

Financial Statements of

GOLDEN PURSUIT RESOURCES LTD.

Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Notice of No Auditor Review Interim Financial Statements

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GOLDEN PURSUIT RESOURCES LTD.

Statements of Financial Position
(Expressed in Canadian dollars)

	March 31, 2021 \$	September 30, 2020 \$
Assets		
Current assets		
Cash	368,527	89,808
Amounts receivable	4,356	14,077
Prepaid expenses	67,211	23,600
Due from related party (Note 8)	77,733	35,792
Total current assets	517,827	163,277
Non-current assets		
Property and equipment (Note 3)	4,743	4,743
Total non-current assets	4,743	4,743
Total assets	522,570	168,020
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	23,832	39,057
Due to related parties (Note 8)	15,936	30,634
Total liabilities	39,768	69,691
Shareholders' deficit		
Share capital	14,426,713	13,789,713
Reserves	5,421,163	5,421,163
Deficit	(19,365,074)	(19,112,547)
Total shareholders' deficit	482,802	98,329
Total liabilities and shareholders' deficit	522,570	168,020

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on May 28, 2021:

/s/ "Brian McClay"
Director

/s/ "Peter Watson"
Director

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

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

	Three Months ended March 31, 2021 \$	Three Months ended March 31, 2020 \$	Six Months ended March 31, 2021 \$	Six Months ended March 31, 2020 \$
Expenses				
Automotive (Note 8)	6,021	397	15,653	2,894
Consulting fees (Note 8)	25,000	—	37,947	—
Foreign exchange loss (gain)	(29)	—	1,305	(525)
Management fees (Note 8)	37,500	23,625	75,000	47,250
Mineral exploration costs (Note 4)	17,614	—	69,161	15,262
Office and general	10,974	7,314	13,664	50,522
Professional fees	8,756	6,822	10,656	10,799
Rent	4,500	5,000	9,000	21,214
Transfer agent and filing fees	7,737	5,307	16,166	13,938
Travel	2,850	4,915	3,977	26,268
Total expenses	120,922	53,380	252,527	188,674
Net loss and comprehensive loss	(120,922)	(53,380)	(252,527)	(188,674)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding	28,637,792	31,564,103	28,637,792	31,564,103

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Reserves \$	Deficit \$	Total shareholders' deficit \$
	Shares #	Amount \$			
Balance, September 30, 2019	31,564,103	12,335,960	5,323,100	(18,341,639)	(682,579)
Shares issued pursuant to exercise of share purchase warrants	—	—	—	—	—
Net loss for the period	—	—	—	(188,674)	(188,674)
Balance, March 31, 2020	31,564,103	12,335,960	5,323,100	—	(18,341,639)
Shares issued pursuant to private placement	4,000,000	285,679	114,321	—	400,000
Share issuance costs	—	(8,000)	—	—	(8,000)
Shares issued pursuant to exercise of share purchase warrants	730,600	118,542	(16,258)	—	102,284
Shares issued pursuant to settlement of debt	4,700,140	1,057,532	—	—	1,057,532
Net loss for the period	—	—	—	(959,582)	(959,582)
Balance, September 30, 2020	25,212,792	13,789,713	5,421,163	(19,112,547)	98,329
Shares issued pursuant to private placement	3,425,000	685,000	—	—	685,000
Share issuance costs	—	(48,000)	—	—	(48,000)
Net loss for the period	—	—	—	(252,527)	(252,527)
Balance, March 31, 2020	28,637,792	14,426,713	5,421,163	(19,365,074)	482,802

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

Statements of Cash Flows
(Expressed in Canadian dollars)

	Six Months ended March 31, 2021 \$	Six Months ended March 31, 2020 \$
Operating activities:		
Net loss	(252,527)	(188,674)
Changes in non-cash working capital:		
Amounts receivable	9,722	(7,064)
Prepaid expenses	(43,611)	—
Accounts payable and accrued liabilities	(2,475)	146,948
Due to related parties	(69,390)	45,164
Net cash used in operating activities	(358,281)	3,626
Financing activities:		
Proceeds from issuance of common shares	685,000	—
Share issuance costs	(48,000)	—
Net cash provided by financing activities	637,000	—
Change in cash	278,719	3,626
Cash, beginning of period	89,808	6,883
Cash, end of period	368,527	3,257

