



## **GOLCAP RESOURCES CORP.**

Unaudited Condensed Interim Financial Statements  
(Expressed in Canadian Dollars)

For the three and six month periods ended March 31, 2022 and 2021

### **NOTICE TO READER**

Under National Instrument 51-102, 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 financial statements have been prepared by management, and were not reviewed by the Company's independent auditor.

# GOLCAP RESOURCES CORP.

Condensed Interim Statements of Financial Position  
(Expressed in Canadian dollars)  
(Unaudited)

	March 31, 2022	September 30, 2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash (note 6)	\$ 46,185	\$ 745,692
Amounts receivable (note 3)	5,559	6,644
Investments (note 4 and 6)	540,985	-
	592,729	755,336
<b>Non-current Assets</b>		
Exploration assets (note 5)	122,238	224,738
	\$ 714,967	\$ 980,074
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	\$ 127,128	\$ 31,088
<b>Shareholders' Equity</b>		
Share capital (note 7)	1,567,700	1,563,623
Reserve	164,848	166,129
Accumulated deficit	(1,144,709)	(780,766)
	587,839	948,986
	\$ 714,967	\$ 980,074

Nature of operations (note 1)  
Subsequent events (note 9)

Approved on behalf of the Board:

"Justin Corinella"  
Justin Corinella, Director and CEO

"Alan Tam"  
Alan Tam, CFO

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

# GOLCAP RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss  
(Expressed in Canadian dollars)  
(Unaudited)

	Three months ended		Six months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Expenses:				
CSE listing costs (note 7)	\$ -	\$ -	\$ -	\$ 233,511
Consultants	72,000	26,500	84,000	55,500
General and administrative	7,269	1,749	8,192	2,974
Management fees (note 8)	12,000	12,000	6,667	16,000
Professional fees (note 7 and 8)	9,000	(12,685)	24,761	(21,703)
Regulatory and transfer agent	7,589	38,995	17,133	38,995
Stock based compensation (note 7)	-	-	-	137,594
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Loss before other income (expense)	(107,858)	(66,559)	(140,753)	(462,871)
Interest income	-	-	1,070	-
Investment loss	(204,598)	-	(121,760)	-
Write off exploration asset	(102,500)	-	(102,500)	-
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Net loss and comprehensive loss for the period	\$ (414,956)	\$ (66,559)	\$ (363,943)	\$ (462,871)
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Net loss per share basic and diluted (note 7(c))	\$ (0.02)	\$ (0.00)	\$ (0.02)	\$ (0.03)
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Weighted average number of common shares outstanding:				
Basic and diluted	27,933,546	17,624,117	27,952,288	15,641,490

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# GOLCAP RESOURCES CORP.

Condensed Interim Statements of Changes in Equity  
(Expressed in Canadian dollars)  
(Unaudited)

	Number of shares	Share capital	Reserve	Accumulated deficit	Total
Balance September 30, 2020	13,249,916	\$ 479,998	\$ -	\$ (93,493)	\$ 386,505
Issuance of IPO units brokered	2,875,000	233,067	54,433	-	287,500
Issuance of IPO advisory shares	1,000,000	81,067	-	-	81,067
Issuance of IPO units agent commission	287,500	23,307	18,620	-	41,927
Share issuance of IPO unit	-	(58,723)	-	-	(58,723)
Grant of options	-	-	137,593	-	137,593
Issuance of shares for additional Tulameen property options	250,000	102,500	-	-	102,500
Exercise warrants	228,645	69,358	(2,492)	-	66,866
Loss for the period	-	-	-	(462,871)	(462,871)
Balance March 31, 2021	17,891,061	\$ 930,574	\$ 208,154	\$ (556,364)	\$ 582,364
Balance September 30, 2021	27,905,586	\$ 1,563,623	\$ 166,129	\$ (780,766)	\$ 948,986
Exercise of options (note 7)	27,960	4,077	(1,281)	-	2,796
Loss for the period	-	-	-	(363,943)	(363,943)
Balance March 31, 2022	27,933,546	\$ 1,567,700	\$ 164,848	\$ (1,144,709)	\$ 587,839

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

# GOLCAP RESOURCES CORP.

Condensed Interim Statements of Cash Flows  
(Expressed in Canadian dollars)  
(Unaudited)

