

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Golden Star Enterprises Ltd.

2503 Philadelphia Pike

Suite B #565

Claymont, DE 19703

Company Telephone: 1-888-680-8033

Company Website: www.goldenstarenterprisesltd.com

Company E-Mail: info@goldenstarenterprisesltd.com

SIC Code: 2999

Amendment No. 1 Annual Report

For the period ending December 31, 2022 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

121,523,404 as of December 31, 2022 (Current Reporting Period Date)

121,523,404 as of December 31, 2022 (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

September 13, 1993, Incorporated as PowerDirect, Inc.
January 31, 2000, name changed to 2U Online.com
October 8, 2003, name changed to Golden Spirit Minerals Ltd.
October 19, 2004, name changed to Golden Spirit Mining Ltd.
July 18, 2005, name changed to Golden Spirit Gaming Ltd.
June 30, 2006, name changed to Golden Spirit Enterprises Ltd.
August 29, 2011, name changed to Terralene Fuels Corporation
June 5, 2013, name changed to Golden Star Enterprises Ltd.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The Company's state of incorporation during the past five years is Delaware.

The Company's current standing in the State of Delaware is Active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

The address(es) of the issuer's principal executive office:

2803 Philadelphia Pike, Suite B #565, Claymont, DE 19703

The address(es) of the issuer's principal place of business:

☐ Check if principal executive office and principal place of business are the same address:

4 Ehud Manor, Kfar, Yona 4037003, Israel

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: VStock Transfer, LLC
Phone: (212) 828-8436
Email: info@vstocktransfer.com
Address: 18 Lafayette Place,
Woodmere, NY 11598

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	GSPT	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	38119W 20 6	
Par or stated value:	\$0.0001	
Total shares authorized:	500,000,000	as of date: December 31, 2022
Total shares outstanding:	121,523,404	as of date: December 31, 2022
Total number of shareholders of record:	165	as of date: December 31, 2022

All additional class(es) of publicly quoted or traded securities (if any):

N/A

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

N/A

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Each share of Common Stock shall entitle the holder thereof to one vote, in person or by proxy, on any matter on which action of the stockholders of this corporation is sought.

Any director or the entire Board of Directors of this corporation may be removed at any time, but only for cause and only by the affirmative vote of the holders of seventy-five percent (75%) or more of the outstanding shares of common Stock of this corporation entitled to vote generally in the election of directors (considered for this purpose as one class) cast at a meeting of the stockholders of this corporation called for that purpose.

The affirmative vote of at least two-thirds (2/3) of the outstanding shares of Common Stock held by stockholders of this corporation other than the "related person", shall be required for the approval or authorization of any "business combination" of this corporation with any related person.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

N/A

3. Describe any other material rights of common or preferred stockholders.

No special meeting of the stockholders of this corporation may be called by any of the stockholders of this corporation, and the power of stockholders of this corporation to call such a meeting is specifically denied.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date <u>December 31, 2020</u> Common: <u>67,843,334</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>01/01/2021</u>	<u>New Issuance</u>	<u>10,714,286^A</u>	<u>Common</u>	<u>\$0.014</u>	<u>No</u>	<u>Eliav Kling</u>	<u>Compensation Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>03/29/2021</u>	<u>New Issuance</u>	<u>304,165</u>	<u>Common</u>	<u>\$0.0493</u>	<u>No</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>03/29/2021</u>	<u>New Issuance</u>	<u>4,108,400</u>	<u>Common</u>	<u>\$0.007</u>	<u>Yes</u>	<u>Yohanan Aharon</u>	<u>Debt Settlement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>05/15/2021</u>	<u>New Issuance</u>	<u>26,266</u>	<u>Common</u>	<u>\$0.4716</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>06/15/2021</u>	<u>New Issuance</u>	<u>6,896,552</u>	<u>Common</u>	<u>\$0.0073</u>	<u>Yes</u>	<u>Rosa Shimonov</u>	<u>Debt Settlement</u>	<u>Free Trading</u>	<u>Rule 144</u>
<u>06/15/2021</u>	<u>New Issuance</u> <u>New Issuance</u>	<u>1,851,473</u> <u>4,277,737</u>	<u>Common</u>	<u>\$0.0073</u>	<u>Yes</u>	<u>Lilja Hamidullina</u>	<u>Debt Settlement</u>	<u>Restricted</u> <u>Free Trading</u>	<u>Reg S</u> <u>Rule 144</u>
<u>08/15/2021</u>	<u>New Issuance</u>	<u>50,000</u>	<u>Common</u>	<u>\$1.45</u>	<u>No</u>	<u>Raz Yaron</u>	<u>Advisory Board Agreement</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>08/15/2021</u>	<u>New Issuance</u>	<u>30,000</u>	<u>Common</u>	<u>\$1.45</u>	<u>No</u>	<u>Tim Cadeau</u>	<u>Advisory Board Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>09/03/2021</u>	<u>New Issuance</u>	<u>8,989</u>	<u>Common</u>	<u>\$1.3335</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>

