GOLDEN STAR ENTERPRISES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

(UNAUDITED)

CONDENSED CONSOLIDATED BALANCE SHEETS

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GOLDEN STAR ENTERPRISES LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash	$ 225	$ 520
Accounts Receivable	4,653	10,899
Inventory	10,302	12,735
TOTAL CURRENT ASSETS	15,180	24,154
AVAILABLE FOR SALE SECURITIES – related parties	365	727
INVESTMENT IN WEE-CIG INTERNATIONAL CORPORATION	1,102,049	1,139,101
INTANGIBLE ASSETS - Drones - net of amortization of $36,517 (2014 - $Nil)	806,083	814,510
TOTAL ASSETS	$ 1,923,677	$ 1,978,492
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITES		
Accounts payable and accrued liabilities	$ 61,461	$ 61,091
Due to related parties	253,591	249,080
TOTAL CURRENT LIABILITIES	$ 315,052	$ 310,171
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock, $0.0001 par value, 500,000,000 shares authorized		
Issued and outstanding:		
99,105,241 (2014 – 99,105,241) common shares	9,911	9,911
Additional paid-in capital	20,903,384	20,903,384
Deferred compensation	(36,094)	(42,110)
Accumulated deficit	(19,265,679)	(19,200,329)
Accumulated other comprehensive income (loss)	(2,897)	(2,535)
TOTAL STOCKHOLDERS' EQUITY	1,608,625	1,668,321
TOTAL LIABILITIES AND STOCKHOLDER EQUITY	$ 1,923,677	$ 1,978,492

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

GOLDEN STAR ENTERPRISES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months Ended March 31, 2016	Three months Ended March 31, 2015
REVENUES		
Vapor Spirit Novelty Products	$ -	$ 6,599
Drones	2,622	17,375
TOTAL REVENUES	2,622	23,974
COST OF SALES		
Vapor Spirit Novelty Products	-	1,188
Drones	1,442	8,923
TOTAL COST OF SALES	1,442	10,111
GROSS PROFIT (LOSS)	1,180	13,863
GENERAL AND ADMINISTRATIVE EXPENSES		
Consulting fees	4,141	1,584
Amortization	8,427	14,809
Investor relations	2,056	340
Office and general	13,432	13,440
Professional fees	-	1,307
Travel and accommodation	1,423	2,635
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	29,479	34,115
OTHER INCOME (EXPENSES)		
Equity Gain/(Loss) from Wee-Cig International Corporation	(37,051)	-
TOTAL OTHER INCOME (EXPENSES)	(37,051)	-
LOSS BEFORE INCOME TAXES	(65,350)	(20,252)
Income Tax Provision	-	-
NET LOSS	$ (65,350)	$ (20,252)
BASIC & DILUTED LOSS PER COMMON SHARE	$ (0.00)	$ (0.00)
BASIC & DILUTED WEIGHTED AVERAGE COMMON SHARES	99,105,241	51,480,241

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

GOLDEN STAR ENTERPRISES LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31, 2016	Three months ended March 31, 2015
OPERATING ACTIVITIES		
Net loss	$ (65,350)	$ (20,252)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and Depreciation	8,427	14,809
Fees and services paid for with shares	6,016	1,250
Equity Loss from Wee-Cig International Corporation	37,051	-
Net changes in operating assets and liabilities	6,617	(10,933)
Inventory	2,433	(30,152)
CASH FLOWS USED IN OPERATING ACTIVITIES	(4,806)	(45,278)
INVESTING ACTIVITIES		
Net proceeds from sale of securities – related parties	-	-
CASH FLOWS (USED IN) INVESTING ACTIVITIES	-	-
FINANCING ACTIVITIES		
Net advances (to)/ from related parties	4,511	44,973
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	4,511	44,973
NET (DECREASE) INCREASE IN CASH	(295)	(305)
CASH, BEGINNING OF PERIOD	520	1,428
CASH , END OF PERIOD	$ 225	$ 1,123

Supplemental disclosure of non-cash investing and financing activities:

	Three months ended March 31, 2016	2015
Cash paid during the perios for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Shares issued for other intangible assets		$ 842,600
Shares issued for debt settlement	$ -	$ -
Shares issued for deferred compensation	$ -	$ -

The Company paid no cash for interest and income taxes for the three months ended March 31, 2016 and 2015.

