

# **GOLDEN SHARE RESOURCES CORPORATION**

*Interim Condensed Financial Report (Unaudited)*

Period of three months and six months ended June 30, 2019 and 2018

(Expressed in Canadian dollars)

# **GOLDEN SHARE RESOURCES CORPORATION**

## **FINANCIAL REPORT**

---

NOTICE TO READER	3
INTERIM CONDENSED FINANCIAL STATEMENTS	
Interim condensed statements of financial position	4
Interim condensed statements of income and comprehensive income	5
Interim condensed statements of changes in equity (deficit)	6
Interim condensed statements of cash flows	7
Notes to Interim condensed financial statements	8

## **Notice to Reader**

The accompanying unaudited condensed interim financial statements of GOLDEN SHARE RESOURCES CORPORATION (the "Company") for the periods of three months and six months ended on June 30, 2019 and 2018 have been prepared by management and are its responsibility. These unaudited condensed interim financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's audit committee. These unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

# GOLDEN SHARE RESOURCES CORPORATION

## INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2019 and 2018

(in Canadian dollars)

	Notes	June 30 2019	December 31 2018
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		7,290	891
Accounts and other receivable		10,783	30,851
Prepaid expenses	7	543	127,488
		<u>18,616</u>	<u>159,230</u>
<b>Total assets</b>		<u>18,616</u>	<u>159,230</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and accrued liabilities	9	446,899	408,652
Loans payable, payable on demand	8	261,052	62,499
Reduction of Capital payable	7	-	2,000,000
<b>Total liabilities</b>		<u>707,951</u>	<u>2,471,151</u>
<b>EQUITY (DEFICIT)</b>			
Share capital	3	17,927,006	17,927,006
Contributed surplus		3,176,633	3,176,633
Deficit		(21,792,975)	(23,415,560)
<b>Total equity (deficit)</b>		<u>(689,336)</u>	<u>(2,311,921)</u>
<b>Total liabilities and equity (deficit)</b>		<u>18,616</u>	<u>159,230</u>

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

# GOLDEN SHARE RESOURCES CORPORATION

## INTERIM CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Periods of three months and six months ended on June 30, 2019 and 2018

(in Canadian dollars)

	Notes	June 30, 2019 (3 months)	June 30, 2018 (3 months)	June 30, 2019 (6 months)	June 30, 2018 (6 months)
				\$	\$
Gain on span out energy storage business		-	-	1,876,309	-
Exploration and evaluation expenditures	4	(25,118)	(42,773)	(42,027)	(55,898)
Administrative expenses	5	(74,883)	(85,106)	(202,674)	(199,343)
Energy business expenditures	7	-	(6,707)	-	(9,382)
Financial expenses		(6,927)	(317)	(9,023)	(622)
<b>Income (Loss) before income taxes</b>		<u>(106,928)</u>	<u>(134,889)</u>	<u>1,622,586</u>	<u>(265,245)</u>
<b>Net income and other comprehensive income</b>		<u>(106,928)</u>	<u>(134,889)</u>	<u>1,622,586</u>	<u>(265,245)</u>
<b>Basic and diluted net income per share</b>		<u>(0.003)</u>	<u>(0.004)</u>	<u>0.042</u>	<u>(0.007)</u>
<b>Weighted average number of common shares outstanding</b>		<u>38,621,345</u>	<u>38,322,993</u>	<u>38,621,345</u>	<u>37,840,732</u>

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

## GOLDEN SHARE RESOURCES CORPORATION

### INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

Periods of three months and six months ended on June 30, 2019 and 2018

(in Canadian dollars)

