

---

**GOLDSEEK RESOURCES INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**  
**(EXPRESSED IN CANADIAN DOLLARS)**

---

## Independent Auditor's Report

To the Shareholders of Goldseek Resources Inc.

### Opinion

We have audited the financial statements of Goldseek Resources Inc. ("the Company"), which comprise the statement of financial position as at June 30, 2021 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The financial statements of Goldseek Resources Inc. for the year ended June 30, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on October 28, 2020.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang. Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Goldseek Resources Inc. to continue as a going concern.

**"Crowe MacKay LLP"**

**Chartered Professional Accountants  
Vancouver, Canada  
October 27, 2021**

**Goldseek Resources Inc.**  
**Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	As at June 30, 2021	As at June 30, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,904,781	\$ 1,499,008
Prepaid expenses	13,545	11,160
Amounts receivable	134,029	13,328
<b>Total current assets</b>	<b>2,052,355</b>	<b>1,523,496</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (note 4)	2,136,199	815,425
<b>Total assets</b>	<b>\$ 4,188,554</b>	<b>\$ 2,338,921</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 5 and 7)	\$ 98,799	\$ 160,692
Premium on flow-through shares (note 6)	158,117	10,735
<b>Total current liabilities</b>	<b>256,916</b>	<b>171,427</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	105,000	-
<b>Total liabilities</b>	<b>361,916</b>	<b>171,427</b>
<b>Equity</b>		
Share capital (note 6)	4,337,906	2,158,075
Shares to be issued	-	234,300
Warrants (note 6)	139,134	-
Reserve (note 6)	287,506	19,359
Deficit	(937,908)	(244,240)
<b>Total equity</b>	<b>3,826,638</b>	<b>2,167,494</b>
<b>Total equity and liabilities</b>	<b>\$ 4,188,554</b>	<b>\$ 2,338,921</b>

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

Nature of operations and going concern (note 1)  
 Commitments (note 9)

**Approved on behalf of the Board:**

(Signed) "Jonathon Deluce" Director

(Signed) "Quinn Field-Dyte" Director

---

**Goldseek Resources Inc.****Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)**

---

	Year Ended June 30, 2021	Year Ended June 30, 2020
<b>Expenses</b>		
Consulting (note 7)	\$ 106,750	\$ 81,875
General and administrative (note 7)	47,216	18,444
Investor relations	82,559	-
Professional fees (note 7)	69,708	107,821
Regulatory fees	63,503	30,559
Share-based payments (notes 6 and 7)	314,827	19,359
Travel	-	270
<b>Net loss from operations</b>	<b>(684,563)</b>	<b>(258,328)</b>
<b>Other income</b>		
Reversal of flow-through premium (note 6)	42,807	2,015
Interest income	6,408	1,400
	<b>49,215</b>	<b>3,415</b>
<b>Loss before taxes for the year</b>	<b>(635,348)</b>	<b>(254,913)</b>
Deferred tax expense (note 8)	(105,000)	-
<b>Net and comprehensive loss for the year</b>	<b>\$ (740,348)</b>	<b>\$ (254,913)</b>
<b>Basic and diluted net loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>31,244,318</b>	<b>18,513,720</b>