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

GOLDEN STAR ENTERPRISES LTD.
CONDENDSED STATEMENTS OF OTHER COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
NET LOSS	$ (65,350)	$ (20,052)
Unrealized gains (losses) on related party schedules	(362)	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), net of tax	(362)	-
COMPREHENSIVE LOSS	$ (65,712)	$ (20,052)

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

NOTE 1 – NATURE OF OPERATIONS

Golden Star Enterprises Ltd. (The "Company") was incorporated on September 13, 1993 in the State of Delaware as Power Direct, Inc. On January 31, 2000 the Company changed its name to 2U Online.com Inc. to reflect management's decision to shift the Company's focus from oil and gas exploration and development to internet-based business development. On October 8, 2003, the Company changed its name to Golden Spirit Minerals Ltd. to reflect management's decision to shift the Company's focus from internet-based business development to mineral exploration. On October 19, 2004, the Company changed its name to Golden Spirit Mining Ltd. On July 18, 2005, the Company changed its name to Golden Spirit Gaming Ltd. to reflect management's decision to develop an online gaming business. The launch of the updated goldenspiritpoker.com website featuring real cash games, in addition to play money games, occurred in January 2006. By agreement dated July 18, 2005 as amended September 20, 2005 (the "Amended Agreement"), the Company agreed to acquire 100% of the issued and outstanding common shares of 4 Of A Kind Enterprises ("4KE") doing business as EverythingAboutPoker.com for consideration of 1,388,889 post-reverse split restricted shares of the Company's common stock which were placed in trust pending finalization of the agreement. Effective June 30, 2006, the Company completed a 1 for 18 reverse stock split (refer Note 7) and changed its name to Golden Spirit Enterprises Ltd. to reflect the Company's plan to expand its operations to include the marketing of other products and venues not related to gaming including an agreement with Eneco Industries to participate in a series of Municipal Solid Waste (garbage) fueled Recycling and Resource Recovery Plants. In addition, the Company signed an agreement with Global Terralene Inc. for the acquisition of all assets pertaining to Terralene Fuels.(refer to Note 4). On November 29, 2011, the Company changed its name to Terralene Fuels Corporation. On May 14, 2013, the Company filed a form 15-12G, securities registration termination with the U.S. Securities and Exchange Commission. The Company continues to report and trade on the "OTC Pinks" under the same symbol GSPT. Effective July 15, 2013, the Company completed a 1 for 40 reverse stock split and changed its name to Golden Star Enterprises Ltd. under the same symbol "GSPT". On April 4, 2014, the Company has signed a Licensing Agreement with Vapor Spirit International Corporation (Vapor Spirit), a Nevada company in the alcohol vaporization product industry. The Company sold its licensing agreement on April 27, 2015 to an affiliated Company in return for 45 million restricted common shares of that Company . The transaction resulted in a gain on sale of the license in the amount of $81,500 and the Company has a 49.5% equity interest in a Company with common directors. The Company has decided not to proceed with the Terralene project and has written off the costs of $200,119. On March 27, 2015, the Company has signed a Licensing Agreement with North American Drones Enterprise Inc.(NA Drones), a Nevada company in the drones industry. The Company is now in the business of marketing and distributing drones to a wide range of potential users in various industries and business sectors.

Going Concern

The consolidated financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses since inception of $19,265,679 and at March 31, 2016 had a working capital deficiency of $299,872. The recoverability of the carrying value of assets and the ability of the Company to continue as a going concern is dependent on raising additional capital and ultimately on generating future profitable operations. The Company has entered into a licensing agreement to sell a branded line of Drone products with developed packaging, accessories and promotional materials for the purposes of its sale to a wide range of potential users in various industry and business sectors

There can be no assurance that the Company will be able to raise the necessary funds when needed to finance its ongoing costs. Given the Company's limited operating history, lack of sales, and its operating losses, there can be no assurance that it will be able to achieve or maintain profitability. The Company intends to fund the marketing of its business with both equity financing and joint venture opportunities, although there are no assurances these opportunities will be successful. Accordingly, these factors raise substantial doubt regarding the ability of the Company to continue as a going concern.

NOTE 2- BASIS OF PRESENTATION (con't.)

The financial statements include the accounts of the Company and its subsidiaries, a 100% interest in PD Oil & Gas, Inc., and a 100% interest in Cardstakes.com Enterprises Ltd.

The foregoing unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions. Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles for complete financial statements. These unaudited interim consolidated financial statements as at March 31, 2015 should be read in conjunction with the unaudited consolidated financial statements for the period ended December 31, 2014 referenced in the financial information filed with the OTC Markets. In the opinion of management, the unaudited interim consolidated financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented.