	Notes	Share Capital		Accumulated Other Comprehensive Income (Loss)	Contributed surplus	Deficit	Total
		Number	\$	\$	\$	\$	\$
<b>Balance on January 1st, 2018</b>		35,660,967	19,431,911	-	3,252,602.34	22,765,187	(80,674)
Shares issued under private placements	3	300,000	105,000	-	-	-	105,000
Shares issued for options exercised	3	160,000	28,848	-	(6,848)	-	22,000
Shares issued for warrants exercised	3	2,230,378	321,619	-	(68,582)	-	253,038
Share-based payments	6	-	-	-	12,088	-	12,088
Transactions with owners		2,690,378	455,467	-	(63,342)	-	392,126
Net loss		-	-	-	-	(265,245)	(265,245)
<b>Balance on June 30, 2018</b>		<u>38,351,345</u>	<u>19,887,378</u>	<u>-</u>	<u>3,189,261</u>	<u>(23,030,432)</u>	<u>46,207</u>
<b>Balance on January 1st, 2019</b>		38,621,345	17,927,006	-	3,176,633	(23,415,561)	(2,311,921)
Net loss		-	-	-	-	1,622,586	1,622,586
<b>Balance on March 31, 2019</b>		<u>38,621,345</u>	<u>17,927,006</u>	<u>-</u>	<u>3,176,633</u>	<u>(21,792,975)</u>	<u>(689,335)</u>

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

# GOLDEN SHARE RESOURCES CORPORATION

## INTERIM CONDENSED STATEMENTS OF CASH FLOWS

Periods of three months and six months ended on June 30, 2019 and 2018

(in Canadian dollars)

	Notes	June 30, 2019 (3 months)	2018 (3 months)	June 30, 2019 (6 months)	June 30, 2018 (6 months)
				\$	\$
<b>OPERATING ACTIVITIES</b>					
Net income (loss)		(106,928)	(134,902)	1,622,586	(265,245)
Adjustments					
Gain on span out the energy storage business	7	-	-	(1,876,309)	-
Loss on currency exchange		6,079	-	6,079	-
Share-based payments	6	-	-	-	12,088
		<u>(100,849)</u>	<u>(134,902)</u>	<u>(247,644)</u>	<u>(253,157)</u>
Change in working capital items	8	(34,649)	31,505	61,569	(124,535)
Cash flows from operating activities		<u>(135,498)</u>	<u>(103,397)</u>	<u>(186,075)</u>	<u>(377,692)</u>
<b>INVESTING ACTIVITIES</b>					
Cash flows from investing activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>					
Proceeds from private placement	3	-	-	-	105,000
Exercise of warrants	3	-	-	-	253,037
Exercise of options	3	-	12,000	-	22,000
Short term loan from other parties	8	127,551	-	192,474	-
Cash flows from financing activities		<u>127,551</u>	<u>12,000</u>	<u>192,474</u>	<u>380,037</u>
<b>Net change in cash</b>		(7,947)	(91,397)	6,399	2,346
<b>Cash, beginning of year</b>		<u>15,237</u>	<u>94,695</u>	<u>891</u>	<u>952</u>
<b>Cash, end of the period</b>		<u><u>7,290</u></u>	<u><u>3,298</u></u>	<u><u>7,290</u></u>	<u><u>3,298</u></u>

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

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

---

### NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Golden Share Resources Corporation (hereinafter "Golden Share" or the "Company") is a junior natural resource company focusing on mineral exploration in the province of Ontario, Canada, a mineral rich and politically stable jurisdiction. Golden Share is incorporated under the Canada Business Corporations Act. The address of Golden Share registered office and its principal place of business is 145 Riviera Drive, Unit 7, Markham, Ontario, L3R 5J6. The Company is listed on the TSX Venture Exchange ("TSXV") with the trading symbol as "GSH".

As approved by annual general and special shareholders meeting on December 12, 2018, Golden Share spun out its energy storage business into a newly created US-based company named as Harmony Energy Technologies Corporation ("Harmony") on January 14, 2019, with the Company retaining its mineral exploration business. The spin-out was completed by way of a statutory plan of arrangement under the Canada Business Corporations Act (the "Arrangement") under which Golden Share transferred its energy storage business to Harmony in exchange for 3,862,079 common shares ("Harmony Shares") of Harmony, which have been distributed to Golden Share shareholders on the basis of one Harmony Share for each 10 Golden Share common shares held as of the close of business on January 3, 2019. In connection with the Arrangement, each Golden Share common share has also been exchanged for a new Golden Share common share.