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

## Goldseek Resources Inc.

### Statements of Changes in Equity (Expressed in Canadian Dollars)

	Share capital	Special warrants	Shares to be issued	Warrants	Reserve	Deficit	Total
<b>Balance, June 30, 2019</b>	\$ 752,750	\$ -	\$ -	\$ -	\$ -	\$ 10,673	\$ 763,423
Units issued for cash, net	1,147,100	-	-	-	-	-	1,147,100
Premium on flow-through shares	(12,750)	-	-	-	-	-	(12,750)
Shares issued for services	4,875	-	-	-	-	-	4,875
Exercise of warrants	13,000	-	-	-	-	-	13,000
Special warrants issued for cash	-	248,600	-	-	-	-	248,600
Special warrants converted	248,600	(248,600)	-	-	-	-	-
Shares issued for exploration and evaluation assets	4,500	-	-	-	-	-	4,500
Shares to be issued	-	-	234,300	-	-	-	234,300
Share-based payments	-	-	-	-	19,359	-	19,359
Net loss and comprehensive loss for the year	-	-	-	-	-	(254,913)	(254,913)
<b>Balance, June 30, 2020</b>	<b>2,158,075</b>	<b>-</b>	<b>234,300</b>	<b>-</b>	<b>19,359</b>	<b>(244,240)</b>	<b>2,167,494</b>
Units issued for cash, net	2,139,320	-	(234,300)	139,134	-	-	2,044,154
Premium on flow-through shares	(190,189)	-	-	-	-	-	(190,189)
Exercise of warrants	19,500	-	-	-	-	-	19,500
Stock options cancelled	-	-	-	-	(46,680)	-	-
Shares issued for exploration and evaluation assets	211,200	-	-	-	-	-	211,200
Share-based payments	-	-	-	-	314,827	-	314,827
Net loss and comprehensive loss for the year	-	-	-	-	-	(740,348)	(740,348)
<b>Balance, June 30, 2021</b>	<b>\$ 4,337,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,134</b>	<b>\$ 287,506</b>	<b>\$ (937,908)</b>	<b>\$ 3,826,638</b>

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

## Goldseek Resources Inc.

### Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year Ended June 30, 2021	Year Ended June 30, 2020
<b>Operating activities</b>		
Net loss for the year	\$ (740,348)	\$ (254,913)
Adjustments for:		
Deferred tax expense	105,000	-
Share-based payments	314,827	19,359
Reversal of flow-through premium	(42,807)	(2,015)
Shares issued for services	-	4,875
Changes in non-cash working capital items:		
Amounts receivable	(120,701)	(7,205)
Prepaid expenses	(2,385)	(13,169)
Accounts payable and accrued liabilities	(61,893)	44,854
<b>Net cash used in operating activities</b>	<b>(548,307)</b>	<b>(208,214)</b>
<b>Investing activities</b>		
Exploration and evaluation assets	(1,109,574)	(50,974)
<b>Net cash used in investing activities</b>	<b>(1,109,574)</b>	<b>(50,974)</b>
<b>Financing activities</b>		
Issuance of units for cash	2,044,154	1,147,100
Issuance of special warrants for cash	-	248,600
Warrants exercised	19,500	13,000
Shares to be issued	-	234,300
<b>Net cash provided by financing activities</b>	<b>2,063,654</b>	<b>1,643,000</b>
<b>Net change in cash</b>	<b>405,773</b>	<b>1,383,812</b>
<b>Cash, beginning of year</b>	<b>1,499,008</b>	<b>115,196</b>
<b>Cash, end of year</b>	<b>\$ 1,904,781</b>	<b>\$ 1,499,008</b>
<b>Supplemental cash flow information</b>		
Interest received from cash equivalents and short-term investments	\$ 6,408	\$ 1,400
Shares issued pursuant to acquisition of exploration and evaluation assets	\$ 211,200	\$ 4,500
Broker warrants issued	\$ 139,134	\$ -

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



---

# Goldseek Resources Inc.

## Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

---

### 1. Nature of operations and going concern

Goldseek Resources Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act on September 21, 2018. The Company is in the business of acquiring and exploring mineral properties. On February 14, 2020, the Company filed a non-offering prospectus and became a reporting issuer in the provinces of British Columbia and Ontario. The Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") on March 9, 2020 under the stock symbol "GSK". The address of the Company's corporate office and principal place of business is 1231 Huron Street, London, Ontario, N5Y 4L1, Canada.

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company will require additional financing in order to further develop its exploration properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing equity financings in the past, there is no assurance that it will be able to do so in the future and on terms acceptable to management. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

### 2. Basis of presentation and statement of compliance

#### Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared in compliance with IFRS and in accordance with the accounting policies described in note 3, Summary of Significant Accounting Policies. The policies set out below have been consistently applied to all the periods presented, unless otherwise noted.