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions that could have a material effect on the reported amounts of the Company's financial position and results of operations.

Operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016.

Use of Estimates and Assumptions
Preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant areas requiring management's estimates and assumptions relate to determining the fair value of stock-based compensation, fair value of shares issued for services and the acquisitions and useful lives of long-lived assets.

Foreign Currency Translation
The financial statements are presented in United States dollars. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation", foreign denominated monetary assets and liabilities are translated to their United States dollar equivalents using foreign exchange rates that prevailed at the balance sheet date. Non-monetary assets and liabilities are translated at exchange rates prevailing at the transaction date. Revenue and expenses are translated at average rates of exchange during the year. Related translation adjustments are reported as a separate component of stockholders' equity, whereas gains or losses resulting from foreign currency transactions are included in results of operations.

Available For Sale Securities – Related Party
The Company holds marketable equity securities which are available-for-sale and as such, their carrying value is adjusted to market at the end of each reporting period. Unrealized gains and losses on these investments are recorded as a component of accumulated other comprehensive income (loss) and are recorded as a component of net income (loss) when realized. However, if there is a permanent decline in the market value of available-for-sale securities, this permanent market value adjustment is taken into income in the period.

Concentration of Credit Risk
Cash in bank accounts are at risk to the extent that they exceed U.S. Federal Deposit Insurance Corporation and Canadian Deposit Insurance Corporation insured amounts. To minimize risk, the Company places its cash with high credit quality institutions. All cash is deposited in one prominent Canadian financial institution.

NOTE 2- BASIS OF PRESENTATION (con't.)

Fair Value of Financial Instruments

The estimated fair value amounts have been determined by the Company, using available market information and appropriate valuation methodologies. The fair value of financial instruments classified as current assets or liabilities, including cash, accounts receivable, inventory, available for sale securities, accounts payable, and amounts due to related parties approximate their carrying value due to the short-term maturity of the instruments.

Intangible Assets

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, "Intangibles-Goodwill and Other" requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of ASC 350. This standard also requires that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment The Company's intangible assets consist of a Licensing Agreement with North American Drones Enterprise Inc. (NA Drones), a Nevada company in the drones industry. The Company has been granted the licensing right to manufacture and market the entire NA Drones product line in North America and in exchange, the Company will issue 38,000,000 restricted common shares of the Company's common stock to NA Drones and/or its nominees valued at $1,520,000 less a related party portion of $677,400 being eliminated from the transaction for a net value of $842,600. The Company was also entitled to any revenues generated from the sale of drone products by NA Drones for the month of March, 2015. The Company determined that the intangibles have an estimated useful life of 25 years and will be reviewed annually for impairment. Amortization will be recorded over the estimated useful life of the assets using the straight-line method for financial statement purposes. The Company commenced amortization when the economic benefits of the assets began to be consumed in March, 2015.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. A valuation allowance is provided for deferred tax assets if it is more likely than not that the Company will not realize the future benefit, or if the future deductibility is uncertain.

Loss per Common Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury method. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive.

Long-term Investments

The Company follows the equity method of accounting for its investments in companies in which it owns more than 20%and less than 50% and over which it exercises significant influence. Under this method, the Company includes its share of the earnings or losses of these affiliated companies .

Inventory

Inventories consist of merchandise held for sale in the ordinary course of business, including cost of freight and other miscellaneous acquisition costs, and are stated at the lower of cost, or market determined on the first-in-first-out basis. The Company records a write-down for inventories, which have become obsolete or are in excess of anticipated demand or net realizable value. The Company performs a detailed review of inventory each period that considers multiple factors including demand forecasts, market conditions, product life cycle status, product development plans and current sales levels. If future demand or market conditions for the Company's products are less favourable than forecasted or if unforeseen changes negatively affect the utility of the Company's inventory, it may be required to record additional write-downs, which would negatively affect gross margins in the period when the write-downs are recorded. If actual market conditions are more favourable, the Company may have higher gross margins when products incorporating inventory that were previously written down are sold.

Revenue Recognition

Sales are recognized upon purchase by customers at our product facility. All sales at our product facility are final, allowing for no sales returns. As at March 31, 2016, $4,653 (2015- $10,899) is in accounts receivable from the sale of drones products.

NOTE 2- BASIS OF PRESENTATION (con't.)