These unaudited interim condensed financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB"), and the IFRS Interpretations Committee (formerly "IFRIC"). They were also prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These accounting policies are based on the IFRS standards and IFRIC interpretations that are expected to be applicable at December 31, 2018 have been approved and authorized for issue by the Board of Directors on July 31, 2019 in preparation of their filing.

The policies used for preparation of these unaudited interim condensed financial statements were the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2018 and were consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information and disclosures required for annual financial statements. For further information, see the Company's audited consolidated financial statements for the year ended December 31, 2018.

### International Financial Reporting Standards 16, Leases ("IFRS 16")

The Company adopted IFRS 16, Leases, on January 1, 2019. In accordance with the transition guidance of IFRS 16, the new requirements have been applied retroactively with the cumulative effect of initial application recognised as at January 1, 2019. The 2018 financial statements have not been restated and to apply IFRS 16 only to contracts that were previously identified as leases and to not apply IFRS 16 to contracts that were not previously identified as containing a lease. Previously, the Company classified all leases as operating leases and did not recognise assets or liabilities in the statement of financial position because substantially all the risks and rewards incidental to ownership of the leased asset were not transferred. IFRS 16 requires that lessors recognise assets and liabilities for all leases on the statement of financial position, unless the lease term is 12 months or less or the lease for which the underlying asset is of low value.

On adoption of IFRS 16, the interim condensed consolidated financial statements were not significantly impacted.

### NOTE 2. GOING CONCERN ASSUMPTION

These unaudited condensed financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at June 30, 2019, the Company has a deficit of \$21,792,975 (\$22,895,530 as at December 31, 2018) and working capital of negative \$689,335 (\$46,207 as at June 30, 2018) which will not be sufficient to support the Company's needs for cash during the coming year. The Company will require additional funding to be able to advance and retain mining rights interest and to meet ongoing requirements for general operations. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the unaudited condensed financial statements and the classification used in the unaudited condensed statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

### NOTE 3. SHARE CAPITAL

#### Share capital

The share capital of the Company consists only of fully paid common shares and an unlimited number of common shares voting and participating, without par value.

#### Transactions on share capital

On February 6, 2018, the Company completed a private placement for total proceed of \$105,000 and issued 300,000 common shares of the Company at a price of \$0.35 per share.

During the six months ended June 30, 2019, the Company did not have any financial activity, while the Company collected \$275,037 by issuing 2,230,378 common share and 160,000 common share for warrants exercised and stock options exercised in the same period of 2018, respectively.

#### Warrants

The following table shows the changes in warrants:

	June 30 2019		June 30 2018	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Outstanding on January 1st	401,000	0.25	3,001,378	0.16
Exercised	-	-	(2,230,378)	0.12
Expired	(401,000)	0.25	-	-
Outstanding and exercisable on June 30th	<u>-</u>	-	<u>771,000</u>	0.30

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	June 30 2019		June 30 2018	
Expiration date	Weighted average exercise price \$	Number of warrants outstanding	Weighted average exercise price \$	Number of warrants outstanding
September 18, 2018 (a)	-	-	0.35	370,000
June 20, 2019	-	-	0.25	401,000
		<u>-</u>		<u>771,000</u>

(a) On February 6, 2018, the Company extended the expiry date of 370,000 unexercised warrants issued in connection with the Company's non-brokered private placement completed on September 19, 2016. The exercise price of \$0.35 and all other terms of the warrants will remain unchanged.

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

### NOTE 4. EXPLORATION AND EVALUATION EXPENDITURES

Below is a summary of the Company's exploration and evaluation expenditures incurred by project.