The financial statements for the year ended June 30, 2021 were reviewed and authorized for issue by the Board of Directors on October 27, 2021.

#### Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

---

## **Goldseek Resources Inc.**

### **Notes to Financial Statements**

**Years Ended June 30, 2021 and 2020**

**(Expressed in Canadian Dollars)**

---

### **3. Summary of significant accounting policies**

The accounting policies set out below have been applied in preparing the financial statements for the years ended June 30, 2021 and 2020.

#### **Functional and presentation currency**

The Company's presentation and functional currency is the Canadian dollar. The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statements of operations.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and investments with original maturities of ninety days or less, and deposits held in trust. During the year ended June 30, 2021, the Company earned \$6,408 (2020 - \$1,400) interest from its cash equivalents and short-term investments.

#### **Exploration and evaluation expenditures**

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities.

Acquisition costs and exploration and evaluation expenditures are capitalized until the viability of the exploration properties is determined. The Company capitalizes costs to specific blocks of claims or areas of geological interest.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of the extraction of mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

---

## Goldseek Resources Inc.

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

---

### 3. Summary of significant accounting policies (continued)

#### 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, in the countries where the Company operates and generates taxable income.

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 profit or loss. 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.

##### Deferred income tax

Deferred income tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred 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 tax assets and deferred 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.

#### Earnings per share

Basic earnings or loss per share is computed by dividing the Company's profit or loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Diluted earnings or loss per share is computed by dividing the Company's profit or loss applicable to common shares, by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted at the beginning of the period. For the years ended June 30, 2021 and 2020, the Company did not have any stock options or share purchase warrants or any instruments that would have a dilutive effect on earnings.

#### Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby it agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the estimated market price or quoted price of the shares and the amount the investor pays for the flow-through shares. A flow-through share premium liability is recognized for this difference.

The Company may renounce the deductions for tax purposes related to the eligible exploration and evaluation expenditures on the date the flow-through shares are issued under the look-back rule. Where the look-back rule is unavailable, the deduction for tax purposes are renounced as incurred. The flow-through share premium liability is reduced on a pro-rata basis and recorded in profit or loss based on the incurred eligible expenditures that qualify for renunciation.

---

# Goldseek Resources Inc.

## Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

---

### 3. Summary of significant accounting policies (continued)

#### Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The grant date fair value of options that are unexercised upon expiry is removed from reserve and transferred to deficit.

#### Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Cash	Amortized cost
Accounts payable	Amortized cost

#### Measurement

##### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

---

## Goldseek Resources Inc.

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

---

### 3. Summary of significant accounting policies (continued)

#### Financial instrument (continued)

##### Measurement (continued)

##### *Debt investments at FVTOCI*

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### *Equity investments at FVTOCI*

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

##### Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

#### Accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there are significant risk of material adjustments to assets and liabilities in future accounting periods include:

- recoverable amount of its evaluation and exploration assets.

Significant judgments:

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in the Company's financial statements is the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

## Goldseek Resources Inc.

Notes to Financial Statements  
Years Ended June 30, 2021 and 2020  
(Expressed in Canadian Dollars)

### 4. Exploration and evaluation assets

During the year ended June 30, 2021, the Company's exploration and evaluation asset activities were as follows:

	Bonanza	Horizon	Quevillon West	Southern Arm	Val D'Or North	Beschefer	Total
Balance, June 30, 2019	\$ 397,163	\$ 267,784	\$ -	\$ -	\$ -	\$ -	\$ 664,947
Acquisition	-	-	16,929	5,500	-	-	22,429
Exploration expenditures:							
Permitting and filing expenses	1,392	-	-	398	-	-	1,790
Surveying and geophysics	103,108	4,433	18,718	-	-	-	126,259
Balance, June 30, 2020	501,663	272,217	35,647	5,898	-	-	815,425
Acquisition	-	16,200	1,259	2,732	14,790	205,925	240,906
Exploration expenditures:							
Camp	61,931	-	-	900	-	-	62,831
Consulting	9,155	16,115	500	2,660	26,386	36,182	90,998
Drilling	316,323	239,535	15,422	54,876	-	15,880	642,036
Geochemistry	53,287	464	-	-	105,638	-	159,389
Surveying and geophysics	133,962	9,581	9,581	750	-	-	153,874
Tax credits received	(29,260)	-	-	-	-	-	(29,260)
Balance, June 30, 2021	\$ 1,047,061	\$ 554,112	\$ 62,409	\$ 67,816	\$ 146,814	\$ 257,987	\$ 2,136,199

