



GOLCAP RESOURCES CORP.

Financial Statements
(Expressed in Canadian Dollars)

For the year ended September 30, 2020
and the period from incorporation on September 20, 2019 to September 30, 2019

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Golcap Resources Corp.

Opinion

We have audited the financial statements of Golcap Resources Corp. (the "Company") which comprise the statements of financial position as at September 30, 2020 and September 30, 2019, and the statements of operations and comprehensive loss, changes in equity and cash flows for the year ended September 30, 2020 and the period from incorporation on September 20, 2019 to September 30, 2019, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and September 30, 2019, and its financial performance and its cash flows for the year ended September 30, 2020 and the period from incorporation on September 20, 2019 to September 30, 2019 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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 on this other information, 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 as issued by the International Accounting Standards Board, 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.

Auditors' 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 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 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 auditors' 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 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 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 auditors' report is Michael Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
January 27, 2021

GOLCAP RESOURCES CORP.

Statements of Financial Position

(Expressed in Canadian dollars)

As at September 30, 2020 and September 30, 2019

	September 30, 2020	September 30, 2019
Assets		
Current Assets		
Cash	\$ 311,542	\$ 15,000
Amounts receivable (note 4)	584	-
Prepaid expenses (note 5)	10,000	-
	<u>322,126</u>	<u>15,000</u>
Non-current Assets		
Exploration assets (note 6 and 9)	96,001	-
	<u>\$ 418,127</u>	<u>\$ 15,000</u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 31,622	\$ 883
Shareholders' Equity		
Share capital (note 8 and 9)	479,998	15,000
Accumulated deficit	(93,493)	(883)
	<u>386,505</u>	<u>14,117</u>
	<u>\$ 418,127</u>	<u>\$ 15,000</u>
Nature of operations (note 1)		
Subsequent events (note 12)		

Approved on behalf of the Board:

"Gordon Lam"
Gordon Lam, CEO

"Alan Tam"
Alan Tam, CFO

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

GOLCAP RESOURCES CORP.

Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

For the year ended September 30, 2020 and

the period from incorporation on September 20, 2019 to September 30, 2019

	Year Ended Sept 30, 2020	Period from Incorporation on Sept 20, 2019 to Sept 30, 2019
Expenses:		
Professional fees (note 9)	\$ 49,422	\$ -
Consultants	22,500	-
Regulatory	17,660	-
General and administration	3,028	883
Net loss and comprehensive loss for the period	\$ (92,610)	\$ (883)
Net loss per share, basic and diluted (note 8)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding:		
Basic and diluted	10,520,886	900,001

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

GOLCAP RESOURCES CORP.

Statements of Changes in Equity

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

	Number of shares	Share capital	Accumulated deficit	Total shareholders' equity
Balance September 20, 2019	-	\$ -	\$ -	\$ -
Share issued on incorporation	1	-	-	-
Issuance of common shares non-brokered (note 8 and 9)	3,000,000	15,000	-	15,000
Loss for the period		-	(883)	(883)
<hr/>				
Balance September 30, 2019	3,000,001	\$ 15,000	\$ (883)	\$ 14,117
Issuance of common shares non-brokered (note 8 and 9)	10,249,916	464,998	-	464,998
Cancellation of common share	(1)	-	-	-
Loss for the period	-	-	(92,610)	(92,610)
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Balance September 30, 2020	13,249,916	\$ 479,998	\$ (93,493)	\$ 386,505

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

GOLCAP RESOURCES CORP.

Statements of Cash Flows

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

	Year ended Sept 30, 2020	Period from Incorporation on Sept 20, 2019 to Sept 30, 2019
Cash (used in) provided by:		
Operating:		
Net loss	\$ (92,610)	\$ (883)
Changes in non-cash operating working capital:		
Amounts receivable	(584)	-
Prepaid expenses	(10,000)	-
Accounts payable and accrued liabilities	30,739	883
Cash used in operating activities	(72,455)	-
Financing:		
Issuance of common shares	464,998	15,000
Cash provided by financing activities	464,998	15,000
Investing:		
Investment in exploration assets	(96,001)	-
Cash used in investing activities	(96,001)	-
Increase in cash	296,542	15,000
Cash, beginning of year	15,000	-
Cash, end of year	\$ 311,542	\$ 15,000

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

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

1. Nature of operations:

Golcap Resources Corp. (“Golcap” or “the Company”) was incorporated on September 20, 2019 under the *Business Corporations Act* (British Columbia). The Company’s registered office is located at #2080 – 777 Hornby Street, Vancouver, British Columbia, V6K 2A4.

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenue and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically viable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interest.

These 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. As at September 30, 2020, the Company has no source of revenue, and during the year ended September 30, 2020, generated negative cash flows from operating activities and has an accumulated deficit of \$93,493.

Since incorporation, the Company has raised equity financing from investors and expects these funds to provide for its early stage exploration and working capital needs for the next twelve months. Additional fundraising may involve further private placements, convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of the Company’s operations.