Recent Accounting Pronouncements

On June 10, 2014, the Financial Accounting Standards Board ("FASB") issued update ASU 2014-10, Development Stage Entities (Topic 915). Amongst other things, the amendments in this update removed the definition of development stage entity from Topic 915, thereby removing the distinction between development stage entities and other reporting entities from US GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information on the statements of income, cash flows and shareholders' equity, (2) label the financial statements as those of a development stage entity; (3) disclose a description of the development stage activities in which the entity is engaged and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The amendments are effective for annual reporting periods beginning after December 31, 2014 and interim reporting periods beginning after December 15, 2015, however entities are permitted to early adopt for any annual or interim reporting period for which the financial statements have yet to be issued. The Company has elected to early adopt these amendments and accordingly have not labeled the financial statements as those of a development stage entity and have not presented inception-to-date information on the respective financial statements.

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates (ASU) 2014-15 requiring an entity's management to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company has not elected to early adopt this pronouncement.

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03"). ASU 2015-03 amends the existing guidance to require that debt issuance costs be presented in the balance sheet as a deduction from the carrying amount of the related debt liability instead of as a deferred charge. ASU 2015-03 is effective on a retrospective basis for annual and interim reporting periods beginning after December 15, 2015, but early adoption is permitted. The Company has adopted this pronouncement.

NOTE 3 – AVAILABLE–FOR-SALE SECURITIES – RELATED PARTIES

Bravo Enterprises Ltd.

The Company owns common shares of Bravo Enterprises Ltd. ("Bravo"), a public company with directors and significant shareholders in common that does represent a position of significant influence over Bravo. During 2007 the Company recorded an unrealized loss in the carrying value of its available-for-sale securities totalling $3,775, which was recorded as other comprehensive income (loss). During the year ended December 31, 2008, the Company recorded an unrealized loss in the carrying value of its available-for-sale securities totalling $5,612 which was recorded as other comprehensive income (loss). During the year ended December 31, 2009, the Company sold 50,000 shares resulting in a realized loss of $(780) and recorded an unrealized loss in the carrying value of its available-for-sale securities totalling $5,138, which was recorded as other comprehensive income. During the year ended December 31, 2010, the Company received 700,300 restricted shares of Bravo valued to $7,003 pursuant to a debt settlement and sold Nil Bravo shares. The Company recorded an unrealized loss in the carrying value of its available-for-sale securities totalling $2,541, which was recorded as other comprehensive income (loss). As a result, the carrying value of the available for sale shares of Bravo is $4,504 as at December 31, 2010.

During the year ended December 31, 2011, the Company sold Nil Bravo shares and recorded an additional unrealized loss of $ (3,097). As a result, the carrying value of the available for sale shares of Bravo is $1,407 as at December 31, 2011. Effective December 31, 2011, the Company recorded a $1,689 write-down of its investment in Bravo due to an other-than-temporary decline in the value of the shares.

During the year ended December 31, 2012, the Company sold Nil Bravo shares and recorded an additional unrealized gain of $ 6,158. As a result, the carrying value of the available for sale shares of Bravo is $7,565 as at December 31, 2012.

During the year ended December 31, 2013, the Company sold Nil Bravo shares and recorded an additional unrealized loss of $ 528. As a result, the carrying value of the available for sale shares of Bravo is $7,037 as at December 31, 2013.

During the year ended December 31, 2014, the Company sold Nil Bravo shares and recorded an additional unrealized loss of $(6,996) to December 31, 2014. As a result, the carrying value of the available for sale shares of Bravo is $42 as at December 31, 2014.

NOTE 3 – AVAILABLE–FOR-SALE SECURITIES – RELATED PARTIES (con't.)

During the year ended December 31, 2015, the Company sold Nil Bravo shares and recorded no additional unrealized gain or loss to December 31, 2015. As a result, the carrying value of the available for sale shares of Bravo remains at $42 as at December 31, 2015.

During the three month period ended March 31, 2016, the Company sold Nil Bravo shares and recorded no additional unrealized gain or loss to March 31, 2016. As a result, the carrying value of the available for sale shares of Bravo remains at $42 as at March 31, 2016.

Wee-Cig International Corporation

The Company owns common shares of Wee-Cig International Corporation ("Wee-Cig"), a public company with directors and significant shareholders in common, that does that does represent a position of significant influence over Bravo. During 2007 the Company recorded an unrealized gain in the carrying value of its available-for-sale securities totalling $590,993. During the year ended December 31, 2008, the Company acquired 23,200 shares valued at $19,532 sold 99,400 shares resulting in a realized gain of $28,645(net of commissions of $2,132) and recorded an unrealized gain in the carrying value of its available-for-sale securities totalling $275,121, which was recorded as other comprehensive income. During the year ended December 31, 2009, the Company sold 301,600 shares resulting in a realized gain of $180,398 and recorded an other-than-temporary loss in the carrying value of its available-for-sale securities totalling $34,001.