---

## **Goldseek Resources Inc.**

### **Notes to Financial Statements**

**Years Ended June 30, 2021 and 2020**

**(Expressed in Canadian Dollars)**

---

#### **4. Exploration and evaluation assets (continued)**

##### **Bonanza Property**

The Bonanza Property is located near the Municipality of Senneterre, Quebec. On October 11, 2018, the Company signed a purchase agreement with Delford Investments Inc., Jonathon Deluce (Chief Executive Officer ("CEO") of the Company) and Bradel Properties Ltd. (a shareholder of the Company) and Delinks Holdings Ltd. (a shareholder of the Company) (collectively, the "Bonanza Sellers") to purchase the property, including surface rights, mineral rights and personal property and permits associated with the Bonanza Property. In terms of the agreement, the Company was required to issue 6,000,000 consideration shares to satisfy payment of the purchase price of \$300,000. In addition to the issuance of the consideration shares, the Company has also granted the Bonanza Sellers an undivided royalty equal to 3.0% of the Net Smelter Return ("NSR") in respect to any production from the Bonanza Property.

##### **Horizon Property**

###### ***Horizon #1 Property***

The Horizon #1 Property is located near the Township of Wabikoba Lake Area, Ontario. On February 22, 2019, the Company signed a purchase agreement with four parties, two of which are related to directors (collectively, the "Horizon #1 Sellers") to purchase the property, including surface rights, mineral rights and personal property and permits associated with the property. In terms of the agreement, the Company was required to issue 3,500,000 consideration shares to satisfy payment of the purchase price of \$175,000. In addition to the issuance of the consideration shares, the Company has also granted the Horizon #1 Sellers an undivided royalty equal to 3.0% of the NSR in respect to any production from the Horizon #1 Property.

###### ***Horizon #2 Property***

The Horizon #2 Property is located near the Township of Wabikoba Lake Area, Ontario. On February 22, 2019, the Company signed a purchase agreement with North American Exploration Inc. (the "Horizon #2 Seller") to purchase the property, including surface rights, mineral rights and personal property and permits associated with the property. According to the agreement, the Company was required to issue 150,000 consideration shares to satisfy payment of the purchase price of \$7,500. Upon issuance of the consideration shares, the Company has also granted the Horizon #2 Seller an undivided royalty equal to 3.0% of the NSR in respect to any production from the Horizon #2 Property.

###### ***Horizon North-West Property***

The Company acquired 100% interest in the Horizon North-West property on July 21, 2020. The property is subject to a 3.0% NSR. Pursuant to the definitive agreement, the Company issued 40,000 shares valued at \$16,200 (see note 6). The Company can purchase half of the NSR royalty at any time for \$1,500,000 from the legacy royalty holders.

Collectively, the Horizon #1 Property, the Horizon #2 Property and the Horizon North-West Property are presented as the Horizon property.

##### **Quevillon West Property**

During the year ended June 30, 2020, the Company acquired the Quevillon West Property by direct staking.