	June 30, 2019 (3 months)	June 30, 2018 (3 months)	June 30, 2019 (6 months)	June 30, 2018 (6 months)
			\$	\$
<b>Acquisition costs</b>				
Ogoki and Kagiami	4,288	3,000	4,288	3,000
Berens River	3,750	7,500	11,400	15,000
Basking	-	-	1,700	-
Afton Vanadium	-	25,090	-	25,090
<b>Total of acquisition costs</b>	<b>8,038</b>	<b>35,590</b>	<b>17,388</b>	<b>43,090</b>
<b>Exploration expenditures</b>				
Ogoki and Kagiami	8,059	4,195	8,059	5,629
Sandridge	795	-	953	-
Band-Ore (the central and eastern parts of formerly Shebandowan)	2,560	2,388	6,239	5,854
Berens River	4,163	600	5,695	600
Basking	1,500	-	2,970	-
Pistol Lake (the western part of formerly Shebandowan)	4	-	724	725
<b>Total of exploration expenditures</b>	<b>17,080</b>	<b>7,183</b>	<b>24,639</b>	<b>12,808</b>
<b>Total of exploration and evaluation expenditures</b>	<b>25,118</b>	<b>42,773</b>	<b>42,027</b>	<b>55,898</b>

#### Ogoki Project and Kagiami Project

The Ogoki Project and Kagiami Project, both 100% owned by Golden Share, are located in the James Bay Lowlands of Ontario, approximately 200km southwest of the DeBeers' Victor diamond mine, approximately 150km south of the "Ring of Fire" region.

The Ogoki Project comprises ten non-contiguous claim blocks with 30 MLAS mining claims (193 MLAS cells) covering 15 isolated circular magnetic highs interpreted as possible kimberlite pipe targets.

The Kagiami Project comprises five small non-contiguous blocks comprising 87 MLAS mining claims (134 MLAS cells) for their massive sulphide exploration potential.

Golden Share has granted Keystone a 1-per-cent (1%) net sales return royalty and net smelter return royalty (together, the "Royalty") for all diamonds and other precious stones, as well as for precious and base metals, for both the Ogoki and Kagiami projects except the 2 claims of Ogoki project (claim# 516349 and #516392).

#### Sandridge Project

The Sandridge Project is 100% owned and staked by the Company, located approximately 150 km east of Thunder Bay, Ontario, Canada and consists of 18 contiguous MLAS cell claims covering VTEM conductors on regional strike with the Winston Lake and Pick Lake deposits.

#### Band-Ore Project (The Central and Eastern Parts of Formerly Shebandowan)

The company owns 100% of Band-Ore Project is located about 65 km west of the town of Thunder Bay, in the province of Ontario. The Band-Ore Project comprises the Band-Ore and Band-Ore Extension properties which have been acquired under different terms.

#### Band-Ore

The Band Ore property consists of 24 MLAS cell claimss, 16 patent claims and 1 Mining lease claim. To acquire 100% of Band-Ore property, the Company issued 1,446,000 common shares and 723,000 common share purchase warrants (36 months at \$3.00 per share, already expired on June 29, 2014) and granted 1% NSR royalty.

#### Band-Ore Extension (formerly Conacher)

The Band-Ore Extension property consisting of 85 MLAS cell claims, which the Company acquired 100% interest by paid \$36,000 in cash and issued 46,666 common shares. The property is subject to a 1% NSR royalty with exception to 7 MLAS cell claims (#180514, 252727, 252728, 271780, 329655, 341514, 341515) subject to 1.5% NSR royalty.

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

---

### NOTE 4. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUE)

#### **Berens River Project**

The Berens River Project is located 200 km north of the town of Red Lake, Ontario, results in the consolidation of three distinct claim blocks totaling 206 MLAS cell claims, Berens River, Berens Extension and Berens Staking, acquired under different terms .

In October 2010, the Company first entered into an option agreement to acquire a 100% interest of 20 MLAS cell claims which hosts the past-producing Berens River Mine ("Berens River").

By the year ended of December 31, 2018, the Company has acquired 80% interest in total of the Berens River claims. The Company paid \$473,750 (\$448,750 in cash and value at \$25,000 of 42,327 common shares) and issued 400,000 common shares. The Company intends to pay accumulated amount of \$36,250 to obtain the remaining 20% interest in these claims, which was included in the trade and accrued liabilities.