(The accompanying notes are an integral part of these financial statements)

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

1. Nature of Business and Continuance of Operations

Golden Pursuit Resources Ltd. (formerly Silver Pursuit Resources Ltd.) (the “Company”) is incorporated under the Business Corporations Act (British Columbia) and its principal business activity is the exploration of mineral property reserves for commercially viable mineral reserves. The Company currently holds mineral properties in Canada and the United States. The Company’s registered office is located at 652 Millbank, Vancouver, British Columbia, V5Z 4B7.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (“COVID-19”) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID19 on the Company’s business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible.

These financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business. During the period ending March 31, 2021, the Company has not generated any revenues and incurred negative cash flow from operations. As at March 31, 2021, the Company an accumulated deficit of \$19,365,074 The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is pursuing additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Standards Board (“IASB”).

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the functional currency of the Company.

(c) Application of New IFRS

IFRS 16, Leases

On October 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(c) Application of New IFRS (continued)

At inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, Impairment of Assets.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the statement of operations.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets, and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

The Company adopted IFRS 16 effective October 1, 2019 and its impacts have been updated on the Company's financial statements. The Company adopted the modified retrospective approach and applied the practical expedient to calculate the lease liabilities and right-of-use assets at October 1, 2019.

(d) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of share-based payments, useful lives and recoverability of property and equipment, recoverability of mineral properties assessment of incremental borrowing rate related to the recognition of lease liabilities, and unrecognized deferred income tax assets.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the inputs used in the accounting for share-based payments, which requires management to determine factors that may impact the overall fair value of share-based payments including, but not limited to, the expected life of share purchase warrants.

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(d) Use of Estimates and Judgments (continued)

If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

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 is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(e) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(f) Property and Equipment

Property and equipment is recorded at cost. The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates using the declining method:

Computer equipment	60%
Leasehold improvements	20%
Vehicles	30%

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of property and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expenses during the period in which they are incurred.

(g) Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign currency gains and losses arising from translation are included in the statement of operations.

(h) Mineral Properties

(i) Mineral Property Costs

All costs directly related to the acquisition of mineral properties are recognized and capitalized once the legal right to explore a property has been acquired. When a project is deemed to no longer have commercially viable prospects to the Company, capitalized expenditures in respect of that project are deemed to be impaired. As a result, those expenditures, in excess of estimated recoveries, are written-off to the statement of operations. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized costs.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(ii) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures, including costs incurred prior to the Company obtaining legal rights to explore a property, are expensed in the period in which they occur. Such expenditures continue to be expensed until commercially viable and technically feasible mineral resources are established and management has made a decision to proceed with development of the property for mining operations. At this point, costs, including costs incurred in preparing the site for mining operations, are capitalized into development costs in the statement of financial position. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development costs.

(i) Impairment of Non-Financial Assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets, including mineral properties and equipment. If indicators exist, the Company determines if the recoverable amount of the asset is greater than its carrying amount. If the carrying amount exceeds the recoverable amount, the asset is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(j) Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

(k) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(k) Financial Instruments (continued)

The Company has made the following classifications:

Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liabilities	Amortized cost
Loans payable	Amortized cost
Due to/from related parties	Amortized cost

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(k) Financial Instruments (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(m) Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(m) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(m) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(n) Share Capital

(i) Unit Offerings

The Company has adopted the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from share-based payment reserve to share capital. If the warrants expire unexercised, the applicable amount remains in share-based payment reserve.

(ii) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability which is recognized as other income.

