

GOLDEN STAR RESOURCE CORP.

FINANCIAL STATEMENTS

YEAR ENDED

JUNE 30, 2020 AND 2019

(Stated in U.S. Dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Golden Star Resource Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Golden Star Resource Corp. (the Company) as of June 30, 2020 and 2019, and the related statements of operations and comprehensive loss, stockholders' deficiency, and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Material Uncertainty Related to Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP LLP

We have served as the Company's auditor since 2011.

Vancouver, BC, Canada

September 28, 2020

MNP

GOLDEN STAR RESOURCE CORP.
BALANCE SHEETS
(Stated in U.S. Dollars)

	JUNE 30,	JUNE 30,
	2020	2019
ASSETS		
Current		
Cash	\$ 29	\$ 16
Prepaid fees	2,167	2,167
TOTAL ASSETS	\$ 2,196	\$ 2,183
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payables and accrued liabilities	\$ 190,254	\$ 182,436
Loan payable (Note 7)	201,558	201,558
Due to related parties (Note 6)	238,320	211,541
TOTAL LIABILITIES	630,132	595,535
STOCKHOLDERS' DEFICIENCY		
Capital stock (Note 5)		
Authorized:		
100,000,000 voting common shares with a par value of \$0.00001 per share		
100,000,000 preferred shares with a par value of \$0.00001 per share; none issued		
Issued:		
7,070,000 common shares at June 30, 2020 and June 30, 2019	70	70
Additional paid in capital	106,990	106,990
Deficit accumulated during the exploration stage	(734,996)	(700,412)
	(627,936)	(593,352)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	\$ 2,196	\$ 2,183

Nature of operations and going concern (note 1)

The accompanying notes are an integral part of these financial statements

GOLDEN STAR RESOURCE CORP.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Stated in U.S. Dollars)

	YEAR ENDED	
	JUNE 30	
	2020	2019
Expenses		
Foreign exchange (gain) loss	\$ (131)	\$ (9)
Bank fees	53	54
Professional fees	9,366	11,349
Office expenses	6,076	4,500
Transfer and filing fees	19,220	16,998
	34,584	32,892
Net Loss and Comprehensive Loss	\$ (34,584)	\$ (32,892)
Basic and fully diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	7,070,000	7,070,000

The accompanying notes are an integral part of these financial statements

GOLDEN STAR RESOURCE CORP.
STATEMENTS OF CASH FLOWS
(Stated in U.S. Dollars)

	YEAR ENDED	
	JUNE 30	
	2020	2019
Cash flow from operating activities:		
Net loss for the year	\$ (34,584)	\$ (32,892)
Items not affecting cash:		
Prepaid fees	-	(1)
Accounts payables and accrued liabilities	7,818	3,991
Net Cash Used in Operating Activities	(26,766)	(28,902)
Cash flow from financing activities		
Due to related parties	26,779	28,913
Net Cash Provided by Financing Activities	26,779	28,913
Cash increase (decrease) in the year	13	11
Cash, beginning of year	16	5
Cash, end of year	\$ 29	\$ 16

The accompanying notes are an integral part of these financial statements

GOLDEN STAR RESOURCE CORP.

STATEMENTS OF STOCKHOLDERS' DEFICIENCY

(Stated in U.S. Dollars)

FOR THE PERIOD ENDED JUNE 30, 2020 AND 2019

	NUMBER OF COMMON SHARES	PAR VALUE	ADDITIONAL PAID-IN CAPITAL	DEFICIT ACCUMULATED DURING THE YEAR	TOTAL
Balance, June 30, 2018	7,070,000	\$ 70	\$ 106,990	\$ (667,520)	\$ (560,460)
Net loss for the year	-	-	-	(32,892)	(32,892)
Balance, June 30, 2019	7,070,000	\$ 70	\$ 106,990	\$ (700,412)	\$ (593,352)
Net loss for the year	-	-	-	(34,584)	(34,584)
Balance, June 30, 2020	7,070,000	\$ 70	\$ 106,990	\$ (734,996)	\$ (627,936)

The accompanying notes are an integral part of these financial statements

GOLDEN STAR RESOURCE CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019
(Stated in U.S. Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Organization

GOLDEN STAR RESOURCE CORP. (“the Company”) was incorporated in the State of Nevada, U.S.A. on April 21, 2006.

Exploration Stage Activities

The Company has been in the exploration stage since its formation and is primarily engaged in the acquisition and exploration of mining claims. Upon location of a commercial minable reserve, the Company expects to actively prepare the site for its extraction and enter a development stage. Currently, the Company is actively looking for mineral properties for its planned business operation.

