**	-
Exploration expenses	**786,694**	**1,380,399**	28,000
Geological consulting	**275,526**	**412,777**	-
Geophysics	**-**	**17,546**	-
Miscellaneous	**10,506**	**12,289**	-
Total	**1,573,364**	**2,803,345**	28,000

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 January 31, 2022, the Company is in negotiations and has not made any payments to GSR.

Romanex Guyana Option Agreement

On March 10, 2021, the Company signed an option agreement with the shareholders of Romanex Guyana Exploration Ltd. (“Romanex”) to acquire 100% of the right, title, and interest in Romanex. During the period ended July 31, 2021, the Company paid 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. The Company has paid a total of $75,190 (US$60,000) to Romanex. 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)

Upon satisfactory completion of the due diligence process, the Company may elect to satisfy the option agreement for 100% of right, title, and interest in Romanex through the option payment of US$800,000 in cash or in a combination of cash and shares as follows:

- $516,374 (US$400,000) in cash (paid on December 23, 2021);
- 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 (note 11);
- 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 (note 11).

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. AGI has paid an exclusivity payment of $1 (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 Project").

In consideration for the purchase of the Arakaka Project 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 (note 11);

(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;

(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; and

(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 six months ended January 31, 2022

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 of a 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.

On December 23, 2021, the Company completed a private placement for gross proceeds of $3,039,383 through the issuance of 3,039,383 units at $0.85 per unit. Each unit consists of one common share and one half of a 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, $600,344 was recorded in reserves for the fair value of the warrants.

During the year ended July 31, 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, 5,625,000 common shares were issued with a fair value of $37,500 in consideration for professional services performed.

On January 15, 2021, the Company completed a private placement for gross proceeds of $49,750 through the issuance of 7,462,500 common shares at $0.007 per common share.

During the period from incorporation on November 27, 2020 to January 31, 2021, the Company received $60,000 in proceeds for the private placement which was closed on February 19, 2021.

On February 19, 2021, the Company completed a private placement for gross proceeds of $925,000 through issuance of 1,734,375 common shares at $0.53 per common share.

c) Common share purchase warrants

On September 16, 2021, in connection with the issuance of units, 2,415,543 common share purchase warrants were issued with a fair value of $949,290.

On December 23, 2021, in connection with the issuance of units, 1,519,692 common share purchase warrants were issued with a fair value of $600,344.

Unaudited - (Expressed in Canadian dollars, except where noted)

5. SHARE CAPITAL (continued)

The fair values of the warrants are determined by the Black-Scholes option pricing model and the following assumptions:

	December 23, 2021	September 16, 2021
Share price	$0.85	$0.85
Expected life (years)	2.00	2.00
Expected volatility	110.00%	110.00%
Risk-free rate	0.98%	0.44%
Dividend yield	0.00%	0.00%

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.

The following is a summary of the Company's warrants for the six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to July 31, 2021:

	Warrants outstanding	Weighted average exercise price
	#	$
Balance, November 27, 2020 and July 31, 2021	-	-
Issued	3,935,235	1.35
Balance, January 31, 2022	**3,935,235**	**1.35**

Expiry date	Warrants outstanding	Weighted average exercise price	Weighted average remaining life
	#	$	years
September 16, 2023	2,415,543	1.35	1.62
December 23, 2023	1,519,692	1.35	1.89
Balance, January 31, 2022	**3,935,235**	**1.35**	**1.73**

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).

As at January 31, 2022, there was $26,667 (July 31, 2021 - $nil) of director fees included in accounts payable and accrued liabilities.

During the three and six months ended January 31, 2022 and 2021 and the period from November 27, 2020 to January 31, 2021, the Company had the following transactions with related parties:

	Three months ended January 31, 2022	Six months ended January 31, 2022	Period from incorporation to January 31, 2021
	$	**$**	$
Consulting fees	**32,083**	**52,083**	-
Exploration and evaluation expenditures	**427,421**	**1,033,160**	28,000
Professional fees	**22,500**	**42,500**	-
Total	**482,004**	**1,127,743**	28,000

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 and Guyanese financial institutions.