---

## **Goldseek Resources Inc.**

### **Notes to Financial Statements**

**Years Ended June 30, 2021 and 2020**

**(Expressed in Canadian Dollars)**

---

#### **4. Exploration and evaluation assets (continued)**

##### **Southern Arm Property**

On April 22, 2020, the Company acquired the Southern Arm Property by direct staking. On May 26, 2020, the Company acquired additional 8 claims from Midland Exploration Inc. ("Midland"). The agreement for the property acquisition is as follows:

- The 8 claims were acquired through an exchange of properties agreement with Midland whereby the Company exchanged its Quevillon North Property (see below). The Company granted to Midland a 2% NSR on the Property with a 1% buyback option for \$1 million. Midland agreed to assume the 2% NSR payable on the Quevillon North property as described below:
- The Quevillon North property was acquired by the Company on May 12, 2020. Pursuant to a definitive agreement, the Company acquired 100% interest, subject to a 2% NSR, in the Quevillon North property from two vendors which owned the property as to 50% each, and one vendor was a company controlled by the CEO of the Company. The terms of the purchase were as follows:
  - Upon CSE acceptance, pay \$1,000 in cash (paid) and issue 15,000 shares of the Company (issued with a fair value of \$4,500, see note 6); and
  - The Company can purchase 1% (or 1/2) of the NSR at any time for \$1 million. The royalty was agreed to be assumed by Midland under the terms of the exchange of properties agreement.

##### **Val D'Or North Property**

In November 2020, the Company acquired the Val D'Or North Property through direct staking.

##### **Beschefer Property**

In February 2021, the Company entered into an option agreement to acquire 100% of the Beschefer Property from Wallbridge Mining Company Limited. Pursuant to the terms of the option agreement, the Company can exercise the option to acquire the property by:

- Incurring \$3,000,000 in exploration expenditures as follows:
  - \$500,000 on or before the first anniversary;
  - \$1,250,000 accumulated total on or before the second anniversary; and
  - \$3,000,000 accumulated total on or before the fourth anniversary.
- Issuing 4,283,672 common shares of the Company as follows:
  - 750,000 common shares following the execution of the agreement (issued);
  - 750,000 common shares on the first anniversary;
  - 750,000 common shares on the second anniversary; and
  - 2,033,672 common shares on the fourth anniversary.



**Goldseek Resources Inc.**  
**Notes to Financial Statements**  
**Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**5. Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	June 30, 2021	June 30, 2020
Accounts payable	\$ 18,280	\$ 57,869
Accrued liabilities	80,519	102,823
	<b>\$ 98,799</b>	<b>\$ 160,692</b>

**6. Share capital**

**(a) Authorized share capital**

Unlimited number of common shares without par value.

**(b) Issued**

	Number of shares	Share capital
Balance, June 30, 2019	17,305,000	\$ 752,750
Special warrants converted (i)	2,567,000	248,600
Shares issued for services (ii)	97,500	4,875
Units issued for cash, net (iii)	4,379,999	1,147,100
Premium on flow-through shares (iii)	-	(12,750)
Warrants exercised	100,000	13,000
Shares issued for exploration and evaluation assets	15,000	4,500
Balance, June 30, 2020	24,464,499	2,158,075
Units issued for cash, net (iii)(iv)(v)	7,553,563	2,139,320
Premium on flow-through shares (iii)(v)	-	(190,189)
Warrants exercised	150,000	19,500
Shares issued for exploration and evaluation assets	790,000	211,200
Balance, June 30, 2021	32,958,062	\$ 4,337,906

(i) On February 14, 2020, upon the final receipt of the prospectus filed with the provincial securities commission, 2,405,000 Series B special warrants were automatically converted into 2,405,000 common shares and 1,202,500 warrants. 162,000 Series A special warrants were converted into 162,000 common shares.

(ii) On March 9, 2020, the Company issued 97,500 common shares at a price of \$0.05 per share with a fair value of \$4,875 for services.

---

## Goldseek Resources Inc.

### Notes to Financial Statements

Years Ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

---

#### 6. Share capital (continued)

##### (b) Issued (continued)

(iii) During June-July 2020, the Company issued:

- 3,844,999 Quebec flow-through units ("Quebec FT Unit") at a price of \$0.30 per Quebec FT Unit for gross proceeds of \$1,153,500;
- 1,435,185 flow-through units ("FT Unit") at a price of \$0.27 per FT Unit for gross proceeds of \$387,500; and
- 3,200,000 non-flow-through units ("Unit") at a price of \$0.25 per Unit for gross proceeds of \$800,000.