<u>11/15/2021</u>	<u>New Issuance</u>	<u>24,642</u>	<u>Common</u>	<u>\$0.324</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>11/15/2021</u>	<u>New Issuance</u>	<u>31,750</u>	<u>Common</u>	<u>\$0.3772</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>12/01/2021</u>	<u>New Issuance</u>	<u>1,054,339</u>	<u>Common</u>	<u>\$0.28</u>	<u>No</u>	<u>Louis Shefsky</u>	<u>Compensation Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>01/02/2022</u>	<u>New Issuance</u>	<u>1,216,545</u>	<u>Common</u>	<u>\$0.1497</u>	<u>No</u>	<u>Eliav Kling</u>	<u>Compensation Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>02/15/2022</u>	<u>New Issuance</u>	<u>171,354</u>	<u>Common</u>	<u>\$0.07644</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>05/15/2022</u>	<u>New Issuance</u>	<u>10,080</u>	<u>Common</u>	<u>\$0.06497</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>05/15/2022</u>	<u>New Issuance</u>	<u>325,181</u>	<u>Common</u>	<u>\$0.042</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>05/25/2022</u>	<u>New Issuance</u>	<u>4,920,000</u>	<u>Common</u>	<u>\$0.038</u>	<u>No</u>	<u>Mast Hill Fund LP – Investment Control: Patrick Hassani, CIO</u>	<u>Securities Purchase Agreement</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>06/09/2022</u>	<u>New Issuance</u>	<u>701,053</u>	<u>Common</u>	<u>\$0.038</u>	<u>No</u>	<u>J.H. Darbie & Co. Inc. – Robert Y. Rabinowitz</u>	<u>Consulting Agreement</u>	<u>Restricted</u>	<u>Rule 144</u>
<u>06/23/2022</u>	<u>New Issuance</u>	<u>7,500,000</u>	<u>Common</u>	<u>\$0.04202</u>	<u>No</u>	<u>Michael Kahiri</u>	<u>Consulting Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>06/29/2022#</u>	<u>Cancellation</u>	<u>(2,925,000)</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Boaz Kahiri</u>	<u>Returned for cancellation services not provided</u>	<u>N/A</u>	<u>N/A</u>
<u>06/29/2022#</u>	<u>Cancellation</u>	<u>(1,725,000)</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Michael Pesakhzon</u>	<u>Returned for cancellation services not provided</u>	<u>N/A</u>	<u>N/A</u>
<u>08/15/2022</u>	<u>New Issuance</u>	<u>630,996</u>	<u>Common</u>	<u>\$0.0184</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>11/15/2022</u>	<u>New Issuance</u>	<u>1,095,310</u>	<u>Common</u>	<u>\$0.0103</u>	<u>Yes</u>	<u>Eital Muskal</u>	<u>Employment Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>12/01/2022</u>	<u>New Issuance</u>	<u>12,380,952</u>	<u>Common</u>	<u>\$0.0105</u>	<u>No</u>	<u>Louis Shefsky</u>	<u>Consulting Agreement</u>	<u>Restricted</u>	<u>Reg S</u>
Shares Outstanding on Date of This Repo Ending Balance: Date <u>December 31, 2022</u> Common: <u>121,523,404</u> Preferred: <u>0</u>									

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
11/16/2020	147,922	147,922	-	11/16/2021	From issuance date, convert at any time in whole or in part at \$0.0073 per share(1)	Ioulia Chpilevakaia Assigned from Andy Chu	Debt
11/16/2020	97,412	97,412	-	11/16/2021	From issuance date, convert at any time in whole or in part at \$0.0073 per share(1)	Rosa Shimonov Assigned from Holm Investments Ltd. B/O Vinicus Dantas	Debt
11/16/2020	74,029	74,029	-	11/16/2021	From issuance date, convert at any time in whole or in part at \$0.0073 per share(1)	Alena Ivanova Assigned from Splash Water Solutions Canada Ltd B/O Keir MacPherson	Debt
11/16/2020	64,080	114,080	-	11/16/2021	From issuance date, convert at any time in whole or in part at \$0.0073 per share(1)	Rosa Shimonov Assigned from May Liu	Debt
11/16/2020	10,760	10,760	-	11/16/2021	From issuance date, convert at any time in whole or in part at \$0.0073 per share(1)	Ioulia Chpilevakaia Assigned from Asiatic Management Consultants Ltd. – B/O Justin Liu	Debt
03/08/2021	51,328	45,093	6,235	Each amount deposited under the Loan Treaty shall have a term of 12 months for repayment, and shall bear an interest rate of 8% per annum. (2)	On March 8, 2021, the Company entered into a Loan Treaty Agreement whereby the lender has agreed to provide a loan in the amount of up to \$250,000 in tranches over a period of one year from time to time as agreed between the lender and the Company Each amount deposited shall have a term of 12 months for repayment, and shall bear an interest rate of 8% per annum. At the option of the Lender, the loan amount or any portion thereof is convertible into restricted, unregistered shares of the Common Stock of the Company at a fixed rate of \$0.02 per share	Global Investment Advisors Inc. Controlling shareholder, Ilya Aharon	Convertible debt
03/08/2021	52,416	46,101	6,315	Each amount deposited under the Loan Treaty shall have a term of 12 months for repayment,	On March 8, 2021, the Company entered into a Loan Treaty Agreement whereby the lender has agreed to provide a loan in the amount of up to \$250,000 in tranches over a period of one year from time to time as agreed between the	Limitless A1 Inc. Controlling shareholder, Yoav Kahiri	Convertible Debt

				and shall bear an interest rate of 8% per annum. (2)	lender and the Company Each amount deposited shall have a term of 12 months for repayment, and shall bear an interest rate of 8% per annum. At the option of the Lender, the loan amount or any portion thereof is convertible into restricted, unregistered shares of the Common Stock of the Company at a fixed rate of \$0.02 per share		
12/15/2021	81,126	75,080	6,046	Each amount deposited under the Loan Treaty shall have a term of 12 months for repayment, and shall bear an interest rate of 8% per annum. (2)	On October 15, 2021, the Company assumed the remaining balance of certain Loan Treaty Agreements held by two third parties whereby the lender has agreed to provide a loan in the amount of up to \$408,806 in tranches over a period of one year from time to time as agreed between the lender and the Company Each amount deposited shall have a term of 12 months for repayment, and shall bear an interest rate of 8% per annum. At the option of the Lender, the loan amount or any portion thereof is convertible into restricted, unregistered shares of the Common Stock of the Company at a fixed rate of \$0.02 per share	eSilkroad Networks Ltd. Ruben Yakubov	Convertible debt
03/18/2022	42,525	40,000	2,525	Each amount deposited under the Loan Treaty shall have a term of 12 months for repayment, and shall bear an interest rate of 8% per annum. (2)	From issuance date, convert at any time in whole or in part at \$0.02 per share	World Amber Corp. Yohanan Aharon	Convertible debt
05/20/2022	397,370	370,000	27,370	12 months at 12% per annum	From issuance date convertible at any time in whole or in part at \$0.01 per share	Mast Hill Fund, LP Investment Control: Patrick Hassani, CIO	Convertible debt

Use the space below to provide any additional details, including footnotes to the table above:

- (1) 50% discount to the close of market on the last trading day prior to the date the notes were entered into, i.e. November 13, 2020;
(2) This is comprised of various amounts advanced under the respective Loan treaty from first advance to December 31, 2022, each advance maturing one year from the date of the advance.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

On October 27, 2020, the Company entered into an acquisition agreement with the shareholders of Enigmai Ltd., an enterprise software company established in 2009 which offers clients a workforce management system solution, whereby the Company acquired 100% of the issued and outstanding shares of Enigmai Ltd in exchange for 20,000,000 restricted common shares of the Company. The Company further agreed to pay a finder's fee of 2,000,000 shares to third parties. The transaction closed effective October 31, 2020 and the Company administratively issued the shares on November 24, 2020, making Enigmai Ltd. a wholly owned subsidiary of the Company.