	Six months ended March 31, 2022	Six months ended March 31, 2021
Cash (used in) provided by:		
Operating:		
Net loss	\$ (363,943)	\$ (462,871)
Non-cash items:		
CSE listing costs	-	233,511
Stock based compensation	-	137,594
Investment loss	-	-
Write off exploration asset	102,500	-
Changes in operating working capital:		
Amounts receivable	4,085	(15,167)
Prepaid expenses	-	7,500
Investment	(540,985)	-
Accounts payable and accrued liabilities	96,040	(15,212)
Cash used in operating activities	(702,303)	(114,645)
Financing:		
Issuance of common shares (note 7)	2,796	287,500
Cash provided by financing activities	2,796	287,500
Investing:		
Investment in exploration assets	-	(115,600)
Cash used in investing activities	-	(115,600)
Increase in cash	(699,507)	57,255
Cash, beginning of year	745,692	311,542
Cash, end of year	\$ 46,185	\$ 368,797

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# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
(Expressed in Canadian dollars)  
(Unaudited)

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## 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 March 31, 2022, the Company has no source of revenue, and during the period ended March 31, 2022, generated negative cash flows from operating activities and has an accumulated deficit of \$1,144,709.

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.

# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
(Expressed in Canadian dollars)  
(Unaudited)

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## 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 May 17th, 2022.

### (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. Amounts receivable:

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

## 4. Investments:

Investments relate to an equity portfolio at a brokerage firm. The Company has elected to classify these financial assets at fair value through profit and loss (“FVTPL”). Therefore, they have been initially recognized at fair value plus transactions costs and will be subsequently measured at fair value with gains and losses recognized in other comprehensive income (loss).

# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
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## 5. Exploration assets:

	Tulameen Property
Acquisition costs	-
Geological and geophysical costs	\$ 99,850
Staking costs	2,456
Survey costs	19,932
Balance, March 31, 2022	\$ 122,238

	Tulameen Property
Acquisition costs	\$ 102,500
Geological and geophysical costs	94,300
Staking costs	2,456
Survey costs	12,345
Balance, March 31, 2021	\$ 211,601

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.

On February 22, 2021, the Company entered into an option agreement with a third party to increase the Property land package to 3,938 hectares. Under the agreement, the Company has the exclusive right and option to acquire 100% interest by issuing shares and incurring exploration expenditures under the following schedule:

Date	Shares	Exploration Expenditures
On the Effective Date	250,000 (issued)	Nil
Year 1 Anniversary Date	500,000	Greater of \$25,000 or amount required to keep the Property in good standing
Year 2 Anniversary Date	750,000	Greater of \$50,000 or amount required to keep the Property in good standing
Year 3 Anniversary Date	1,000,000	\$100,000
Total	2,500,000	\$175,000

Prior to the Year 1 Anniversary Date, the Company abandoned the options agreement with the third party and return the additional hectares. There are no other commitments required and no additional shares were issued because of the option agreement. The acquisition cost of \$102,500 was consequently written off.



# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
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## 6. 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 March 31, 2022 as follows:

	Fair Value Measurements Using			Balance as at March 31, 2022 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	46,185	-	-	46,185
Investments	540,985	-	-	540,985

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.

#### (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.

# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
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## 6. Financial instruments (continued):

### (b) Financial risk management (continued):

#### (ii) Liquidity risk (Continued):

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 March 31, 2022</i>					
Accounts payable	127,128	127,128	127,128	–	–
<b>Total</b>	<b>127,128</b>	<b>127,128</b>	<b>127,128</b>	<b>–</b>	<b>–</b>
<i>As at March 31, 2021</i>					
Accounts payable	16,284	16,284	16,284	–	–
<b>Total</b>	<b>16,284</b>	<b>16,284</b>	<b>16,284</b>	<b>–</b>	<b>–</b>

#### (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.

## 7. Share capital:

### (a) Authorized share capital:

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

As at March 31, 2022, there were 27,933,546 common shares outstanding of which 2,100,000 common shares are being held in escrow.

### (b) Issued share capital and options:

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.

# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
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## 7. Share capital (continued):

### (b) Issued share capital (continued):

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 also see note 8.

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 ("CSE") and terms of the escrow agreement and will be released from escrow in stages over a period of up to three years after the date the Company complete its listing transaction. Please also see note 7(a).

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.

Pursuant to the terms of the agreement, the Company paid the Agent a commission representing 10% of the gross proceeds through the issuance of the 287,500 Agent's units with the same terms. 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 warrants to acquire up to 287,500 shares at a price of \$0.10 per share until December 22, 2021. As a consequence, the Company recognized \$5,443 as fair value for the Agent's commission units, \$100,000 as fair value for the Advisory Shares, and \$13,176 as fair value for the non-transferrable agent's warrants.