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 January 31, 2022, the Company had cash of $3,806,315 (July 31, 2021 - $563,862) available to apply against short-term business requirements and current liabilities of $313,063 (July 31, 2021 - $282,703). The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash to capital and operating needs. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

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. FINANCIAL INSTRUMENTS

Fair value

The fair value of the Company's financial instruments is approximated by their carrying value due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
Level 3 - inputs for the asset or liability that are not based upon observable market data.

The carrying value of cash, GST/HST receivable, accounts payable and accrued liabilities, and deposit received approximate their fair value due to their short-term nature.

During the three months ended December 31, 2021 and 2020, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities.

10. SEGMENTED INFORMATION

Operating segments

The Company operated in a single reportable operating segment - the acquisition, exploration and evaluation of mineral properties. The Company's exploration and evaluation assets are currently located in Guyana.

11. SUBSEQUENT EVENTS

On February 3, 2022, pursuant to the agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc., the Company paid $700,000 in cash to Alicanto Minerals Limited (note 4).

On February 15, 2022, the Company completed the Amalgamation with 1294320 B.C. Ltd, a wholly owned subsidiary of Goldblock under the Business Corporations Act (British Columbia) to form 1348135 B.C. Ltd. In connection with the Transaction, the Goldblock changed its name to “Golden Shield Resources Corp.”. Upon the Amalgamation, shareholders of the Company exchanged their shares for the shares of Golden Shield Resources Inc., which resulted in the reverse takeover of Golden Shield Resources Corp. (formerly Goldblock) (“Golden Shield”).

On February 15, 2022, the Company granted 2,050,000 incentive stock options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.85 per share, have a term of five years, and will vest over a period of 24 months.

On February 18, 2022, an escrow agreement (the “Escrow Agreement”) between the Company and certain shareholders of the Company was completed resulting in 7,586,250 common shares (the “Escrowed Shares”) being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Shares was released from escrow on the Escrow Agreement date (the “Initial Release”) and an additional 15% to be released every six months thereafter following the Initial Release. These Escrowed Shares may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities.

On February 22, 2022, the shares of Golden Shield began trading on the Canadian Securities Exchange under the stock symbol “GSRI”.

On March 22, 2022, pursuant to option agreement with Romanex, Golden Shield issued 1,212,074 common shares at the fair value of $0.716 per share (note 4).

VIRGIN GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended January 31, 2022
and the period from incorporation on November 27, 2020 to January 31, 2021

Unaudited - 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 March 25, 2022 and should be read in conjunction with the condensed interim consolidated financial statements for the three and six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021 of Virgin Gold Corp. (the "interim financial statements"), 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 Virgin Gold Corp. (the "Company"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Except as otherwise indicated, all financial data in this MD&A has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with IFRS as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

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 July 31, 2021 is referred to as "fiscal 2021".

BUSINESS OVERVIEW

Virgin Gold Corp. 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.

On April 19, 2021, the Company entered into a definitive agreement with Goldblock, pursuant to which Goldblock will acquire all of the issued and outstanding shares of the Company (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").

On September 15, 2021, the Company consolidated its common shares on a four to three basis. As a result, all information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in this MD&A have been adjusted retroactively to reflect the share consolidation.

Effective February 15, 2022, any unexercised options, warrants or other convertible securities of Goldblock will be cancelled. Prior to closing of the 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 January 31, 2022 and July 31, 2021:

	January 31, 2022	July 31, 2021
	$	$
Exploration and evaluation assets	**50,000**	50,000
Land option deposits	**154,520**	154,520
Total assets	**4,042,098**	773,068
Total liabilities	**313,063**	282,703
Working capital	**3,524,515**	285,845

The following table summarizes the results of operations for the three and six months ended January 31, 2022 and the period from incorporation on November 2020 to January 31, 2021:

	Three months ended January 31, 2022	**Six months ended January 31, 2022**	Period from incorporation to January 31, 2021
Operating expenses	**$**	**$**	$
Bank fees	**1,347**	**3,045**	184
Consulting fees	**32,333**	**54,824**	-
Exploration and evaluation expenditures	**1,573,364**	**2,803,345**	28,000
Filing fees	**10,025**	**35,576**	-
General and administrative	**45,986**	**115,280**	2,000
Insurance	**112,118**	**112,118**	-
Marketing	**93,036**	**93,036**	-
Professional fees	**129,973**	**232,537**	49,683
Total operating expenses	**(1,998,182)**	**(3,449,761)**	(79,867)
Other expense			
Foreign exchange loss	**-**	**(1,468)**	(12,087)
Loss and comprehensive loss	**(1,998,182)**	**(3,451,229)**	(91,954)
Weighted average number of common shares - basic and diluted	**20,955,554**	**19,086,327**	3,654,231
Loss per common share - basic and diluted	**(0.10)**	**(0.18)**	(0.03)

During the three months ended January 31, 2022:

The Company had operating expenses of $1,998,182. The largest drivers of the increase in operating expenses were as follows:

- Exploration and evaluation expenditures of $1,573,364 represent technical expenditures on exploration properties and setup costs;
- General and administrative fees of $45,986 were comprised of corporate miscellaneous expenses;
- Insurance of $112,118 were comprised of payments for the employee's insurance, D&O and commercial liability insurance; and
- Professional fees of $129,973 were comprised of legal, audit and accounting fees associated with the Company.

During the six months ended January 31, 2022:

The Company had operating expenses of $3,449,761. The largest drivers of the increase in operating expenses were as follows:

- Exploration and evaluation expenditures of $2,803,345 represent technical expenditures on exploration properties and setup costs;
- General and administrative fees of $115,280 were comprised of corporate miscellaneous expenses;
- Insurance of $112,118 were comprised of payments for the employee's insurance, D&O and commercial liability insurance; and
- Professional fees of $232,537 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 three and six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021:

	Three months ended January 31, 2022	**Six months ended January 31, 2022**	Period from incorporation to January 31, 2021
	$	**$**	$
Camp costs	**53,963**	**58,603**	-
Drilling expenditures	**446,675**	**921,731**	-
Exploration expenses	**786,694**	**1,380,399**	28,000
Geological consulting	**275,526**	**412,777**	-
Geophysics	**-**	**17,546**	-
Miscellaneous	**10,506**	**12,289**	-
Total	**1,573,364**	**2,803,345**	28,000

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 January 31, 2022, the Company is in negotiations and has not made any payments to GSR.

Romanex Guyana Option Agreement

On March 10, 2021, the Company signed an option agreement with the shareholders of Romanex Guyana Exploration Ltd. ("Romanex") to acquire 100% of the right, title, and interest in Romanex. During the period ended July 31, 2021, the Company paid 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. The Company has paid a total of $75,190 (US$60,000) to Romanex. 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.

Upon satisfactory completion of the due diligence process, the Company may elect to satisfy the option agreement for 100% of right, title, and interest in Romanex through the option payment of US$800,000 in cash or in a combination of cash and shares as follows:

- $516,374 (US$400,000) in cash (paid on December 23, 2021);
- 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 $1 (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 Project").

In consideration for the purchase of the Arakaka Project 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;

(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;

(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; and

(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

On September 15, 2021, the common shares of the Company were consolidated on a basis of four pre-consolidation common shares to three post-consolidation shares, no fractional shares were issued. Accordingly, the Company has effected the share consolidation in this MD&A as if it had happened at the beginning of periods reported, and disclosed all share capital information respectively on a post consolidated basis.

During the six months ended January 31, 2022

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 of a 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.

On December 23, 2021, the Company completed a private placement for gross proceeds of $3,039,383 through the issuance of 3,039,383 units at $0.85 per unit. Each unit consists of one common share and one half of a 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, $600,344 was recorded in reserves for the fair value of the warrants.

During the year ended July 31, 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, 5,625,000 common shares were issued with a fair value of $37,500 in consideration for professional services performed.

On January 15, 2021, the Company completed a private placement for gross proceeds of $49,750 through the issuance of 7,462,500 common shares at $0.007 per common share.

During the period from incorporation on November 27, 2020 to January 31, 2021, the Company received $60,000 in proceeds for the private placement which was closed on February 19, 2021.