ENIGMAI Ltd. is based in Israel and was established in early 2009 and has since developed an advanced workforce management system for scheduled environments. Enigmai helps organizations implement their vision, integrating with existing systems and software.

ENIGMAI offers a visible, detailed, aware organizational system, which considers all relevant factors and provides a service appreciated by both managers and employees. The Enigmai solution for workforce management software in scheduled environments contains the following features:

3rd Party Integration Connects with 3rd party systems and aggregates the data.

KPI (Key Performance Indicator) Produces the KPI for employees and uses it to schedule based on employee performance.

Scheduling Our unmatched, state-of-the-art automatic scheduling algorithms compute an enormous amount of parameters to deliver the best possible schedule to your business.

Break Management Allows you to implement break management policies and allows the employees to connect and choose their breaks as they work in real time.

Status Management Shows live statuses of employees, allowing you to track performance closely.

SLA (Service Level Agreement) Keeps track of SLAs and ensures the agreements are met.

The ENIGMAI Business Suite software is a fixed fee software – every client receives the same version. Customers pay a one-time fee for the ENIGMAI Business Suite software, and just 12% annually for maintenance and support. Updates and new versions are included and we charge a small one time set up fee.

During the three months ended March 31, 2021 the Company renewed contracts for the Enigmai Business Suite software with two of its customers for a further term of three years.

- B. List any subsidiaries, parent company, or affiliated companies.

As of the date of this report the Company has one subsidiary, Enigmai Ltd., based in Israel.

- C. Describe the issuers' principal products or services.

Please refer to 4A above

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company utilizes shared office space at the following locations on a month-to-month basis:

2803 Philadelphia Pike, Suite B #565, Claymont, DE 19703, which space is provided free of charge by one of our officers for executive management.

Our subsidiary, Enigmai Ltd. occupies shared office facilities 4 Ehud Manor, Kfar Yona, 4037003, Israel, which is provided free of charge by the Company's management.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Based on 121,523,404 shares of common stock issued and outstanding as of December 31, 2022:

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Louis Shefsky	Director, President, Secretary, Treasurer	Thornhill, Ontario	22,410,291	Common stock	18.4%	
Eliav Kling	CEO, Director	Georgetown, Cayman Islands	11,930,831	Common Stock	9.8%	
Ofir Herzas	Owner of 5% or more	Kfar Yona, Israel	8,000,000	Common Stock	6.6%	
Michael Kahiri	Over 5% holder	George Town, Cayman Islands	7,500,000	Common Stock	6.2%	

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: William MacDonald
Firm: Macdonald Tuskey, WL Macdonald Law Corporation
Address 1: 1 Suite 409, Address 1 221 West Esplanade,
Address 2: North Vancouver, B.C. Canada, V7M 3J3
Phone: (604) 973-0580
Email: WMacdonald@wmlaw.ca

Name: Allen Tucci
Firm: Archer & Greiner, PC
Address 1: 1717 Arch Street, Suite 3500, Three Logan Square
Address 2: Philadelphia, PA 19103
Phone: (215) 963-3300
Email: atucci@archerlaw.com

Accountant or Auditor

Name: Li Shen, Accountant
Firm: The Accounting Connection
Address 1: 145-251 Midpark Blvd SE
Address 2: Calgary, AB T2X 1S3, Canada
Phone: 403-693-8004
Email: support@theaccountingconnection.com

Investor Relations

Name: Michael Kahiri
Firm: Beyond Media
Address 1: 90 North Church Street
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Phone: 646-575-6378
Email: michael@beyondmediagroup.com

All other means of Investor Communication:

Twitter: _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Jacqueline Danforth
Firm: The Ideal Connection
Nature of Services: Compliance Consulting Services
Address 1: 30 North Gould, Suite 5953
Address 2: Sheridan, WY 82801
Phone: 646-831-6244
Email: jd@theidealconnection.com

9) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Li Shen
Title: Accountant, The Accounting Connection
Relationship to Issuer: Outside Accountant

Describe the qualifications of the person or persons who prepared the financial statements: Ms. Shen is a CPA (Chartered Professional Accountant) in Canada

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Condensed Consolidated Balance Sheet;
- b. Condensed Consolidated Statement of Income;
- c. Condensed Consolidated Statement of Cash Flows;
- d. Condensed Consolidated Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- e. Financial Notes to Condensed Consolidated Financial Statements

² The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

I, Eliav Kling certify that:

1. I have reviewed this Annual Disclosure Statement for December 31, 2022;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 21, 2023

/s/ Eliav Kling

Principal Executive Officer

Principal Financial Officer:

I, Louis Shefsky certify that:

1. I have reviewed this Annual Disclosure Statement for December 31, 2022;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 21, 2023

/s/ Louis Shefsky

Principal Financial Officer

GOLDEN STAR ENTERPRISES LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**For the Fiscal Years Ended December 31, 2022 and 2021
(Unaudited)**

(Stated in US Dollars)

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GOLDEN STAR ENTERPRISES LTD.
Unaudited Condensed Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash	\$ 18,081	\$ 41,793
Accounts receivable	-	1,606
Prepaid expenses	-	851
Other receivables	4,003	8,623
Marketable securities	66,196	294,572
Total current assets	88,280	347,445
TOTAL ASSETS	\$ 88,280	\$ 347,445
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 239,983	\$ 124,244
Due to related parties	2,940	58,662
Deferred revenue	21,952	49,738
Demand loans	69,000	69,000
Convertible notes	4,217,955	1,782,410
Total current liabilities	4,551,830	2,084,054
TOTAL LIABILITIES	4,551,830	2,084,054
Commitments and contingencies		
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, \$0.0001 par value, 500,000,000 shares authorized, 121,523,404 and 97,221,933, issued and outstanding as of December 31, 2022 and 2021, respectively	12,152	9,722
Additional paid-in capital	2,079,496	1,151,511
Deferred stock-based compensation	(155,406)	(364,860)
Accumulated earnings (deficit)	(6,402,090)	(2,530,737)
Accumulated other comprehensive loss	2,298	(2,245)
Total stockholders' equity (deficit)	(4,463,550)	(1,736,609)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 88,280	\$ 347,445