On February 1, 2021, the Company extended the expiry period of warrants previously issued on April 30, 2020 and June 30, 2020 prior to completing its initial public offering on December 22, 2020. A total of 3,050,000 warrants exercisable at \$0.30, price unchanged, will now expire on December 22, 2021.

On February 22, 2021, the Company issued 250,000 common shares to a third party as settlement for signing the new Tulameen option agreement.

From February 5, 2021 to March 22, 2021, the Company issued 228,645 common shares for the exercise of 228,645 warrants and realized gross proceeds of \$66,864.

# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
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## 7. Share capital (continued):

### (b) Issued share capital (continued):

On July 19, 2021, the Company issued 14,525 common shares for the exercise of 14,525 warrants and realized gross proceeds of \$1,453.

On July 28, 2021, the Company closed a non-brokered private placement of 10,000,000 units at a price of \$0.06 per Unit, for gross proceeds of \$600,000. Each Unit consists of one common share of the Company and one common share purchase warrant exercisable into one common share of the Company at a price of \$0.075 per warrant for a period of 60 months from the closing date.

On December 1, 2021, the Company issued 27,960 common shares for the exercise of 27,960 warrants and realized gross proceeds of \$2,796.

### (c) Loss per share computation:

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

	Three months ended		Six months ended	
	March 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Loss for the period	\$ (414,956)	\$ (66,559)	\$ (383,943)	\$ (462,871)
Weighted average, common shares outstanding	27,933,546	17,624,117	27,952,288	15,641,490
Loss per share, Basic and diluted	\$ (0.02)	\$ (0.00)	\$ (0.02)	\$ (0.03)

### (d) Share Purchase Warrants:

A summary of the warrant transactions during the period ended March 31, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2021	16,456,830	\$ 0.16
Issued during the period		
Exercise of agent warrants	(27,960)	0.10
Expiration of private placement warrants	(3,050,000)	0.30
Expiration of IPO offering warrants	(2,855,000)	0.30
Expiration of agent's commission warrants	(287,500)	0.30
Expiration of agent's warrants	(236,370)	0.10
Balance March 31, 2022	10,000,000	\$ 0.075

# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
(Expressed in Canadian dollars)  
(Unaudited)

## 7. Share capital (continued):

### (d) Share Purchase Warrants (continued):

The following warrants are outstanding at March 31, 2022:

Number of warrants	Exercise price per warrant	Expiry date
10,000,000	0.075	July 28, 2026
10,000,000		

As at March 31, 2022, the weighted average life of warrants outstanding was 4.44 years.

### (e) Share Purchase Options:

A summary of the option transactions during the period ended March 31, 2022 is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2021	1,735,000	\$ 0.10
No activity during the period		
Balance March 31, 2022	1,735,000	\$ 0.10

The following options are outstanding at March 31, 2022:

Number of options	Exercise price per option	Expiry date
1,660,000	\$ 0.10	December 31, 2025
75,000	0.17	August 20, 2026
1,735,000		

As at March 31, 2022, the weighted average life of options outstanding was 3.73 years.

## 8. 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, former CEO and CFO.

### (a) Balances with related parties:

There are no balances owing to or from related parties as at March 31, 2021 and \$1,500 in accrued professional fees to a company controlled by the CFO as at March 31, 2022.

# GOLCAP RESOURCES CORP.

Notes to the Condensed Interim Financial Statements  
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(Unaudited)

## 8. Related party transactions and balances (continued):

(b) Transactions during the period with the Chief Executive Officer, the former Chief Executive Officer, and the Chief Financial Officer, respectively, are as follows:

	Three months ended		Six months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2020
Management fees (former CEO)	\$ -	\$ -	\$ (17,333)	\$ 16,000
Management fees (current CEO)	12,000	-	24,000	-
Professional fees	9,000	6,000	16,500	12,320

## 9. Subsequent events:

On May 5, 2022, the Company announced that effective the opening for trading on May 10, 2022 (the "Effective Date"), the shares of the Company will commence trading on the Canadian Securities Exchange on a consolidated basis, with one (1) new common share being issued for every three (3) pre-consolidated shares (the "Consolidation").

As a result of the Consolidation, on the Effective Date, a total of 9,311,182 common shares will be issued and outstanding, subject to adjustments for rounding, with 3,333,333 warrants and 578,333 options outstanding. No fractional shares will be issued. The name of the Company has not been changed, and the trading symbol remains as "GCP".