Each Quebec FT Unit, FT Unit and Unit consisted of one common share and one-half warrant exercisable at \$0.50 per share and expiring in 2 years. The warrants are subject to accelerated expiry if the closing trading price of the Company's shares is greater than \$1.00 per common share for a period of 20 consecutive trading dates. The Company may, in its sole discretion, choose for the accelerated expiry to be effective, in which case the Company will give notice to the holders and the warrants will expire 30 days thereafter. The Company recorded a flow-through liability premium of \$104,804 at the time of the financing. The Company incurred a cash share issuance cost of \$130,231 and issued the following broker warrants:

- 257,367 warrants exercisable at \$0.30 per share until 3 years after closing;
- 13,300 warrants exercisable at \$0.27 per share until 3 years after closing; and
- 158,200 warrants exercisable at \$0.25 per share until 3 years after closing.

The 428,867 broker warrants issued were determined to have a fair value of \$103,882 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 0.27%, expected life of 3 years and expected volatility of 245-254%.

(iv) On September 21, 2020, the Company issued 1,000,000 non flow-through units at a price of \$0.37 per unit for gross proceeds of \$370,000. Each unit is comprised of one common share and one warrant exercisable at \$0.57 per share until 3 years after closing.

(v) On November 12, 2020, the Company issued 2,453,378 Quebec flow-through units at a price of \$0.37 per unit for gross proceeds of \$907,750. Each unit is comprised of one common share and one-half warrant exercisable at \$0.60 per share until November 12, 2022. As the estimated price for a non-flow share was \$0.33, the Company recorded a flow-through liability premium of \$98,315 at the time of the financing. The Company incurred a cash share issuance cost of \$62,965 and issued 160,809 broker warrants.

The 160,809 broker warrants issued were determined to have a fair value of \$35,252 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 0.29%, expected life of 3 years and expected volatility of 195%.

---

**Goldseek Resources Inc.**  
**Notes to Financial Statements**  
**Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

---

**6. Share capital (continued)**

**(b) Issued (continued)**

Shares in escrow

Pursuant to an escrow agreement dated January 7, 2020, 10,155,000 shares of the Company were deposited into escrow. Under the escrow agreement, the escrowed shares will be released as follows:

- On the date the Company's securities were listed on the CSE ("listing date") 1/10 of the escrowed shares
- 6 months after the listing date 1/6 of the remaining escrowed shares
- 12 months after the listing date 1/5 of the remaining escrowed shares
- 18 months after the listing date 1/4 of the remaining escrowed shares
- 24 months after the listing date 1/3 of the remaining escrowed shares
- 30 months after the listing date 1/2 of the remaining escrowed shares
- 36 months after the listing date the remaining escrowed shares

As at June 30, 2021, there were 6,093,000 shares remaining in escrow.

**(c) Special warrants**

On August 12, 2019, the Company closed a non-brokered private placement for 2,405,000 non-transferable Series B special warrants at a price of \$0.10 per special warrant for proceeds of \$240,500. Upon the final receipt of the Company's prospectus filed with provincial securities commission, the special warrants were automatically converted into one common share of the Company and one-half warrant. Each whole warrant may be exercised for the purchase of one common share of the Company at a price of \$0.13 per share, for a two year period.

On October 7, 2019, the Company closed a non-brokered private placement for 162,000 non-transferable Series A special warrants, at a price of \$0.05 per special warrant, for proceeds of \$8,100. On February 14, 2020, upon the final receipt of the Company's prospectus filed with provincial securities commission, the special warrants automatically converted into one common share of the Company.

**Goldseek Resources Inc.**  
**Notes to Financial Statements**  
**Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**6. Share capital (continued)**

**(d) Stock options**

The Company adopted a stock option plan effective May 1, 2019, whereby options may be granted by the Board to officers, employees and consultants to the Company. The maximum number of stock options issuable has been set at 10% of the then outstanding number of common shares.