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

GOLDEN STAR ENTERPRISES LTD.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

	For Years Ended December 31,	
	2022	2021
Revenue	\$ 44,476	\$ 45,075
Operating expenses		
Cost of revenue	2,669	2,705
Professional fees	81,760	112,172
Consulting fees	843,977	428,021
Research and development	204,667	-
General and administrative	165,074	286,441
Total operating expenses	1,298,147	829,339
Operating loss	(1,253,671)	(784,264)
Other income (expense)		
Loss on debt settlement	-	(135,577)
Interest expense	(2,389,306)	(1,254,863)
Unrealized gain (loss) on investment	(228,376)	(792,933)
Total other income (expense)	(2,617,682)	(2,183,373)
Net Income (Loss)	\$ (3,871,353)	\$ (2,967,637)
Other comprehensive income (loss)		
Net Income (Loss)	\$ (3,871,353)	\$ (2,967,637)
Foreign currency translation adjustment	4,543	(1,575)
Comprehensive income (loss)	\$ (3,866,810)	\$ (2,969,212)
Basic and diluted net income (loss) per common share		
Basic and diluted	\$ (0.037)	\$ (0.033)
Weighted average shares, basic and diluted		
Basic and diluted	105,065,988	89,450,311

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

GOLDEN STAR ENTERPRISES LTD.
Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)

	Common Stock		Additional		Accumulated	Accumulated	Total
	Shares	Amount	Paid-in	Deferred	Earnings	Other	Stockholders'
			Capital	Compensation	(Deficit)	Comprehensive	Equity
						Income (Loss)	(Deficit)
Balance, December 31, 2020	67,843,334	\$ 6,784	\$ 278,234	\$ (231,666)	\$ 436,900	\$ (670)	\$ 489,582
Share issuance for debt conversion	17,134,162	1,713	257,060	-	-	-	258,773
Share issuance under employment agreement	395,812	40	56,187	-	-	-	56,227
Stock awards to consultants and management	11,848,625	1,185	560,030	(561,215)	-	-	-
Amortization of deferred stock-based compensation	-	-	-	428,021	-	-	428,021
Unrealized loss on foreign currency translation	-	-	-	-	-	(1,575)	(1,575)
Net loss	-	-	-	-	(2,967,637)	-	(2,967,637)
Balance, December 31, 2021	97,221,933	9,722	1,151,511	(364,860)	(2,530,737)	(2,245)	(1,736,609)
Opening balance adjustment due to the adoption of ASU 2020-06			(394,203)				(394,203)
Share issuance under employment agreement	2,232,921	223	46,309	-	-	-	46,532
Stock awards to consultants and management	13,597,497	1,360	310,879	(312,239)	-	-	-
Amortization of deferred stock-based compensation	-	-	-	521,693	-	-	521,693
Share issuance as financing cost	5,621,053	562	213,038				213,600
Shares issuance under consulting agreement	7,500,000	750	299,250				300,000
Shares cancellation	(4,650,000)	(465)	465				-
Warrants issued with convertible note			102,247				102,247
Warrants issued under equity purchase agreement as financing cost			350,000				350,000
Unrealized loss on foreign currency translation	-	-	-	-	-	4,543	4,543
Net loss	-	-	-	-	(3,871,353)	-	(3,871,353)
Balance, December 31, 2022	121,523,404	\$ 12,152	\$ 2,079,496	\$ (155,406)	\$ (6,402,090)	\$ 2,298	\$ (4,463,550)

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

GOLDEN STAR ENTERPRISES LTD.
Unaudited Condensed Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (3,871,353)	\$ (2,967,637)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Loss on debt settlement	-	135,577
Amortization of debt discount	1,777,229	1,246,933
Stock-based compensation	521,693	484,248
Stock issued under consulting agreement	300,000	-
Unrealized (gain) loss on investment in securities	228,376	792,933
Warrants and shares issued as financing cost	563,600	-
Changes in operating assets and liabilities:		
Increase in accounts receivable	1,506	(1,580)
(Increase) decrease in prepaid expenses and other receivable	4,630	(9,200)
Increase (decrease) in unearned revenue	(23,319)	48,950
Increase in accounts payable and accrued liabilities	168,340	50,384
Net cash provided by (used in) in operating activities	<u>(329,298)</u>	<u>(219,392)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from related party	3,147	54,708
Repayments to related party	(58,630)	-
Proceeds from demand loans	-	69,000
Proceeds from convertible notes	366,360	134,774
Net cash provided by financing activities	<u>310,877</u>	<u>258,482</u>
Foreign exchange effect on cash	(5,291)	(824)
Net increase (decrease) in cash	(23,712)	38,266
Cash at beginning of year	41,793	3,527
Cash at the end of the year	<u><u>\$ 18,081</u></u>	<u><u>\$ 41,793</u></u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash Investing and Financing Activities:		
Advances from third party, balance transferred to convertible note under treaty agreement	\$ -	\$ 6,500
Advances from third party settled with convertible notes	\$ -	\$ 28,758
Stock-settled debt liability	\$ 128,625	\$ 2,824,118
Shares issued under accounts payable and accrued liabilities	\$ 46,532	\$ 56,227
Warrants issued under equity purchase agreement	\$ 102,247	\$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statement

GOLDEN STAR ENTERPRISES LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 1 – Organization and Description of Business

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. On October 8, 2003, the Company changed its name to Golden Spirit Minerals Ltd. 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. On June 30, 2006, the Company changes its name to Golden Spirit Enterprises Ltd. On August 29, 2011, the Company changed its name to Terralene Fuels Corporation. On June 5, 2013, the Company changed its name to Golden Star Enterprises Ltd.