Going Concern

The general business strategy of the Company is to acquire and explore mineral properties. The continued operations of the Company and the recoverability of mineral property costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of its properties, and upon future profitable production. The Company has not generated any revenues or completed development of any properties to date. Further, the Company has a working capital deficit of \$627,936 (June 30, 2019 - \$593,352), has incurred losses of \$734,995 since inception, and further significant losses are expected to be incurred in the exploration and development of its mineral properties. The Company will require additional funds to meet its obligations and maintain its operations. There can be no guarantee that the Company will be successful in raising the necessary financing. Management’s plans in this regard are to raise equity financing as required.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

These conditions raise substantial doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments that might result from this uncertainty.

2. BASIS OF PRESENTATION

The financial statements of the Company have been prepared in accordance with US GAAP. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may vary from these estimates. The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

GOLDEN STAR RESOURCE CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019
(Stated in U.S. Dollars)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist entirely of readily available cash balances. There were no cash equivalents as of June 30, 2020 and 2019.

Income Taxes

Income taxes are accounted for under the liability method of accounting for income taxes. Under the liability method, deferred tax liabilities and assets are recognized for the estimated future tax consequences attributable to differences between the amounts reported in the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply when the asset is realized or the liability is settled. The effect of a change in income tax rates on deferred tax liabilities and assets is recognized in income in the period in which the change occurs. Deferred tax assets are recognized to the extent that they are considered more likely than not to be realized.

Per FASB ASC 740 “Income taxes” under the liability method, it is the Company’s policy to provide for uncertain tax positions and the related interest and penalties based upon management’s assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. At June 30, 2020, the Company believes it has appropriately accounted for any unrecognized tax benefits. To the extent the Company prevails in matters for which a liability for an unrecognized benefit is established or is required to pay amounts in excess of the liability, the Company’s effective tax rate in a given financial statement period may be affected. Interest and penalties associated with the Company’s tax positions are recorded as Interest Expense.

Comprehensive Income (Loss)

The Company accounts for comprehensive income under the provisions of ASC Topic 220-10, Comprehensive Income – Overall, which establishes standards for reporting and display of comprehensive income, its components and accumulated balances. The Company is disclosing this information on its Statements of Operations and Comprehensive Loss.

Earnings (Loss) Per Share

Basic loss per share is computed on the basis of the weighted average number of common shares outstanding during each period.

Diluted loss per share is computed on the basis of the weighted average number of common shares and dilutive securities outstanding. Stock options are considered to be common stock equivalents and were not included in the net loss per share calculation for the year ended June 30, 2020 and 2019 because the inclusion of such underlying shares would have had an anti-dilutive effect.

GOLDEN STAR RESOURCE CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019
(Stated in U.S. Dollars)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments and Fair Value of Financial Instruments

Fair Value of Financial Instruments – the Company adopted SFAS ASC 820-10-50, “Fair Value Measurements”. This guidance defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

As at June 30, 2020, the fair value of cash and cash equivalents was measured using Level 1 inputs.

The Company’s financial instruments are cash, accounts payable and accrued liabilities, loan payable and due to related party. The recorded values of cash and cash equivalents, accounts payable and accrued liabilities and loan payable approximate their fair values based on their short-term nature.

3. RECENT ADOPTED AND FUTURE ACCOUNTING STANDARD

RECENT ADOPTED ACCOUNTING STANDARD

The following accounting standards were adopted by the Company effective July 1, 2019:

In July 2017, the FASB issued ASU 2017-11 “Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features; (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception” (“ASU 2017-11”). ASU 2017-11 allows companies to exclude a down round feature when determining whether a financial instrument (or embedded conversion feature) is considered indexed to the entity’s own stock. As a result, financial instruments (or embedded conversion features) with down round features may no longer be required to be accounted for as derivative liabilities. A company will recognize the value of a down round feature only when it is triggered, and the strike price has been adjusted downward. For equity-classified freestanding financial instruments, an entity will treat the value of the effect of the down round as a dividend and a reduction of income available to Common Stockholders in computing basic earnings per share. For convertible instruments with embedded conversion features containing down round provisions, entities will recognize the value of the down round as a beneficial conversion discount to be amortized to earnings.

GOLDEN STAR RESOURCE CORP.
NOTES TO FINANCIAL STATEMENTS
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3. RECENT ADOPTED AND FUTURE ACCOUNTING STANDARD (Continued)

RECENT ADOPTED ACCOUNTING STANDARD (Continued)

In June 2018, the FASB issued ASU 2018-07, Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting. These amendments expand the scope of Topic 718, Compensation—Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned. The ASU supersedes Subtopic 505-50, Equity—Equity-Based Payments to Non-Employees. This standard is effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Early adoption is permitted, but no earlier than a company’s adoption date of Topic 606, Revenue from Contracts with Customers.