On February 19, 2021, the Company completed a private placement for gross proceeds of $925,000 through issuance of 1,734,375 common shares at $0.53 per common share.

HIGHLIGHTS SUBSEQUENT TO JANUARY 31, 2022

On February 3, 2022, pursuant to the agreement to acquire StrataGold Guyana Inc. and Manticore Resources Inc., the Company paid $700,000 in cash to Alicanto Minerals Limited.

On February 15, 2022, the Company completed the Amalgamation with 1294320 B.C. Ltd, a wholly owned subsidiary of Goldblock under the Business Corporations Act (British Columbia) to form 1348135 B.C. Ltd. In connection with the Transaction, the Goldblock changed its name to "Golden Shield Resources Corp.". Upon the Amalgamation, shareholders of the Company exchanged their shares for the shares of Golden Shield Resources Inc., which resulted in the reverse takeover of Golden Shield Resources Corp. (formerly Goldblock) ("Golden Shield").

On February 15, the Company granted 2,050,000 incentive stock options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.85 per share, have a term of five years, and will vest over a period of 24 months.

On February 18, 2022, an escrow agreement (the "Escrow Agreement") between the Company and certain shareholders of the Company has been completed resulting in 7,586,250 common shares (the "Escrowed Shares") being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Shares was released from escrow on the Escrow Agreement date (the "Initial Release") and an additional 15% to be released every six months thereafter following the Initial Release. These Escrowed Shares may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities.

On February 22, 2022, the shares of Golden Shield began trading on under the stock symbol "GSRI".

On March 22, 2022, pursuant to option agreement with Romanex, Golden Shield issued 1,212,074 common shares at the fair value of $0.716 per share.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2022, the Company had cash of $3,806,315 (July 31, 2021 - $563,862) and a net working capital of $3,524,515 (July 31, 2021 - $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 six months ended January 31, 2022 was $3,447,446 (period from incorporation to January 31, 2021 - $54,554).

During the six months ended January 31, 2022, the Company used $nil cash in investing activities (period from incorporation to January 31, 2021 - $154,520). Cash used in the period ended January 31, 2021 related to the payment of land option deposits.

During the six months ended January 31, 2022, the Company had net cash provided by financing activities of $6,689,899 from private placements (period of incorporation to January 31, 2021 - $284,750). The increase is due to funding required for exploration activities.

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 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 interim 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 January 31, 2022, 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.

As of the date of this MD&A, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

CONTRACTUAL OBLIGATIONS

The Company has certain remaining contractual obligations with respect to the Fish Creek Joint Venture & Option Agreement, Romanex Guyana Option Agreement, Sardine Hill Option Agreement, and the purchase of the Arakaka Project. For more information relating to contractual obligations, see the section titled "Fiscal Highlights", sub-section "Mineral Properties".

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.

During fiscal 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.

As at January 31, 2022, there was $nil due to related parties (July 31, 2021 - $nil) included in accounts payable and accrued liabilities.

During the three and six months ended January 31, 2022 and the period from incorporation on November 27, 2020 to January 31, 2021, the Company had the following transactions with related parties:

	Three months ended January 31, 2022	**Six months ended January 31, 2022**	Period from incorporation to January 31, 2021
	$	**$**	$
Consulting fees	**32,083**	**52,083**	-
Exploration and evaluation expenditures	**427,421**	**1,033,160**	28,000
Professional fees	**22,500**	**42,500**	-
Total	**482,004**	**1,127,743**	28,000

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at January 31, 2022 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at January 31, 2022 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.

The Company has no financial instruments classified as measured at fair value. The carrying values of cash, GST/HST receivable, and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

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 January 31, 2022, the Company had cash of $3,806,315 (July 31, 2021 - $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 January 31, 2022, the Company has a working capital surplus of $3,524,515 (July 31, 2021 - $285,845). 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

After the completion of a four to three share consolidation on February 15, 2022 and as of the date of this MD&A, the Company has the following securities issued and outstanding:

Type	#
Common shares	28,404,418
Warrants	3,935,235
Options	2,050,000

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 below:

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.