On October 27, 2020, the Company entered into an acquisition agreement with the shareholders of Enigmai Ltd., an operating enterprise software company established in 2009 that offers clients a workforce management system solution, whereby the Company acquired 100% of the issued and outstanding shares of Enigmai Ltd in exchange for 20,000,000 restricted common shares of the Company (the “Share Exchange”). The Company further agreed to pay a finder’s fee of 2,000,000 shares to third parties. The transaction closed effective October 31, 2020, and the Company administratively issued the shares on November 24, 2020, making Enigmai Ltd. a wholly owned subsidiary of the Company.

On November 4, 2020, the then Board of Directors and officers resigned, and Eliav Kling and Louis Shefsky were appointed to the Board of Directors and as officers of the Company, thus effecting a change in control of the Company.

During the fiscal year ended December 31, 2022 the Company entered into certain financing agreements (Note 6) in order to continue to implement its ongoing plans to upgrade its workforce management software suite, including an equity purchase agreement to raise up to \$5,000,000 for which the Company filed an initial Form S-1 Registration Statement with the Securities and Exchange Commission (“SEC”) (Note 9). On April 14, 2023 the Company withdrew its Registration Statement.

Going Concern

During the year ended December 31, 2022, the Company reported a loss of \$3,871,353 as compared to a loss of \$2,967,637 for the year ended December 31, 2021; cash used in operations totaled \$329,298 for the year ended December 31, 2022, as compared to cash used in operations of \$219,392 for the year ended December 31, 2021. At December 31, 2022, the Company had negative working capital of \$4,463,550. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, officer and directors and third parties, the ability to raise equity or debt financing, and the attainment of profitable operations from the Company’s existing business. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern.

COVID-19 Pandemic and other factors

While it appears the COVID-19 pandemic has subsided and the global economy is focused on recovery, the impact of COVID-19 could continue to have an adverse impact on the Company going forward. COVID-19 caused significant disruptions to the global financial markets, which may continue to impact the Company’s ability to raise additional capital and to pursue certain acquisitions. Additional factors which may impact the Company’s ongoing operations include inflation, potential supply chain issues as a result of the aforementioned recovery from the COVID-19 pandemic, the recent war in the Ukraine, climate change and others. These events may have serious adverse impact on domestic and foreign economies which may impact the Company’s operations as a result of a variety of factors including the potential for reduced consumer spending. The Company is unable to predict the ongoing impact of these factors on the Company’s consolidated financial operations. There are no assurances that the Company will be able to meet its obligations, raise additional funds or expand its current business operations.

GOLDEN STAR ENTERPRISES LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (continued)

The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States (“GAAP”), and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”).

As discussed in Note 2, Recently Issued Accounting Pronouncements, to the Consolidated Financial Statements, the Company adopted Accounting Standards Update No. 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* (“ASU 2020-06”), effective January 1, 2022. Comparative prior period Consolidated Financial Statements have not been restated for ASU 2020-06 as the net effect of the adoption of ASU 2020-06 consists solely of a reallocation from APIC to Convertible notes payable with a net zero effect on the statement of profit and loss.

Year End

The Company has selected December 31 as its year end.

Principals of Consolidation

The consolidated financial statements include the accounts of Golden Star Enterprises Ltd. and its 100% controlled subsidiary, Enigmai Ltd. All significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include timing of recognition of revenue on software service renewals and expenses related thereto. Actual results could differ from those estimates.

Foreign Currency Translation

The Company uses the U.S. Dollar as the reporting currency for its financial statements. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company’s wholly owned subsidiary is the Israeli Shekel (“ILS”).

Translation of amounts from Euro into U.S. dollars has been made at the following exchange rates for the years ended December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Period-end ILS: U.S. dollar exchange rate	\$ 0.28359	\$ 0.32128
Period average ILS: U.S. dollar exchange rate	\$ 0.29769	\$ 0.30942

GOLDEN STAR ENTERPRISES LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Adjustments arising from such translations are included in accumulated other comprehensive income (loss) in stockholders' equity.

Cash and Cash Equivalents

For financial accounting purposes, cash and cash equivalents are considered to be all highly liquid investments with a maturity of three (3) months or less at the time of purchase.

Marketable Securities

The Company's investments in marketable equity securities are classified based on the nature of the securities and their availability for use in current operations. The Company's marketable equity securities are measured at fair value with unrealized gains and losses reported in other income (expense), net ("OI&E"). If there is a permanent decline in the market value of the securities, this permanent market value adjustment is taken into income in the period.

Stock-based Compensation

We account for stock-based compensation in accordance with ASC 718, *Compensation – Stock Compensation*. Under the fair value recognition provision of this guidance, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period (typically the vesting period) and reduced for actual forfeitures in the period they occur. Stock-based compensation is included as consulting fees in our condensed consolidated statements of operations and comprehensive loss.

Revenue Recognition

The Company follows ASC 606, *Revenue from Contracts with Customers*. Under ASC 606, the Company recognizes revenue from software licensing agreements and contracts by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

In year 2022 and 2021, the Company generated revenues from subscriptions to the Company's workforce software, the ENIGMAI Business Suite. Customers pay a fixed fee for access to the software suite. Thereafter, customers pay 12% of the software cost annually for maintenance and support. Updates and new software versions are included in the maintenance costs. Set up fees and software costs are expensed when the software is operational for each client. Annual maintenance fees are generally charged in advance at the start of each contract year and amortized over the year. The Company also generates revenue from time to time from ad hoc service/software installation projects which are invoiced on completion. During the years ended December 31, 2022 and 2021, the Company recognized revenues of \$44,476 and \$45,075, respectively. Balances of deferred revenues at December 31, 2022 and December 31, 2021 totaled \$21,952 and \$49,738, respectively.

Disaggregated Revenues

Total revenues, consisting of disaggregated sales across each revenue component were as follows:

Revenue by channel during the years ended December 31:

	<u>2022 \$</u>	<u>2022 %</u>	<u>2021 \$</u>	<u>2021 %</u>
Software subscriptions	\$ 39,139	88 %	\$ 38,503	85 %
Maintenance fees	5,337	12 %	5,250	12 %
Service/Software installations	-	0 %	1,322	3 %
TOTAL	<u>\$ 44,476</u>	<u>100 %</u>	<u>\$ 45,075</u>	<u>100 %</u>

GOLDEN STAR ENTERPRISES LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Concentration of Credit Risks

Concentration of Major Customers

For the years ended December 31 2022 and 2021, the Company received 100% and 97% of its revenue from two customers.

