



GOLCAP RESOURCES CORP.

Unaudited Condensed Interim Financial Statements
(Expressed in Canadian Dollars)

For the three and nine month periods ended June 30, 2023 and 2022

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)

| | June 30, 2023 | September 30, 2022 |
|---|-------------------|-----------------------|
| Assets | | |
| Current Assets | | |
| Cash (note 6) | \$ 2,230 | \$ 990 |
| Amounts receivable (note 3) | 3,095 | 7,924 |
| Prepaid expenses | 4,985 | 5,000 |
| Investments (note 4 and 6) | 21,300 | 115,390 |
| | <u>31,610</u> | <u>129,304</u> |
| Non-current Assets | | |
| Exploration assets (note 5) | 122,238 | 122,238 |
| | <u>\$ 153,848</u> | <u>\$ 251,542</u> |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities (note 6 and 8) | \$ 379,670 | \$ 265,476 |
| Due to related party (note 8) | - | 5,000 |
| | <u>379,670</u> | <u>270,476</u> |
| Shareholders' Equity | | |
| Share capital (note 7) | 1,567,700 | 1,567,700 |
| Reserve | 164,848 | 164,848 |
| Accumulated deficit | (1,958,370) | (1,751,482) |
| | <u>(225,822)</u> | <u>(18,934)</u> |
| | <u>\$ 153,848</u> | <u>\$ 251,542</u> |
| 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 | | Nine months ended | |
|---|--------------------|------------------|-------------------|------------------|
| | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| Expenses: | | | | |
| Consultants | \$ 42,000 | \$ 42,000 | \$ 126,000 | \$ 126,000 |
| General and administrative (note 8) | 717 | 4,347 | 4,601 | 12,539 |
| Management fees (note 8) | 12,000 | 12,000 | 36,000 | 18,667 |
| Professional fees (note 8) | 10,500 | 9,712 | 38,594 | 34,473 |
| Regulatory and transfer agent | 3,008 | 11,026 | 13,890 | 28,159 |
| Loss before other income (expense) | (68,225) | (79,085) | (219,085) | (219,838) |
| Interest income | - | - | - | 1,070 |
| Realized gain (loss) on investments | (430) | (380,076) | 20,996 | (501,836) |
| Unrealized gain (loss) on investments | (37,629) | - | (8,799) | - |
| Write off of exploration asset | - | - | - | (102,500) |
| Net loss and comprehensive loss for the period | \$ (106,284) | \$ (459,161) | \$ (206,888) | \$ (823,104) |
| Net loss per share basic and diluted (note 7(c)) | \$ (0.01) | \$ (0.05) | \$ (0.02) | \$ (0.09) |
| Weighted average number of common shares outstanding: | | | | |
| Basic and diluted | 9,311,175 | 9,311,175 | 9,311,175 | 9,309,127 |

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

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, 2021 | 9,301,855 | \$ 1,563,623 | \$ 166,129 | \$ (780,766) | \$ 948,986 |
| Exercise of options (note 7) | 9,320 | 4,077 | (1,281) | - | 2,796 |
| Income for the period | - | - | - | (823,104) | (823,104) |
| Balance June 30, 2022 | 9,311,175 | \$ 1,567,700 | \$ 164,848 | \$ (1,603,870) | \$ 128,678 |
| Balance September 30, 2022 | 9,311,175 | \$ 1,567,700 | \$ 164,848 | \$ (1,751,482) | \$ (18,934) |
| Income for the period | - | - | - | (206,888) | (206,888) |
| Balance June 30, 2023 | 9,311,175 | \$ 1,567,700 | \$ 164,848 | \$ (1,958,370) | \$ (225,822) |

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)

| | Nine months ended June 30, 2023 | Nine months ended June 30, 2022 |
|---|--|--|
| Cash provided by (used in): | | |
| Operating: | | |
| Net loss | \$ (206,888) | \$ (823,104) |
| Non-cash items: | | |
| Write off exploration asset | - | 102,500 |
| Changes in operating working capital: | | |
| Amounts receivable | 4,828 | 7,213 |
| Prepaid expenses | 15 | |
| Investment | 94,090 | (166,250) |
| Accounts payable and accrued liabilities | 114,195 | 152,660 |
| Due to related party | (5,000) | - |
| Cash provided by (used) in operating activities | 1,240 | (726,981) |
| Financing: | | |
| Issuance of common shares | - | 2,796 |
| Cash provided by financing activities | - | 2,796 |
| Increase (decrease) in cash | 1,240 | (724,185) |
| Cash, beginning of period | 990 | 745,692 |
| Cash, end of period | \$ 2,230 | \$ 21,507 |

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

GOLCAP RESOURCES CORP.