The claim is subject to 2% net smelter returns royalty (the "NSR") and the Company has the right to purchase 1% of the NSR for \$2,000,000.

In December 2011, the Company entered an option agreement to acquire a 100% interest in 20 legacy mining claims ("Berens Extension") around the Berens River. All conditions of the option agreement have been fulfilled. Therefore, the Company owns a 100% interest of Berens Extension with the payment of \$37,500 in cash and issued 616,666 common shares. Currently, the Company remain 170 MLAS cell claims.

There are no royalties existing against the Berens Extension claims. However, under the acquisition agreement of Berens Extension, the Company has the following commitments:

An additional 33,333 common shares shall be issued in the event that a measured or indicated resources representing 250,000 ounces of gold or more are defined and validated or a total of 250,000 ounces of gold are produced by the Company; or

An additional 66,666 common shares shall be issued in the event that measured or indicated resources representing 500,000 ounces of gold or more is defined and validated or a total of 500,000 ounces of gold are produced by the Company.

The Company also owns a 100% interest of 16 MLAS cell claims ("Berens Staking") which were acquired by direct staking, partial of the claims subject to 2% NSR according to the Berens River Option Agreement

#### **Basking Project**

The Basking Project is 100% owned by the Company, is located approximately 100 kilometres north-northwest of the Ring of Fire nickel and chromite deposits in northern Ontario, Canada. The project is made up of four small non-contiguous claim blocks totalling 34 MLAS cell claims.

#### **Pistol Lake (The Western Part of Formerly Shebandowan)**

The Pistol Lake property consists of 165 MLAS cell claims and 11 patents with mining rights only, the Company paid \$150,000 in cash equivalent (\$125,000 and 33,333 common shares valued at \$25,000) and issued 20,000 common shares to acquire the 100% interest of the property.

The Pistol Lake property is subject to a 3% NSR royalty. The Company has paid advance royalty payments of \$87,336 in total, including \$66,462 in cash (\$22,266 in 2016, \$22,024 in 2015, \$10,874 in 2014 and \$11,298 in 2013) and issued 94,714 common shares (72,492 shares in 2014 and 22,222 shares in 2013) for total value of \$20,874 (\$10,874 in 2014 and \$10,000 in 2013). The company has decided not to continue the annual advance royalty payment.

A legal claim as \$ 22,577.85 for 2017 annual advance royalty payment was filed again the Company in the Small Claim Court of Thunder Bay by the original vendor of Pistol Lake property. The claim was dismissed at the trial held on March 13, 2018.

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

### NOTE 5. ADMINISTRATIVE EXPENSES BY NATURE

	June 30, 2019 (3 months)	June 30, 2018 (3 months)	June 30, 2019 (6 months)	June 30, 2018 (6 months)
			\$	\$
Salaries and benefits expenses	19,218	17,685	32,752	29,086
Management fees	18,000	18,000	36,000	36,000
Professional services	7,031	6,694	56,954	25,366
Investor-related fees	2,255	14,491	8,563	28,038
Transfer agent fees	2,405	2,535	10,981	5,416
Regulatory fees	6,037	2,500	14,662	15,543
Office and general	9,221	9,179	18,680	18,843
Travel, accommodation and meals	4,894	11,594	14,748	24,897
Insurance	1,628	1,630	3,255	3,259
Subtotal	<u>70,688</u>	<u>84,307</u>	<u>196,595</u>	<u>186,448</u>
Share-based compensation	-	-	-	12,088
Losses from exchange differences	<u>4,195</u>	<u>798</u>	<u>6,079</u>	<u>807</u>
	<u><u>74,883</u></u>	<u><u>85,106</u></u>	<u><u>202,674</u></u>	<u><u>199,343</u></u>

### NOTE 6. EMPLOYEE REMUNERATION

#### Share option plan

The Company has adopted a share-based compensation plan under which members of the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of common shares issuable pursuant to the share option plan must not exceed 10% of the total number of common shares outstanding from time to time.