Convertible Debt and Stock Settled Debt

The Company adopted ASU 2020-06 effective January 1, 2022. In certain instances, the Company will issue convertible notes which contain a provision in which the price of the conversion feature is priced at a fixed discount to the trading price of the Company's common shares as traded in the over-the-counter market. In these instances, the Company records a liability, in addition to the principal amount of the convertible note, as stock-settled debt for the fixed value transferred to the convertible note holder from the fixed discount conversion feature. As of December 31, 2022 and 2021, the Company had recorded within Convertible Notes, net of discount, the amount of \$3,429,549 and \$1,388,207 for the value of the stock settled debt for certain convertible notes (see Note 6).

Original Issue Discount and Debt Issue Costs

If debt is issued with an original issue discount, the original issue discount is recorded to debt discount, reducing the face amount of the note and is amortized over the life of the debt to the statement of operations as amortization of debt discount. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

The Company may pay debt issue costs in connection with raising funds through the issuance of debt whether convertible or not or with other consideration. These costs are recorded as debt discounts and are amortized over the life of the debt on the statement of operations as amortization of debt discount.

Income Taxes

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 bases and net operating loss and credit carry forwards. Deferred tax assets and liabilities are measured at rates expected to apply to taxable income in the years in which those temporary differences and carry forwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period that includes the enactment date. A valuation allowance is recorded when it is not more likely than not that all or a portion of the net deferred tax assets will be realized.

Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260, *Earning per Share*. ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the statement of operations and comprehensive income (loss). Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of certain convertible notes payable.

GOLDEN STAR ENTERPRISES LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Basic and Diluted Net Income (Loss) Per Share (continued)

The table below reflects the potentially dilutive securities outstanding during each reporting period:

	December 31,	
	2022	2021
Share purchase warrants	19,000,000	-
Equity agreement share purchase warrants	10,000,000	-
Convertible notes	155,314,536	61,436,528
Total	184,314,536	61,436,528

Recently issued accounting pronouncements

In August 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40), or ASU 2020-06. The guidance in ASU 2020-06 simplifies the accounting for convertible instruments and its application of the derivatives scope exception for contracts in its own equity. ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years, with early adoption permitted. The Company adopted this standard on January 1, 2022, using the modified retrospective approach. The adoption of ASU 2020-06 did not have a material impact on the Company’s condensed consolidated financial statements.

The following significant accounting changes occurred as result of the adoption of ASU 2020-06:

	December 31, 2021	Effect of the	January 1, 2021
Consolidated Balance Sheet	As Reported	Adoption of ASU	As Adjusted
Convertible notes, net	1,782,410	394,203	2,176,613
Additional paid-in-capital	1,151,511	(394,203)	757,308

The Company has reviewed other recently issued accounting pronouncements and plans to adopt those that are applicable to it. The Company does not expect the adoption of any other pronouncements to have an impact on its results of operations or financial position.

Note 3 – Marketable Securities

As at December 31, 2022 and December 31, 2021, marketable securities consisted of the following:

	December 31, 2022	December 31, 2021
4,728,283 shares of Wee-Cig International Corp. (“WCIG”)	\$ 66,196	\$ 294,572
35,187 shares of Bravo Enterprises Ltd.	-	-
Total	\$ 66,196	\$ 294,572

During the years ended December 31, 2022 and 2021, the Company recorded an unrealized loss of \$228,376 and \$792,933, respectively, on the change in fair market value of these investments.

GOLDEN STAR ENTERPRISES LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 4 – Revenue Contracts

During the year ended December 31, 2021, the Company renegotiated two revenue contracts as follows:

Revenue contract 1:

On March 3, 2021, the Company entered into a three-year contract for the Enigmai Business Suite commencing January 1, 2021, and terminating December 31, 2023, whereunder the Customer agreed to remit the entire contract amount of 232,213 Israeli Shekels (Approx. US\$71,150) in advance to secure a fixed annual rate for the term of the contract. The contract was paid in May 2021. The Company recorded revenue of 77,404 Israeli Shekels (Approx. US\$23,043) and 77,404 Israeli Shekels (Approx. US\$24,656) in respect to services provided for years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, 77,404 Israeli Shekels (Approx. US\$21,952) and 154,809 Israeli Shekels (Approx. US\$49,738) has been recorded as deferred revenue and will be reflected as revenue in future periods.

Revenue contract 2:

On February 14, 2021, the Company entered into a three-year contract for the Enigmai Business Suite commencing January 1, 2021, and terminating December 31, 2023, whereunder the Customer agreed to annual payments in advance of 64,000 Israeli Shekels (Approx. US\$19,600) in year one and 72,000 Israeli Shekels (Approx. US\$22,100) in each of years two and three of the contract. The first-year fee under the contract was paid in May 2021. The second-year fee under the contract was paid in April 2022. The Company recorded revenue of 72,000 Israeli Shekels (Approx. US\$21,433) and 64,000 Israeli Shekels (Approx. US\$) in respect to services provided for years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, and 2021, 64,000 Israeli Shekels (Approx. US\$20,419) and 0 Israeli Shekels has been recorded as deferred revenue and will be reflected as revenue in future periods.

Note 5– Deferred Stock-based Compensation

On December 1, 2020, the Company entered into certain consulting agreements with five consultants to the Company, including one member of management pursuant to which the Company issued a total of 18,275,000 unregistered, restricted shares of common stock, valued at \$264,988. Included in the cumulative shares issued are a total of 8,975,000 unregistered, restricted shares of common stock issued to Mr. Louis Shefsky, the Company's President and Secretary, at fair market value of \$0.0145 per share. Each of the consulting contracts had a term of six months, save the contract with Mr. Shefsky, which had a term of one year, and each of the aforementioned contracts were expensed over their respective term.

During the year ended December 31, 2022, a total of 4,650,000 unregistered, restricted shares of common stock issued to two of the aforementioned consultants were voluntarily returned to the Company and cancelled without consideration.

On January 1, 2021, the Company and its CEO and director, Eliav Kling, entered into a compensation agreement for a term of one year, ending December 31, 2021, pursuant to which the Company agreed to compensation of \$150,000 in the form of 10,714,286 unregistered, restricted shares of common stock, based on the fair market value of the stock on the date of the agreement or \$0.014 per share.