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

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’s shares are listed on the CSE under the Symbol “GCP”.

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 June 30, 2023, the Company has no source of revenue, and during the period, generated negative cash flows from operating activities and has an accumulated deficit of \$1,958,370.

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)

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 August 15, 2023.

(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
(Expressed in Canadian dollars)
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5. Exploration assets:

| | Tulameen Property |
|----------------------------------|----------------------|
| Geological and geophysical costs | 99,850 |
| Staking costs | 2,456 |
| Survey costs | 19,932 |
| Balance, June 30, 2023 | \$ 122,238 |

| | Tulameen Property |
|----------------------------------|----------------------|
| Geological and geophysical costs | 99,850 |
| Staking costs | 2,456 |
| Survey costs | 19,932 |
| Balance, June 30, 2022 | \$ 122,238 |

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.

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 June 30, 2023 and 2022 are as follows:

| | Fair Value Measurements Using | | | Balance as at June 30, 2023 \$ |
|-------------|--|--|--|---|
| | Quoted prices in active markets for identical instruments (Level 1) \$ | Significant other observable inputs (Level 2) \$ | Significant unobservable inputs (Level 3) \$ | |
| Cash | 2,230 | - | - | 2,230 |
| Investments | 21,300 | - | - | 21,300 |

GOLCAP RESOURCES CORP.

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

6. Financial instruments (continued):

(a) Fair Values (continued)

| | Fair Value Measurements Using | | | Balance as at June 30, 2022 \$ |
|-------------|--|--|--|---|
| | Quoted prices in active markets for identical instruments (Level 1) \$ | Significant other observable inputs (Level 2) \$ | Significant unobservable inputs (Level 3) \$ | |
| Cash | 21,507 | - | - | 21,507 |
| Investments | 166,250 | - | - | 166,250 |

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
(Expressed in Canadian dollars)
(Unaudited)

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 June 30, 2023</i> | | | | | |
| Accounts payable | 379,670 | 379,670 | 379,670 | – | – |
| Total | 379,670 | 379,670 | 379,670 | – | – |
| <i>As at June 30, 2022</i> | | | | | |
| Accounts payable | 183,748 | 183,748 | 183,748 | – | – |
| Total | 183,748 | 183,748 | 183,748 | – | – |

(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, 2023, there were 9,311,175 common shares outstanding of which 175,000 common shares are being held in escrow.

(b) Issued share capital and options:

On November 13, 2019, the Company issued 2,333,305 common shares in a non-brokered private placement, at a price of \$0.06 per common share, for gross proceeds of \$139,998.

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Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
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7. Share capital (continued):

(b) Issued share capital (continued):

On November 13, 2019, the Company issued 2,333,305 common shares in a non-brokered private placement, at a price of \$0.06 per common share, for gross proceeds of \$139,998.

On April 30, 2020, the Company issued 1,050,000 units in a non-brokered private placement, at a price of \$0.30 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 \$0.90 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 33,333 units in a non-brokered private placement, at a price of \$0.30 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 \$0.90 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 1,166,666 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 958,333 units of the Company at a price of \$0.30. 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 \$0.90 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 95,833 Agent's units with the same terms. In addition, the Company paid the Corporate Finance Fee in the amount of \$20,000 and issued 333,333 Advisory Shares. The Agent also received 95,833 non-transferable agent's warrants to acquire up to 95,833 shares at a price of \$0.30 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 1,016,666 warrants exercisable at \$0.90, price unchanged, will now expire on December 22, 2021.