A summary of changes of the Company's stock options is presented below for the year ended June 30, 2021:

	Number of stock options	Weighted average exercise price
Balance, June 30, 2019	-	\$ -
Granted (i)	400,000	0.10
Balance, June 30, 2020	400,000	0.10
Granted (ii)(iii)(iv)	1,200,000	0.35
Cancelled	(300,000)	0.30
Balance, June 30, 2021	1,300,000	\$ 0.28

(i) On July 30, 2019, the Company granted 400,000 stock options to certain directors of the Company. The stock options grant the holder the option to purchase one common share in the Company at a price of \$0.10 per share for a period of four years from the date of listing the Company's shares on the CSE (March 9, 2020). The stock options were determined to have a fair value of \$19,359 at the time of grant. The fair value of stock options was estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 1.46%, expected life of 4 years and expected volatility of 100%.

(ii) On August 7, 2020, the Company granted 550,000 stock options to consultants of the Company. The stock options grant the holder the option to purchase one common share on the Company at a price of \$0.40 per share for a period of 3 years from the grant date, vesting immediately. The stock options were determined to have a fair value of \$210,640 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 0.26%, expected life of 3 years and expected volatility of 234%.

(iii) On December 10, 2020, the Company granted 50,000 stock options to a consultant of the Company. The stock options grant the holder the option to purchase one common share on the Company at a price of \$0.30 per share for a period of 2 years from the grant date, vesting immediately. The stock options were determined to have a fair value of \$10,828 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 0.31%, expected life of 2 years and expected volatility of 186%.

(iv) On February 22, 2021, the Company granted 600,000 stock options to consultants of the Company. The stock options grant the holder the option to purchase one common share on the Company at a price of \$0.30 per share for a period of 2 years from the grant date, vesting immediately. The stock options were determined to have a fair value of \$93,359 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 0.23%, expected life of 2 years and expected volatility of 174%.

**Goldseek Resources Inc.**  
**Notes to Financial Statements**  
**Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**6. Share capital (continued)**

**(d) Stock options (continued)**

The following table reflects the stock options issued and outstanding as of June 30, 2021:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Number of options outstanding</b>
August 7, 2023	0.40	2.10	550,000
March 9, 2024	0.10	2.69	400,000
December 10, 2022	0.30	1.45	50,000
February 22, 2023	0.30	1.65	300,000
	0.28	2.16	1,300,000

Reserve represents the fair value of stock options until such time that the share-based payments are exercised, at which time the corresponding amount will be transferred to share capital.

**(e) Warrants**

Warrant transactions and the number of warrants outstanding are summarized as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Balance, June 30, 2019	-	\$ -
Issued	3,392,500	0.37
Exercised	(100,000)	0.13
Balance, June 30, 2020	3,292,500	0.38
Issued	4,276,781	0.55
Exercised	(150,000)	0.13
Balance, June 30, 2021	7,419,281	\$ 0.48

The following table reflects the warrants outstanding as of June 30, 2021:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Number of warrants outstanding</b>
February 14, 2022	0.13	952,500
June 11, 2022	0.50	2,190,000
July 3, 2022	0.50	2,050,092
September 21, 2023	0.57	1,000,000
November 12, 2022	0.60	1,226,689
	0.48	7,419,281

---

**Goldseek Resources Inc.****Notes to Financial Statements****Years Ended June 30, 2021 and 2020****(Expressed in Canadian Dollars)**

---

**6. Share capital (continued)****(e) Broker warrants**

Broker warrant transactions and the number of broker warrants outstanding are summarized as follows:

	<b>Number of broker warrants</b>	<b>Weighted average exercise price</b>
Balance, June 30, 2019 and June 30, 2020	-	\$ -
Issued	589,676	0.33
Balance, June 30, 2021	589,676	\$ 0.33