On August 15, 2021, the Company entered into advisory agreements with two consultants each with a term of two years, pursuant to which the Company issued a total of 80,000 unregistered, restricted shares of common stock, valued at \$116,000.

On December 1, 2021, the Company entered into a compensation agreement for a term of one year with its President and Secretary, Louis Shefsky pursuant to which the Company issued a total of 1,054,339 unregistered, restricted shares of common stock, valued at \$295,215 or \$0.28 per share.

GOLDEN STAR ENTERPRISES LTD.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 5– Deferred Stock-based Compensation (continued)

On January 1, 2022, the Company and its CEO and director, Eliav Kling, entered into a compensation agreement for a term of one year, ending December 31, 2022, pursuant to which the Company agreed to compensation in the form of 1,216,545 unregistered, restricted shares of common stock, based on the fair market value of the stock on the date of the agreement or \$0.1498 per share or \$182,238.

On December 1, 2022, the Company entered into a compensation agreement for a term of one year with its President and Secretary, Louis Shefsky pursuant to which the Company issued a total of 12,380,952 unregistered, restricted shares of common stock, valued at \$130,000.

During the years ended December 31, 2022, and 2021, \$521,693 and \$484,248 was expensed, respectively.

As of December 31, 2022, and December 31, 2021, the unamortized portion of the deferred compensation agreements totaled \$155,406 and \$364,860, respectively.

Note 6 – Debt

Convertible Notes:

The Company has the following convertible notes outstanding as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Loan treaty agreements, net of discount	\$ 3,138,556	\$ 1,388,207
Security purchase agreement, net of discount	290,993	-
Other convertible notes	788,406	394,203
Total convertible notes	<u>\$ 4,217,955</u>	<u>\$ 1,782,410</u>

Loan Treaty Agreements

On March 8, 2021, the Company entered into two Loan Treaty Agreements with two third parties (“Treaty Agreement”) whereby each lender has agreed to provide a loan in the amount of up to \$250,000 in tranches over a period of one year from time to time as agreed between the lender and the Company. Each amount deposited has a term of 12 months for repayment and shall bear an interest rate of 8% per annum. In addition, at the option of the Lender, the loan amount or any portion thereof is convertible into restricted, unregistered shares of the Common Stock of the Company at a fixed rate of \$0.02 per share, being a 50% discount to the market price of the shares of the Company as published on OTC Markets as of the date of this Agreement, provided that at no time may the Lender hold more than 9.99% of the outstanding Common Stock of the Company. Each promissory note issued hereunder, or part thereof, may be converted into unrestricted common shares at the one-year anniversary of the deposit of the funds to the Company. During the fiscal year ended December 31, 2021, the two third parties who had funded \$45,093 and \$46,101, respectively, under their Treaty Agreements assigned their Treaty Agreements to a third party who consolidated the two agreements into one Treaty Agreement and funded an additional \$50,080.

During the year ended December 31, 2021, the Company received an aggregate amount of \$46,934. The Company recorded \$191,112 as the liability on stock settled debt associated with the funding tranches which amount is amortized over the term of the notes.

During the year ended December 31, 2022, the Company received additional aggregate proceeds of \$65,000, of which \$40,000 was received from an additional lender on the same terms and conditions as the prior Treaty Agreements. The Company recorded \$128,625 as the liability on stock settled debt associated with the funding tranches which amount is amortized over the term of the notes.

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Note 6 – Debt (continued)

Loan Treaty Agreements (continued)

The carrying value of the tranches is as follows:

	December 31, 2022	December 31, 2021
Principal issued	\$ 206,274	\$ 141,274
Stock-settled liability	2,952,743	2,824,118
	3,159,017	2,965,392
Unamortized debt discount	(20,461)	(1,577,185)
Total convertible notes	\$ 3,138,556	\$ 1,388,207

The interest expenses for the tranches are as follows:

	For Years Ended December 31, 2022	2021
Interest expense on notes	\$ 15,587	\$ 5,759
Amortization of debt discount	1,685,349	1,246,933
Total:	\$ 1,560,861	\$ 1,252,692

As of December 31, 2022, the unpaid interest balance was \$21,346 (December 31, 2021 - \$5,759) which amount is included in Accounts payable and accrued liabilities.

Security Purchase Agreement with Warrant

On May 20, 2022, the Company entered into a Security Purchase Agreement (“SPA”) with an investor for the purchase and issuance of a 12% senior secured promissory note (the “Note”) in the principal amount of \$370,000 with gross proceeds to the Company of \$333,000, after deducting a 10% Original Issue Discount (“OID”). The Term of the Note is twelve months. The conversion rate of the Note is \$0.01 per share. The Company agreed to pay a finder’s fee in respect of the Note in the amount of \$26,640 and legal fees of \$5,000. Net funds of \$301,360 were allocated to be expended for operating costs including the further execution of the Company’s business plan. Further, in conjunction with the Note, the Company issued a series of five-year warrants with exercise terms as follows: 15,000,000 shares at \$0.04 per share; 2,000,000 shares at \$0.10 per share; 1,000,000 shares at \$0.20 per share and 1,000,000 shares at \$0.50 per share. In addition, the warrants issued under the SPA have an anti-dilution clause whereby if at any time while the warrants are outstanding, the Company shall sell or grant any option to purchase or sell or grant any right to reprice, or otherwise dispose of or issue any common stock or securities priced at less than the exercise price of the warrants, then the Company is obligated to notify the warrant holder and to adjust the warrant exercise price by reducing, at the option of the Holder and only reduced to equal the issuance price or the new issuance such that the number of Warrant Shares issuable shall be increased such that the aggregate Exercise Price payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price prior to such adjustment (for the avoidance of doubt, the aggregate Exercise Price prior to such adjustment is calculated as follows: the total number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment (without regard to the Beneficial Ownership Limitation) multiplied by the Exercise Price in effect immediately prior to such adjustment).