On February 22, 2021, the Company issued 83,333 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 76,215 common shares for the exercise of 76,215 warrants and realized gross proceeds of \$66,864.

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Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
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7. Share capital (continued):

(b) Issued share capital (continued):

On July 19, 2021, the Company issued 4,841 common shares for the exercise of 4,841 warrants and realized gross proceeds of \$1,453.

On July 28, 2021, the Company closed a non-brokered private placement of 3,333,333 units at a price of \$0.18 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 \$0.225 per warrant for a period of 60 months from the closing date.

On December 1, 2021, the Company issued 9,320 common shares for the exercise of 9,320 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 | | Nine months ended | |
|---|--------------------|------------------|-------------------|------------------|
| | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| Loss for the period | \$ (106,284) | \$ (459,161) | \$ (206,888) | \$ (823,104) |
| Weighted average, common shares outstanding | 9,311,175 | 9,311,175 | 9,311,175 | 9,309,127 |
| Loss per share, Basic and diluted | \$ (0.01) | \$ (0.05) | \$ (0.02) | \$ (0.09) |

(d) Share Purchase Warrants:

A summary of the warrants for the period ended June 30, 2023 are as follows:

| | Number of Warrants | Weighted Average Exercise Price |
|---|--------------------|------------------------------------|
| Balance, September 30, 2021 | 5,485,599 | \$ 0.48 |
| Issued during the period | | |
| Exercise of agent warrants | (9,320) | 0.30 |
| Expiration of private placement warrants | (1,016,666) | 0.90 |
| Expiration of IPO offering warrants | (951,666) | 0.90 |
| Expiration of agent's commission warrants | (95,833) | 0.90 |
| Expiration of agent's warrants | (78,790) | 0.90 |
| Balance September 30, 2022 and June 30, 2023 | 3,333,324 | \$ 0.225 |

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 June 30, 2023:

| Number of warrants | Exercise price per warrant | Expiry date |
|--------------------|----------------------------|---------------|
| 3,333,324 | 0.225 | July 28, 2026 |
| 3,333,324 | | |

As at June 30, 2023, the weighted average life of warrants outstanding was 3.08 years.

(e) Share Purchase Options:

A summary of the option for the period ended June 30, 2023 are as follows:

| | Number of Options | Weighted Average Exercise Price |
|--|-------------------|---------------------------------|
| Balance, September 30, 2021 | 578,333 | \$ 0.31 |
| No activity during the period | | |
| Balance September 30, 2022 and June 30, 2023 | 578,333 | \$ 0.31 |

The following options are outstanding at June 30, 2023:

| Number of options | Exercise price per option | Expiry date |
|-------------------|---------------------------|-------------------|
| 553,333 | \$ 0.30 | December 31, 2025 |
| 25,000 | 0.51 | August 20, 2026 |
| 578,333 | | |

As at June 30, 2023, the weighted average life of options outstanding was 2.51 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 were balances owing or accrued to or from related parties as at June 30, 2023. The current CEO's management fee amount of \$39,500 (2022: \$4,000) was owing and \$16,275 (2022: \$5,625) in invoiced or accrued professional fees were owing to a company controlled by the CFO.

GOLCAP RESOURCES CORP.

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

8. Related party transactions and balances (continued):

- (b) Transactions during the period with the former Chief Executive Officer, the current Chief Executive Officer, the Chief Financial Officer, and Crest Resources Inc. (Rent), respectively, are as follows:

| | Three months ended | | Nine months ended | |
|---|--------------------|------------------|-------------------|------------------|
| | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| Management fees (former CEO) | - | - | - | (17,333) |
| Management fees (current CEO) | 12,000 | 12,000 | 36,000 | 36,000 |
| Professional fees | 10,500 | 9,000 | 31,500 | 25,500 |
| Rent (in General and administrative) | - | - | 3,300 | - |

9. Subsequent events:

On August 9, 2023, the Company announced a non-brokered private placement of up to 5,000,000 units at a price of \$0.06 per unit for gross proceeds of up to \$300,000. Each unit consists of one common share and one warrant, each warrant entitles the holder to purchase one common share at a price of \$0.075 for a period of five years from closing.