In July 2018, the FASB issued ASU 2018-10 Leases (Topic 842), Codification Improvements and ASU 2018-11 Leases (Topic 842), Targeted Improvements, to provide additional guidance for the adoption of Topic 842. ASU 2018-10 clarifies certain provisions and correct unintended applications of the guidance such as the application of implicit rate, lessee reassessment of lease classification, and certain transition adjustments that should be recognized to earnings rather than to stockholders’ (deficit) equity. ASU 2018-11 provides an alternative transition method and practical expedient for separating contract components for the adoption of Topic 842. In February 2016, the FASB issued ASU 2016-02 Leases (Topic 842) which requires an entity to recognize assets and liabilities arising from a lease for both financing and operating leases with terms greater than 12 months. ASU 2018-11, ASU 2018-10, and ASU 2016-02 (collectively, “the new lease standards”) are effective for fiscal years beginning after December 15, 2018, with early adoption permitted.

The adoption of the standards above has no impact on the Company’s financial statements.

RECENT ISSUED ACCOUNTING STANDARDS NOT YET ADOPTED

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. For all entities, amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is permitted. An entity is permitted to early adopt any removed or modified disclosures upon issuance of ASU No. 2018-13 and delay adoption of the additional disclosures until their effective date.

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company’s results of operations, financial position or cash flow statements.

GOLDEN STAR RESOURCE CORP.
NOTES TO FINANCIAL STATEMENTS
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4. MINERAL CLAIM INTEREST

On August 15, 2013, the Company entered into a Quitclaim Deed (the “Deed”) with Kee Nez Resources, LLC (“Grantor”), a Utah limited liability company. Pursuant to the Deed, the Grantor, in consideration of \$10 and other valuable consideration, remise, release, and forever quitclaim unto the Company all of Grantor’s right, title, and interest in and to the GSR group of unpatented lode mining claims situated in Churchill Country, Nevada. As a result, the Company has obtained title to the GSR claims in August 2013.

The Company did not incur further expenditures on the property during the period ended June 30, 2020 (June 30, 2019: \$nil) due to lack of cash. The value of mineral property was written off in prior years.

5. CAPITAL STOCK

- a) On April 24, 2006, the Company issued 6,000,000 common shares at \$0.00001 per share to two founding shareholders.
- b) On March 28, 2007, the Company closed its public offering and issued additional 1,070,000 common shares at \$0.10.
- c) The Company has not issued any shares during the year ended June 30, 2020 and June 30, 2019 and it has no stock option plan, warrants or other dilutive securities.

6. DUE TO RELATED PARTIES

As of June 30, 2020, due to related parties balance of \$238,320 (June 30, 2019: \$211,541) represents the combination of the following:

- a) \$54,959 (June 30, 2019: \$54,959) owed to a company controlled by a former director and principal shareholder of the Company, for the amount of office, transfer agent and travel expenses paid by the related party on behalf of the Company. The amount is unsecured, non-interest bearing and due on demand;
- b) \$28,000 (June 30, 2019: \$28,000) owed to a director of the Company, for the amount of office, travel and telephone expenses paid by the related party on behalf of the Company. The amount is unsecured, non-interest bearing and due on demand.
- c) \$155,361 (June 30, 2019: \$128,582) was payable to a principal shareholder’s company, for the operating expenses paid by the related party on behalf of the Company. The loan amount is unsecured, non-interest bearing and due on demand.

7. LOAN PAYABLE

Loan payable consists of the following:

\$201,558 (June 30, 2019: \$201,558) was payable to non-related parties. The loan amount is unsecured, non-interest bearing and due on demand.

GOLDEN STAR RESOURCE CORP.
NOTES TO FINANCIAL STATEMENTS
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(Stated in U.S. Dollars)

8. INCOME TAXES

The following table reconciles the income tax benefit at the U.S. Federal statutory rate to income tax benefit at the Company's effective tax rate.

	2020	2019
Net loss for the year	\$ (34,584)	\$ (32,892)
Statutory tax rate	21.00%	21.00%
Computed expected (benefit) income taxes	(7,263)	(6,907)
Change in valuation allowance	7,263	6,907
Income tax expense	\$ -	\$ -

Significant components of deferred income tax assets are as follows:

	2020	2019
Net operating losses carried forward	\$ 151,966	\$ 144,704
Valuation allowance	(151,966)	(144,704)
Net deferred tax asset	\$ -	\$ -

The Company has incurred operating losses of approximately \$723,649. If unutilized, \$619,831 will expire through to 2037 and \$103,818 will be carried forward indefinitely. Future tax benefits, which may arise as a result of these losses, have not been recognized in these financial statements, and have been offset by a valuation allowance. The following table lists the expiration date of the net operating loss carry forwards:

	Amount	Expiration Date
	\$ 36,560	2027
	67,680	2028
	22,420	2029
	13,060	2030
	88,253	2031
	107,104	2032
	125,024	2033
	53,610	2034
	57,136	2035
	29,682	2036
	19,302	2037
	36,342	No expiry
	32,892	No expiry
	34,584	No expiry
Total net operating loss carry forward	\$ 723,649	