(o) Loss per Share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted earnings (loss) per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

(p) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(q) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Expected volatility is estimated by considering historic average share price volatility.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(r) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2021, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

3. Property and Equipment

	Computer Equipment \$	Leasehold Improvements \$	Vehicles \$	Total \$
Cost:				
Balance, September 30, 2019	2,722	15,000	22,623	40,345
Additions	—	(15,000)	—	(15,000)
Balance, September 30, 2020	2,722	—	22,623	25,345
Additions	—	—	—	—
Disposals	—	—	—	—
Balance, March 31, 2021	2,722	—	22,623	25,345
Accumulated depreciation:				
Balance, September 30, 2019	1,825	6,807	15,939	24,571
Additions	833	3,145	2,005	5,983
Disposals	—	(9,952)	—	(9,952)
Balance, September 30, 2020	2,658	—	17,944	20,602
Additions	—	—	—	—
Disposals	—	—	—	—
Balance, March 31, 2021	2,658	—	17,944	20,602
Carrying amounts:				
As at March 31, 2020	897	8,193	6,684	15,774
As at March 31, 2021	64	—	4,679	4,743

4. Mineral Properties

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated rights of ownership of all of the mineral concessions in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements, or transfers, and rights of ownership may be affected by undetected defects.

Nevada Claims, Nevada, USA

During the year ended September 30, 2016, the Company staked 98 claims across seven counties in Nevada, USA. The Company capitalized \$20,524 of acquisition costs in connection with its Nevada claims. During the year ended September 30, 2019, the Company received option proceeds of \$216,083 pursuant to letter of intent agreements with Stevens Gold Nevada Inc., of which \$20,524 was offset against the capitalized acquisition costs and the excess of \$195,559 was recognized in other income. During the year ended September 30, 2020, the Company received option proceeds of \$33,289 from Stevens Gold Nevada Inc. and it was recognized in other income.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

4. Mineral Properties (continued)

(a) On October 10, 2018, the Company entered into a Letter of Intent ("LOI") agreement with Stevens Gold Nevada Inc. ("Stevens"), whereby the Company granted the right to purchase a 60% interest in the Black Point Project located in Eureka County, Nevada, USA property. Under the terms of the LOI, Stevens will have the right to purchase a 60% interest in the property by making a payment of US\$500,000 at any time while the LOI or a follow-up lease/option to purchase agreement is in effect. Until the payment of the purchase price is made, Stevens is to make annual lease payments, which shall not constitute a portion of the purchase price, as follows:

- US\$25,000 within 5 business days after signing (received);
- US\$25,000 on or before October 10, 2019 (received);
- US\$25,000 on or before October 10, 2020 (extended subsequently – refer to Note 15(a));
- US\$50,000 on or before October 10, 2021;
- US\$50,000 on or before October 10, 2022; and
- US\$100,000 on or before October 10, 2023 and annually thereafter.

The Company shall retain a 2% Net Smelter Return Royalty on the property.

(b) On October 10, 2018, the Company entered into an LOI agreement with Stevens, whereby the Company granted the right to purchase a 60% interest in the Stevens Basin Project in Eureka County, Nevada, USA property. Under the terms of the LOI, Stevens will have the right to purchase a 60% interest in the property by making a payment of US\$750,000 at any time while the LOI or a follow-up lease/option to purchase agreement is in effect. Until the payment of the purchase price is made, Stevens will make annual lease cash payments, which shall not constitute a portion of the purchase price, as follows:

- US\$25,000 within 5 business days after signing (received);
- US\$50,000 on or before October 10, 2019;
- US\$50,000 on or before October 10, 2020;
- US\$75,000 on or before October 10, 2021;
- US\$75,000 on or before October 10, 2022; and
- US\$100,000 on or before October 10, 2023 and annually thereafter.

The Company shall retain a 2% Net Smelter Return Royalty on the property.

On June 21, 2019, the agreement was terminated and as a result, Stevens Gold will have no legal or beneficial interest in or to any lands, mineral rights or other interests comprising the Stevens Basin.

Gordon Lake Property, NWT, Canada

As at March 31, 2021, the Company owns a mineral lease for its Gordon Lake Property. The Company expenses all amounts paid to maintain the ownership of the mineral lease.