The exercise price of each option is determined by the Board of Directors and cannot be less than the discounted market value of the common shares on the eve of the award and the term of the options cannot be more than ten years.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

The Company's share options are as follows for the reporting periods presented:

	June 30 2019		June 30 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding on January 1st	2,090,000	0.28	2,853,333	0.33
Granted	-	-	60,000	0.35
Expired	(150,000)	0.25	(333,333)	0.97
Exercised	<u>-</u>	<u>-</u>	<u>(160,000)</u>	<u>0.14</u>
Outstanding and exercisable	<u><u>1,940,000</u></u>	<u>0.28</u>	<u><u>2,420,000</u></u>	<u>0.25</u>

During the six months ended June 30, 2018, 40,000 share options were exercised at \$0.25 per share and 120,000 share options were exercised at \$0.10 per share, there was no option exercised in same period of 2019.

On February 6, 2018, the Company granted 60,000 stock options to one consultant, to acquire up to 60,000 common shares of the Company at a price of \$0.35 per share. These stock options vested immediately and valid for 3 years. The fair value of \$12,888 was used by the Company to record the transaction.

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

### NOTE 6. EMPLOYEE REMUNERATION (CONTINUE)

The fair value per share option granted in 2018 was determined using the Black-Scholes option pricing model and based on the following weighted average assumptions:

		June 30 2018
Weighted average price at the grant date	\$	0.290
Rate of return of dividends		- %
Expected average volatility		124%
Risk-free average interest rate		0.82%
Expected average life		3 years
Weighted average exercise price	\$	0.35

The expected volatility was determined using the historical volatility of the Company's share price according to each expected life of the stock options.

An amount of \$12,088 for the six months ended June 30, 2018 in share-based payments was included in net loss and credited to contributed surplus.

The table below summarizes the information related to share options:

			June 30 2019				June 30 2018
Number of options outstanding	Weighted average exercise price	Remaining contractual average life	Number of options outstanding	Weighted average exercise price	Remaining contractual average life		
	\$	(years)		\$	(years)		
			90,000	0.10	0.29		
			150,000	0.25	0.97		
315,000	0.35	0.98	315,000	0.35	1.98		
60,000	0.35	1.28	60,000	0.35	2.28		
360,000	0.10	1.30	600,000	0.10	2.30		
60,000	0.35	1.61	60,000	0.35	2.61		
470,000	0.25	1.97	470,000	0.25	2.97		
<u>675,000</u>	<u>0.35</u>	<u>2.98</u>	<u>675,000</u>	<u>0.35</u>	<u>3.98</u>		
<u>1,940,000</u>	<u>0.28</u>	<u>2.00</u>	<u>2,420,000</u>	<u>0.25</u>	<u>2.71</u>		

### NOTE 7. ENERGY STORAGE BUSINESS DEVELOPMENTS

	June 30, 2019 (3 months)	June 30, 2018 (3 months)	June 30, 2019 (6 months)	June 30, 2018 (6 months)
			\$	\$
Energy storage business development expenditures	-	6,707	-	9,382

During the six month ended June 30, 2018, the Company spent \$9,382 relative to energy storage developments.

On January 14, 2019, the Company announced completed spin-out of its energy storage business. The spin-out was completed by way of a statutory plan of arrangement under the Canada Business Corporations Act (the "Arrangement") under which Golden Share transferred its energy storage business to Harmony Energy Technologies Corporation, which was registered under the coporation law of Delaware, USA on June 19, 2018.

In exchange, Harmony issued 3,862,079 common shares ("Harmony Shares") to Golden Share, which have been distributed to Golden Share shareholders on the basis of one Harmony Share for each 10 Golden Share common shares held as of the close of business on January 3, 2019. In connection with the Arrangement, each Golden Share common share has also been exchanged for a new Golden Share common share. This transaction resulted in 2019 in a reduction of the reduction of capital payable of \$2,000,000, a reduction of prepaid expenses of \$123,690 and the recognition of a gain on disposal of \$1,876,309. The estimation of the reduction of captial requires the selection of an appropriate fair value of the net assets distributed. The Company estimates the fair value based on the stock price fluctuations of the Company before and after the spin-off transaction.