---

The following table reflects the broker warrants outstanding as of June 30, 2021:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Number of broker warrants outstanding</b>
June 11, 2023	0.30	169,167
June 11, 2023	0.25	67,200
June 29, 2023	0.30	88,200
July 2, 2023	0.27	13,300
June 29, 2023	0.25	91,000
November 12, 2023	0.47	160,809
	0.33	589,676

---

**Goldseek Resources Inc.**  
**Notes to Financial Statements**  
**Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**7. Related party transactions**

The Company entered into the following transactions with related parties:

	Year Ended June 30, 2021	Year Ended June 30, 2020
Consulting (i)(ii)	\$ 24,750	\$ 81,875
Consulting included in exploration and evaluation assets (i)	50,750	-
Professional fees (iii)	26,734	9,180
General and administrative (iii)	15,379	6,713
Share-based payments	-	19,359
	<b>\$ 117,613</b>	<b>\$ 117,127</b>

(i) During the year ended June 30, 2021, the Company incurred consulting fees of \$24,750 (year ended June 30, 2020 - \$37,000) and consulting fees included in exploration and evaluation assets of \$50,750 (year ended June 30, 2020 - \$nil) to a company controlled by the CEO. As at June 30, 2021, a total of \$35,608 was owed to the CEO and this company (June 30, 2020 - \$2,260) and this amount was recorded in accounts payable and accrued liabilities.

(ii) During the year ended June 30, 2021, the Company incurred consulting fees of \$nil (year ended June 30, 2020 - \$44,875) to a company controlled by a director.

(iii) During the year ended June 30, 2021, the Company paid professional fees and general and administrative of \$42,113 (year ended June 30, 2020 - \$15,893) to Marrelli Support Services Inc., DSA Corporate Services Inc. and DSA Filing Services Limited, together known as the "Marrelli Group", for Eric Myung, an employee of Marrelli Group, to act as the Chief Financial Officer of the Company, bookkeeping services, regulatory filing services, and corporate secretarial services.

As at June 30, 2021, \$1,158 was owed to the Marrelli Group (June 30, 2020 - \$4,367) and this amount was recorded in accounts payable and accrued liabilities.

(iv) As at June 30, 2021, the Company owed \$5,693 to a Company with common management (June 30, 2020 - \$nil) and this amount was recorded in accounts payable and accrued liabilities.

The amounts due to related parties are unsecured, non-interest bearing and are on demand.

**Goldseek Resources Inc.**  
**Notes to Financial Statements**  
**Years Ended June 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

**8. Income taxes**

A reconciliation of income taxes calculated at the combined statutory tax rate to the income tax expense is as follows:

	Year Ended June 30, 2021	Year Ended June 30, 2020
Loss before income taxes	\$ (635,348)	\$ (254,913)
Expected tax (recovery) expense at 27% (2020 - 27%)	(171,544)	(68,827)
Adjustments for the following items:		
Non-deductible items and other	73,454	(21,354)
Change in unrecognized deferred tax asset	97,923	90,181
Flow-through share impact	105,167	-
Total deferred income tax expense	105,000	-

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

	June 30, 2021	June 30, 2020
Non-capital losses	\$ 166,000	\$ 81,334
Share issue costs	54,000	16,589
Mineral properties	(325,000)	-
Unrecognized deferred tax asset	-	(97,923)
Net deferred tax liability	\$ (105,000)	\$ -

As at June 30, 2021, the Company has estimated non-capital losses totalling \$615,000 in Canada that may be carried forward to reduce taxable income derived in future years.

2039	\$ 29,000
2040	168,000
2041	418,000
	\$ 615,000

**9. Commitments**

In connection with the flow-through share financings in June, July and November 2020, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of \$2,448,750 by December 31, 2021. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at June 30, 2021, the Company is required to incur approximately \$1,325,000 of the qualifying exploration expenditures by December 31, 2021. Under the recent Federal Budget legislation (Bill C-30) which was given Royal Assent on June 29, 2021, the Company has until December 31, 2022 to meet the remainder of the Canadian exploration expenditure obligation.