During the year ended December 31, 2010, the Company the Company received 1,451,360 restricted shares of Wee-Cig valued to $72,568 pursuant to a debt settlement and sold Nil Wee-Cig shares. The Company recorded an other-than-temporary loss in the carrying value of its available-for-sale securities totalling $47,069. As a result, the carrying value of the available for sale shares of Wee-Cig is $37,535 as at December 31, 2010.

During the year ended December 31, 2011, the Company sold Nil Wee-Cig shares and recorded an additional unrealized loss of $ (33,781). As a result, the carrying value of the available for sale shares of Wee-Cig is $3,754 as at December 31, 2011.Effective December 31, 2011, the Company recorded a $32,843 write-down of its investment in Wee-Cig due to an other-than-temporary decline in the value of the shares.

During the year ended December 31, 2012, the Company sold Nil Wee-Cig shares and recorded an additional unrealized loss of $ (1,877). As a result, the carrying value of the available for sale shares of Wee-Cig is $1,877 as at December 31, 2012.

During the year ended December 31, 2013, the Company sold Nil Wee-Cig shares and recorded an additional unrealized gain of $ 21,583. As a result, the carrying value of the available for sale shares of Wee-Cig is $23,460 as at December 31, 2013. In November of 2013, the Wee-Cig shares held were subject to a 1:9 reverse split.

During the year ended December 31, 2014, the Company sold 32,376 Wee-Cig shares for proceeds of $2,111 shares and recorded an additional unrealized loss of $20,605 to December 31, 2014. As a result, the carrying value of the available for sale shares of Wee-Cig is $2,854 as at December 31, 2014.

During the year ended December 31, 2015, the Company sold Nil Wee-Cig shares and recorded as additional unrealized loss of $2,169 to December 31, 2015. As a result, the carrying value of the available for sale shares of Wee-Cig is $685 as at December 31, 2015.

During the three month period ended March 31, 2016, the Company sold Nil Wee-Cig shares and recorded an additional unrealized loss of $362 to March 31, 2016. As a result, the carrying value of the available for sale shares of Wee-Cig is $323 as at March 31, 2016.

Available for sale securities – related parties include the following:

	March 31, 2016	December 31, 2015
228,283 (2015-228,283) shares of Wee-Cig International Corp.	$ 323	$ 685
35,187 (2015- 35,187) shares of Bravo Enterprises Ltd.	42	42
	$ 365	$ 727

NOTE 4– INVESTMENT IN WEE-CIG INTERNATIONAL CORPORATION

On April 27, 2015 the Company entered into a related party intellectual property assignment agreement with Wee-Cig International Corporation (Wee-Cig), an e-cig and vaporization company, whereby Wee-Cig has issued 45 million restricted common shares of its $0.0001 par value shares to Golden Star in exchange for 100% of the worldwide manufacturing and distribution rights of Vapor Spirits, the alcohol vaporizing product line (see Note 5). The sale is valued at $1,237,500 and Wee-Cig and Golden Star are affiliated companies due to their common directors. The issue of 45 million restricted common shares represents 49.5% interest in Wee-Cig. Under the equity accounting method, the Company includes its share of the earnings or losses of an affiliated company. The Company has recorded an equity loss of $98,399 for the period from April 27, 2015 to December 31, 2015 for Wee-Cig. As a result, the carrying value of the investment in Wee-Cig is $1,139,101 at December 31, 2015. The equity loss for the three month period ended March 31, 2016 was $$37,051, as a result, the carrying value of the investment in Wee-Cig is $1,102,049 as at March 31, 2016

NOTE 5 – INVESTMENTS IN INTANGIBLE ASSETS

Drones

On March 27, 2015, the Company has signed a Licensing Agreement with North American Drones Enterprise Inc. (NA Drones), a Nevada company in the drones industry. The Company has been granted the licensing right to manufacture and market the entire NA Drones product line in North America and in exchange, the Company will issue 38,000,000 restricted common shares of the Company's common stock to NA Drones and/or its nominees valued at $1,520,000 less a related party portion of $677,400 for a net value of $842,600. The Company was also entitled to any revenues generated from the sale of drone products by NA Drones for the month of March, 2015. The Company determined that the intangibles have an estimated useful life of 25 years and will be reviewed annually for impairment. Amortization will be recorded over the estimated useful life of the assets using the straight-line method for financial statement purposes. The Company commenced amortization when the economic benefits of the assets began to be consumed in March, 2015. Other intangibles are carried at acquisition cost less accumulated amortization. Amortization is provided over the estimated useful lives of the assets on straight line basis per annum.