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

### NOTE 8. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	June 30, 2019 (3 months)	June 30, 2018 (3 months)	June 30, 2019 (6 months)	June 30, 2018 (6 months)
			\$	\$
Other receivables	3,188	5,639	(103,623)	2,674
Prepaid expenses	1,628	1,630	126,945	(120,430)
Trade and other payables	(39,464)	24,237	38,248	(6,778)
	<u>(34,649)</u>	<u>31,505</u>	<u>61,569</u>	<u>(124,535)</u>

During the six months period ended June 30, 2019, the Company entered into various agreements for short term unsecured loans totalling US\$180,000 (converted to \$236,052 Canadian dollars). The unsecured loans bear interest at 1% per month and pay back upon requested. At the same time, the Company paid back US\$ 30,000 (\$39,499) interests free loan. As of June 30, 2019, the company has loan payable balance of US\$180,000 plus free interest loan payable balance of \$25,000.

### NOTE 9. RELATED PARTIES

The Company considers its related parties to consist of key members or former members of its management personnel (including all officers and directors), their close family members, and companies controlled or significantly influenced by such individuals; and reporting shareholders and their affiliates which may exert significant influence over the Company's activities, as detailed below:

- Keystone Associates Inc. ("Keystone"), a company owned by the President and CEO who was appointed on May 1, 2015, provides consulting and administrative services including property management, office administration and office sharing, pursuant to the fee-for-services contract with the Company. These fees are recorded as management fees, Office and General. Keystone retains a 1% Royalty for both Ogoki and Kagiamei projects.
- Directors - There were no director fees paid during the six months period ended June 30, 2019.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Below is a summary of the related party transactions.

	June 30, 2019 (3 months)	June 30, 2018 (3 months)	June 30, 2019 (6 months)	June 30, 2018 (6 months)
			\$	\$
Share Office				
Keystone	9,000	9,000	18,000	18,000
Salaries and benefits expenses	19,218	17,685	32,752	29,086
Management fees				
Keystone	18,000	18,000	36,000	36,000
	<u>46,218</u>	<u>44,685</u>	<u>86,752</u>	<u>83,086</u>

These transactions were carried out in the normal course of business and are measured at the exchange amount, i.e. the amount established and agreed upon by the parties.

As of June 30, 2019, Golden Share owes \$122,040 to Keystone includes \$72,000 of management fee and \$36,000 rent for share office, and owes \$63,320 to Nick Zeng, CEO & President of the Company, for the expenditure paid on behalf the Company. All the outstanding balance were included in the trade and accrued liabilities.

There is \$6,000 approved but unpaid bonus to CFO for the year of 2018 accrued in the Salaried and benefits expenses and Trade and accrued liabilities.

# GOLDEN SHARE RESOURCES CORPORATION

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

As of June 30, 2019 and 2018

---

### NOTE 10. COMMITMENTS

The Company has entered into option agreements on its mining properties, which require future cash payments in order to acquire interest in certain properties. The Company is required to pay the land tax/license fee for the patent/mining lease owned by the Company. The following is a cash payment schedule of future obligations required annually:

	2019	2020	2021
Band-Ore patent/mining Lease property tax (a)	-	5,700	5,700
Pistol Lake patent property tax (a)	-	900	900
	<u>-</u>	<u>6,600</u>	<u>6,600</u>

(a) The Land tax/license fee may vary in future year, which is evaluated by the government annually. The above estimate land tax/license fee is based on the payment in 2018. The payment will be required during the Company hold the patent and mining lease.

### NOTE 11. SUBSEQUENT EVENTS

On July 19, 2019, the Company granted incentive stock options to certain directors, officers, employees, advisors and consultants to purchase up to an aggregate of 1,780,000 Common Shares at an exercise price of \$0.20 per share. 1,080,000 and 700,000 of the options are exercisable for 3 and 5 years, respectively.