There can be no assurances that the Company will be successful in raising additional cash to finance operations or that the continued support of shareholders will be available. These financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future. The financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

On December 22, 2020, the Company completed an initial public offering for gross proceeds of \$287,500 (see Note 12(a)).

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

2. Basis of preparation:

(a) Statement of compliance:

The financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements were approved and authorized for issue by the Board of Directors on January 27, 2021.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are recorded at fair value.

(c) Functional and presentation currency:

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

(d) Use of estimates and judgments:

The preparation of these 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.

Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Significant judgments made by management in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include the recoverability of exploration assets and the application of the going concern assumption.

3. Significant accounting policies:

(a) Cash:

Cash includes cash on hand and balances with banks, consisting primarily of operating bank accounts and is subject to an insignificant risk of change in value.

(b) Exploration and evaluation assets:

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation costs, in excess of estimated recoveries, are written off to the statement of operations and comprehensive loss.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

3. Significant accounting policies (continued):

(b) Exploration and evaluation assets (continued):

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.

(c) Financial instruments:

The Company adopted all of the requirements of IFRS 9 Financial Instruments upon inception on September 20, 2019. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking “expected loss” impairment model.

(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 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 the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Accounts payable	Other financial liabilities	Amortized cost

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

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.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

3. Significant accounting policies (continued):

(ii) Measurement (continued)

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 profit and loss. 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 profit and loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (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 profit and loss, 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. Gains and losses on derecognition are generally recognized in profit and loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

3. Significant accounting policies (continued):

(d) Loss per share:

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized based on the use of proceeds that could be obtained upon exercise of such options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. This calculation generally produces an anti-dilutive effect for loss years.

(e) Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in earnings except to the extent that they relate to a business combination, or to items recognized directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable earnings on the acquisition date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

3. Significant accounting policies (continued):

(f) Share-based payment transactions:

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company did not have any share-based payment transactions.

(g) Share capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Commissions paid to agents and other related share issue costs are charged directly to share capital.

4. Amounts receivable:

The amounts receivable are comprised of GST input tax credit receivable.

5. Prepaid expenses:

Prepaid fees paid in connection with proposed transaction to an Agent.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

6. Exploration assets:

	Tulameen Property
Balance, September 20, 2019 and September 30, 2019	\$ Nil
Geological and geophysical costs	87,800
Staking costs	2,456
Survey costs	5,745
Balance, September 30, 2020	\$ 96,001

The Tulameen property (the "Property") consists of two mineral claims totalling 1,738.29 hectares situated west of Otter Lake in southern British Columbia.

On October 10, 2019, the Company staked the Redcap tenure consisting of 1,403.33 hectares and on October 19, 2019, staked the SGBG TIP tenure consisting of 334.96 hectares.

7. Financial instruments:

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis are presented on the Company's statement of financial position as at September 30, 2020 as follows:

	Fair Value Measurements Using			Balance as at September 30, 2020 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	311,542	-	-	311,542

The fair values of other financial instruments, which include accounts payable, approximate their carrying values due to the nature and relatively short-term maturity of these instruments.

(b) Financial risk management:

The following provides disclosures relating to the nature and extent of the Company's exposure to risks arising from financial instruments, including credit risk, liquidity risk, foreign currency risk and interest rate risk, and how the Company manages those risks.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

7. Financial instruments (continued):

(b) Financial risk management (continued):

(i) 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.

The Company's credit risk is attributable to cash. The Company manages such risk by holding cash as operating bank accounts with Canadian chartered banks with minimum DBRS ratings of AA (S&P AA-).

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations using cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

All of the Company's contractual obligations have maturities of one year or less:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
	\$	\$	\$	\$	\$
<i>As at September 30, 2020</i>					
Accounts payable	31,622	31,622	31,622	–	–
Total	31,622	31,622	31,622	–	–
<i>As at September 30, 2019</i>					
Accounts payable	883	883	883	–	–
Total	883	883	883	–	–

(iii) Currency risk:

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company does not have any significant transaction in foreign currencies and therefore is not exposed to significant currency risk.

(iv) 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 market interest rates.

The Company is not exposed to significant interest rate risk.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

8. Share capital:

(a) Authorized share capital:

Unlimited voting, participating common shares, with no par value.

As at September 30, 2020, there were 13,249,916 common shares outstanding of which 3,500,000 common shares are being held in escrow.

(b) Issued share capital:

On incorporation, the Company issued one common share for a nominal amount.

On September 27, 2019, the Company issued 3,000,000 common shares as seed capital, at a price of \$0.005 per common share, for gross proceeds of \$15,000. Please also see note 9.

On November 13, 2019, the Company issued 6,999,916 common shares in a non-brokered private placement, at a price of \$0.02 per common share, for gross proceeds of \$139,998. Please also see note 9.

On April 30, 2020, the Company issued 3,150,000 units in a non-brokered private placement, at a price of \$0.10 per common share, for gross proceeds of \$315,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.30 per warrant for a period of 12 months from the date of grant. Please see also note 9.