The value of these shares considered a related party portion is $677,400 and this amount has been eliminated from the transaction.

Description	March 31, 2016	December 31, 2015
25 year general license to manufacture and distribute drone products in North America	$ 1,520,000	$ 1,520,000
Less: related party portion of consideration for license	(677,400)	(677,400)
Less: accumulated amortization	(36,517)	(28,090)
Balance	$ 806,083	$ 814,510

NOTE 6 – DEFERRED COMPENSATION

On September 15, 2015, the Company entered into an agreement with Domain Land Holdings Ltd. (“Domain”), a private company controlled by a significant shareholder, with a two-year term, whereby Domain provides marketing services to the Company (valued at $15,000) in exchange for 3,000,000 restricted shares of the Company’s common stock. During the three months ended March 31, 2016, $1,875 was expensed (December 31, 2015 - $1,875).

On September 15, 2015, the Company entered into an agreement with a consultant, for a two year term, whereby the consultant provides investment banking services to the Company (valued at $9,375) in exchange for 1,875,000 restricted shares of the Company’s common stock. During the three months ended March 31, 2016, $1,172 was expensed (December 31, 2015 - $1,172).

On September 15, 2015, the Company entered into an agreement with a consultant, for a two year term, whereby the consultant provides consulting services to the Company (valued at $11,250) in exchange for 2,250,000 restricted shares of the Company’s common stock. During the three months ended March 31, 2016, $1,406 was expensed (December 31, 2015 - $1,406).

On September 15, 2015, the Company entered into an agreement with a consultant, for a two year term, whereby the consultant provides consulting services to the Company (valued at $12,550) in exchange for 2,5000,000 restricted shares of the Company’s common stock. During the three months ended March 31, 2016, $1,563 was expensed (December 31, 2015 - $1,563).

As at March 31, 2016, the unamortized portion of the deferred compensation agreements totalled $36,094 (December 31, 2015 - $42,110).

NOTE 7 – CAPITAL STOCK

The Company's capitalization is 500,000,000 common shares with a par value of $0.0001 per share. No preferred shares have been authorized.

2016 Stock Transactions
During the three months ended March 31, 2016, there were no stock transactions.

2015 Stock Transactions
During the three months ended March 31, 2015, there were no stock transactions.

NOTE 8– RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2016, companies controlled by significant shareholders earned $6,016 (2014 - $1,250) pursuant to the expired portion of deferred compensation services contracts (refer to Note 6).

During the three months ended March 31, 2016, the Company paid $Nil (2015 -$Nil) to directors for management fees.

During the three months ended March 31, 2016, the Company incurred expenses for office rent of $7,498 (2015 - $10,539) to private companies controlled by significant shareholders.

The following amounts are due to related parties at:

	March 31, 2016	December 31, 2015
Significant shareholders	$ 253,591	$ 249,080

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

As of August 1, 2015, the Company has leased 1,250 sq. ft of office space from Holm Investments Ltd. at $2,500.00 per month for a period of 3 years, with an option to renew. As of July 1, 2015, the Company has sub-leased a portion of 1,700 sq. ft. of store space from Splash Water Solutions Canada Ltd. at $1,137.50 per month for a period of one year, with an option to renew. The 5 year payment schedule totaling $281,250 is as follows:

2016	2017	2018	2019	2020
$43,650	$43,650	$43,650	$43,650	$43,650

NOTE 10 – INCOME TAXES

As of March 31, 2016, the Company had net operating loss carryforwards of approximately $19,265,000 that may be available to reduce future years' taxable income and will expire between the years 2017 - 2036. Availability of tax losses is subject to change of ownership limitations under Internal Revenue Code 382. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements, as their realization is determined not likely to occur and accordingly, the Company has recorded a valuation allowance for the deferred tax asset relating to these tax loss carryforwards.

NOTE 11 – SUBSEQUENT EVENTS

In accordance with SFAS 165 (ASC 855-10) the Company has analyzed its operations subsequent to March 31, 2016 to the date these financial statements were issued on May 16, 2016, and has determined that it does not have any material subsequent events to disclose in these financial statements.