East Bell Property, Nevada, USA

During the year ended September 30, 2019, the agreement was terminated and the Company paid a termination fee of US\$2,500.

5. Right of Use Asset

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

On February 15, 2017, the Company entered into a premise lease agreement commencing March 1, 2017 and ending on February 28, 2022. Pursuant to the agreement, the Company is to pay base rent of \$3,000 per month for the first two years and \$3,500 per month for the last three years. The additional costs are \$2,405. The Company recognized a right-of-use asset using the modified retrospective approach as at October 1, 2019. The lease was terminated on February 28, 2020.

	Right-of-use asset \$
At September 30, 2019	—
Additions	145,530
Depreciation	(14,553)
Termination of lease	(130,977)
Outstanding, March 31, 2021	—

6. Lease Liability

The lease liability is initially measured at the present value of the lease payments which are \$5,905 a month, discounted using either the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method and adjusted interest and lease payments. The Company uses 18% for an incremental borrowing rate over a 60-month lease term to determine its present value of the lease liability.

	Office lease \$
At September 30, 2019	—
Additions	145,530
Payments	(35,429)
Interest	12,243
Termination of lease	(122,344)
Outstanding, March 31, 2021	—

Upon derecognition of the lease liability and right-of-use asset the Company incurred a loss of \$22,466 of which \$14,000 was a lease termination fee.

7. Loans Payable

As at March 31, 2021, the Company owes \$nil (2019 - \$60,000) to a non-related party for loan advances. The advances are secured by promissory notes, bear interest at 10% per annum, and are due on demand. On June 18, 2020, the Company issued 600,000 common shares for the settlement of \$60,000 of loans payable. Refer to Note 9.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

8. Related Party Transactions

- (a) As at March 31, 2021, the Company is owed \$34,059 (2020 – \$nil) to the President and CEO of the Company which is unsecured, non-interest bearing, and due on demand.
- (b) As at March 31, 2021, the Company is owed \$43,675 (2020 – \$174,024) to a company owned by a daughter of the President and CEO of the Company which is unsecured, non-interest bearing, and due on demand.
- (c) As at March 31, 2021, the Company owed \$nil (2020 – \$5,000) to a daughter of the President and CEO of the Company which is unsecured, non-interest bearing, and due on demand.
- (d) As at March 31, 2021, the Company owed \$3,732 (2020 - \$22,906) to a company controlled by a director of the Company which is unsecured, non-interest bearing, and due on demand.
- (e) During the period ended March 31, 2021, the Company incurred management fees of \$37,500 (2020 - \$23,625) and office rent fees of \$4,500 (2020 – \$nil) to a company owned by the daughter of the President and CEO of the Company.

9. Share Capital

Authorized: Unlimited number of common shares with no par value
Unlimited number of preferred shares with no par value

- (a) On December 10, 2020, the Company issued 3,425,000 units at \$0.20 per unit for gross proceeds of \$685,000. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one common share at \$0.30 per share for a period of two years.
- (b) On April 9, 2020, the Company consolidated its common shares on the basis of 1 new share for every 2 existing shares. All share and per share numbers have been retroactively restated for all periods presented.
- (c) On April 30, 2020, the Company issued 4,000,000 units at \$0.10 per unit for gross proceeds of \$400,000. Included in this private placement were 550,000 units issued for proceeds of \$55,000 to a daughter of the President and CEO of the Company. Each unit consisted of one common share and one-half of one share purchase warrant entitling the holder to acquire an additional common share at an exercise price of \$0.12 per share expiring on April 30, 2022. The Company incurred \$8,000 in share issuance costs in connection with this private placement. The fair value of the share purchase warrants issued of \$114,321 was allocated to reserves.
- (d) On May 19, 2020, the Company issued 315,000 common shares for proceeds of \$44,100 pursuant to the exercise of share purchase warrants. The fair value of the share purchases warrants of \$7,010 was transferred from the reserve to share capital.
- (e) On May 26, 2020, the Company issued 125,000 common shares for proceeds of \$17,500 pursuant to the exercise of share purchase warrants. The fair value of the share purchases warrants of \$2,782 was transferred from the reserves to share capital.
- (f) On June 1, 2020, the Company issued 40,600 common shares for proceeds of \$5,684 pursuant to the exercise of share purchase warrants. The fair value of the share purchases warrants of \$903 was transferred from the reserve to share capital.
- (g) On June 4, 2020, the Company issued 250,000 common shares for proceeds of \$35,000 pursuant to the exercise of share purchase warrants. The fair value of the share purchases warrants of \$5,563 was transferred from the reserve to share capital.
- (h) On June 18, 2020, the Company issued 4,700,140 common shares with a fair value of \$1,057,531 to settle \$470,014 in debt resulting in a loss of \$587,517. Included in this issuance were 2,040,100 common shares to settle debt of \$204,010 owed to President and CEO of the Company, 1,740,240 common shares to settle debt of \$174,024 owed a company owned by a daughter of the President and CEO of the Company, and 319,800 common shares to settle debt of \$31,980 owed to by a daughter of the President and CEO of the Company.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

10. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, September 30, 2019	770,600	0.14
Issued	2,000,000	0.12
Exercised	(730,600)	0.14
Expired	(40,000)	0.14
Balance, September 30, 2020	2,000,000	0.12
Issued	240,000	0.30
Exercised	—	—
Expired	—	—
Balance, March 31, 2021	2,240,000	0.14

As at March 31 2021, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
2,240,000	0.14	April 30, 2022

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

11. Stock Options

The Company has reserved 10% of the issued common shares pursuant to an incentive share-based payment plan (the "Plan"). Options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee, or consultant of the Company. The options are subject to any vesting limitations, exercise process, and exercise periods as determined by the Board of Directors.

	Number of options	Weighted average exercise price \$
Outstanding, September 30, 2019 and 2020	1,250,000	0.40
Cancelled	—	—
Outstanding, March 31, 2021	1,250,000	0.40

12. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of the Company's financial instruments, which include cash, and accounts payable and accrued liabilities, loans payable, and amounts due from and to related parties approximate their carrying values due to the relatively short-term maturity of these instruments

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements
Six Months Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

12. Financial Instruments and Risk Management (continued)

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is on its cash and amounts receivable.

The Company manages its credit exposure by holding its cash with high credit quality financial institutions. The Company's maximum credit exposure for cash and amounts receivable is the carrying value of \$372,883.

The Company determined that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and is available on demand.

(c) Liquidity and Funding Risk

Liquidity and funding risk is the risk that the Company will not have sufficient capital to meet short-term operating requirements, after taking into account the Company's holdings of cash.

As at March 31, 2021, the Company has a working capital of \$478,059. In the case of cash deficits arising from exploration commitments and general operating budgets, the Company will have to seek debt or equity financing. There are no assurances that such financing will be available on terms acceptable to the Company.

(d) Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments.

The Company had \$368,527 in cash at March 31, 2021. The bank account is not an interest-bearing bank account and currently the Company does not hold any investments or financial liabilities on which interest accrues, and is therefore not subject to a significant amount of interest rate risk.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has an office in Canada and holds cash in Canadian dollar and US dollar currencies in line with forecasted expenditures. The impact of foreign exchange rates on the financial statements is not significant.

As at March 31, 2021, the Company had no hedging agreements in place with respect to foreign exchange rates.

(iii) Fair Value Risk

As at March 31, 2021 and 2020, the Company's financial instruments consisted of cash, amounts receivable, accounts payable and accrued liabilities, loans payable, and amounts due from and to related parties. Of these financial instruments, cash is considered to be level 1, meaning there are quoted prices in active markets for identical instruments. With respect to all of other financial instruments, the Company estimates that their fair values approximate their carrying values due to the relatively short-term maturity of these instruments.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

GOLDEN PURSUIT RESOURCES LTD.

Notes to the Financial Statements

Six Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended September 30, 2020.