On June 30, 2020, the Company issued 100,000 units in a non-brokered private placement, at a price of \$0.10 per common share, for gross proceeds of \$10,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.30 per warrant for a period of 12 months from the date of grant.

On June 1, 2020, the Company entered into an escrow agreement for 3,500,000 common shares. These common shares will be held in escrow pursuant to the requirements of the Canadian Securities Exchange ("Exchange") and terms of the escrow agreement and will be released from escrow in stages over a period of up to three year after the date the Company complete its listing transaction.

(c) Loss per share computation:

The following table sets forth the computation of loss per common share:

	Year ended September 30, 2020	Period from Incorporation to September 30, 2019
Loss for the period	\$ (92,610)	\$ (883)
Weighted average, common shares outstanding	10,520,886	900,001
Loss per share, basic and diluted	\$ (0.01)	\$ (0.00)

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

8. Share capital (continued):

(d) Share Purchase Warrants:

A summary of the warrant transactions during the period ended September 30, 2020 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 20, 2019 and September 30, 2019	-	-
Issued during the period	3,250,000	\$ 0.30
Balance September 30, 2020	3,250,000	\$ 0.30

The following warrants are outstanding at September 30, 2020:

Number of warrants	Exercise price per warrant	Expiry date
3,150,000	\$0.30	April 30, 2021
100,000	\$0.30	June 30, 2021
3,250,000		

As at June 30, 2020, the weighted average life of warrants outstanding was 0.59 years.

9. Related party transactions and balances:

Related parties include Directors of the Company and the Company's key management personnel. Key management personnel include the Company's CEO and CFO.

(a) Balances with related parties:

There are no balances owing to or from related parties as at September 30, 2019 and September 30, 2020.

(b) Transactions during the period with management consulting companies controlled by the Chief Financial Officer and a Director, respectively, are as follows:

	Year ended September 30, 2020	Period from Incorporation to September 30, 2019
Professional fees	\$ 12,800	\$ -
Exploration asset – geological and geophysical costs	23,875	-

On September 27, 2019, a total of 3,000,000 common shares were issued to a director and a former director for gross proceeds of \$15,000.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

9. Related party transactions and balances (continued):

On November 13, 2019, of the total 6,999,916 common shares issued in a non-brokered private placement, 1,008,250 common shares were issued to a director and a former director for gross proceeds of \$20,165.

On April 30, 2020, of the total 3,150,000 common shares issued in a non-brokered private placement, 100,000 common shares were issued to a director for gross proceeds of \$10,000.

The related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Capital management:

Since inception, the Company's objective in managing capital is to ensure sufficient liquidity to finance its exploration and evaluation activities and general and administrative expenses. The Company is not exposed to external requirements by regulatory agencies or third parties regarding its capital. The Company considers capital to include all components of shareholders' equity.

During the period, the Company received additional capital through equity financing. To maintain or adjust the capital structure, the Company may attempt to issue new shares or issue new debt.

The Company's capital resources are determined by the status of the Company's projects and its ability to compete for investor support.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

11. Income tax:

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year Ended September 30, 2020	Period from incorporation to September 30, 2019
Loss for the period	\$ (92,610)	\$ (883)
Canadian statutory income tax rate	27%	27%
Expected income tax (recovery)	(25,005)	(238)
Change in unrecognized deferred tax assets	25,005	238
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2020	2019
Deferred Tax Assets (Liabilities):		
Non-capital loss carry forward	\$ 25,243	\$ 238
Unrecognized deferred tax assets	(25,243)	(238)
Net deferred tax assets	\$ -	\$ -

The Company has approximately \$93,000 of non-capital losses for tax purposes which may be used to reduce income taxes of future years and will expire from 2039 to 2040. The Company has approximately \$96,000 in resource pools that can be used to reduce income taxes of future years relating to the Company's exploration assets.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

12. Subsequent events:

- On December 22, 2020, the Company completed an initial public offering for gross proceeds of \$287,500 by the issuance of 2,875,000 units of the Company at a price of \$0.10. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.30 per warrant for a period of 12 months from the date of grant.

GOLCAP RESOURCES CORP.

Notes to the Financial Statements

(Expressed in Canadian dollars)

For the year ended September 30, 2020

and the period from incorporation on September 20, 2019 to September 30, 2019

12. Subsequent events (continued):

Pursuant to the terms of the agreement, the Company paid the Agent a commission representing 10% of the gross proceeds of the IPO in cash or through the issuance of the 287,500 Agent's units. In addition, the Company paid the Corporate Finance Fee in the amount of \$20,000 and issued 1,000,000 Advisory Shares. The Agent also received 287,500 non-transferable agent's options to acquire up to 287,500 shares at a price of \$0.10 per share until December 22, 2021.

- (b) On December 22, 2020, the Company granted 1,660,000 incentive stock options to the directors and officers of the Company. The stock options are exercisable into 1,660,000 common shares at a price of \$0.10 per share for a period of five years.