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Note 6 – Debt (continued)

Security Purchase Agreement with Warrant (continued)

In accordance with ASC 470 – Debt, the gross proceeds of \$370,000 were allocated based on the relative fair values of the convertible notes and the warrants of \$267,753 and \$102,247, respectively. The Warrant was valued at \$102,247 and was recorded as a debt discount which is being amortized over the life of the Note. In addition, the Note had an OID and related legal fees in the cumulative amount of \$68,640 which was recorded as a debt discount which is also being amortized over the life of the Note. The total debt discount was \$170,887.

The carrying value of convertible note is as follows:

	December 31, 2022	December 31, 2021
Principal issued	\$ 370,000	\$ -
Unamortized debt discount	(79,007)	-
Total convertible notes	<u>\$ 290,993</u>	<u>\$ -</u>

The interest expenses for the tranches are as follows:

	For Years Ended December 31,	
	2022	2021
Interest expense on notes	\$ 27,370	\$ -
Amortization of debt discount	91,880	-
Total:	<u>\$ 238,543</u>	<u>\$ -</u>

As of December 31, 2022, the unpaid interest balance was \$27,370 (December 31, 2021 - \$0) which amount is included in Accounts payable and accrued liabilities.

On June 6, 2022, the Company issued shares under a consulting agreement priced at \$0.04 per share thus triggering a repricing the share purchase warrants issued under the SPA to an exercise price of \$0.04 per share (Note 8).

On August 15, 2022, the Company issued shares under employment agreement priced at \$0.0184 per share thus triggering a repricing the share purchase warrants issued under the SPA to an exercise price of \$0.0184 per share.

On December 1, 2022, the Company issued shares under employment agreement priced at \$0.0105 per share thus triggering a repricing the share purchase warrants issued under the SPA to an exercise price of \$0.0105 per share.

Other Convertible Notes

The Company acquired total debt in the form of advances from third parties in the aggregate amount of \$517,215 as a result of a reverse acquisition during the year ended December 31, 2020.

On November 16, 2020, certain of these third party debt holders entered into convertible notes with the Company in respect to debt totaling \$488,640 whereunder the Holder has the right, in its sole discretion, at any time, with three (3) days written notice, to convert any part of the notes into shares of the Company's common stock at a conversion rate of a 50% discount to the market close on the last trading day prior to the date of the convertible notes; i.e. November

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Note 6 – Debt (continued)

Other Convertible Notes (continued)

13, 2020 which was \$0.00725 per share. As of December 31, 2020, the unamortized balance of the beneficial conversion feature was \$nil and the principal amount payable under the notes was \$488,640.

During the year ended December 31, 2021, 13,025,762 shares were issued to settle a portion of the debt in the amount of \$94,437 reducing the principal balance payable to \$394,203.

The Company adopted ASU 2020-06 effective as of January 1, 2022, using the modified retrospective method. The carrying value is as follows:

	December 31, 2022	December 31, 2021
Principal issued	\$ 394,203	\$ 394,203
Stock-settled liability	394,203	-
Total convertible notes	<u>\$ 788,406</u>	<u>\$ 394,203</u>

Advances from Third Party:

During the three months ended March 31, 2021, a creditor of the Company making up total remaining advances of \$28,759 from the cumulative \$517,215 acquired on the reverse merger assigned their debt in full to a third party. Concurrently the assignee elected to convert the debt into 4,108,400 shares of common stock at \$0.007 per share. The 4,108,400 shares of common stock issued had a total fair value of \$164,336, which resulted in the Company recording a loss on debt settlement of \$135,577. As a result of this conversion the debt balance of \$28,759 was extinguished leaving a balance of \$0 as of December 31, 2022 and 2021.

Demand Loans:

On June 30, 2021, the Company issued a promissory note (the “Note”) to a third party in the principal amount of \$19,000. The Note bears interest at the rate of 8% per annum and is due and payable by the Company upon demand from the debtor.

On August 20, 2021, the Company issued a promissory note (the “Note”) to a third party in the principal amount of \$50,000. The Note bears interest at the rate of 8% per annum and is due and payable by the Company upon demand from the debtor.

We recorded interest expenses of \$5,520 and \$2,224 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, the unpaid interest balance was \$7,744 (December 31, 2021 - \$2,224) which amount is included in Accounts payable and accrued liabilities, and the principal balance payable for loans due on demand is \$69,000.

Note 7 – Equity Purchase Agreement

On May 27, 2022, the Company entered into an Equity Purchase Agreement (“EPA”) with Mast Hill Fund, L.P., wherein Mast Hill agreed to commit to the purchase of up to Five Million Dollars (\$5,000,000) worth of the Company’s common stock at a price equal to 70% of the volume weighted average price of the Company’s Common Stock on the Principal Market on the Trading Day during the seven days preceding the respective Put Date for the duration of the Offering (the “Offering”) for a period of two years from the effective date of this prospectus, unless extended by our Board of Directors for up to an additional ninety (90) days. The Company has agreed to file a registration statement on Form S-1 with the Securities and Exchange Commission (“SEC”) in order to facilitate the

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Note 7 – Equity Purchase Agreement (continued)

EPA. While the Company has filed an initial registration statement on September 15, 2022, it has not yet completed an amended filing to address initial SEC comments and has not received a notice of effect.

Note 8 – Capital Stock

The Company's authorized capital is 500,000,000 common shares with a par value of \$0.0001 per share.

Shares issued in the year ended December 31, 2022:

On January 1, 2022 1,216,545 unregistered, restricted shares of common stock were issued by the Company to its CEO and director, Eliav Kling, pursuant to an executive compensation agreement (Note 5).

On May 20, 2022, 4,920,000 unregistered, restricted shares of common stock valued at \$186,960 were issued to an investor under the terms of a Security Purchase Agreement as commitment shares which have been expensed as financing costs (Note 6).

On May 20, 2022, 701,053 unregistered, restricted shares of common stock valued at \$26,640 were issued to a Broker in regard to an agreement to introduce a financier for the Company and expensed as financing costs.

On June 6, 2022, 7,500,000 unregistered, restricted shares of common stock valued on the date of issue at fair market value of \$300,000 were issued to a consultant pursuant to a consulting agreement with the Company..

On December 1, 2022, 12,380,952 unregistered, restricted shares of common stock were issued by the Company to its President and director, Louis Shefsky, pursuant to an executive compensation agreement and valued at fair market value of \$130,000 (Note 5).

During the year ended December 31, 2022, a total of 2,232,921 unregistered, restricted shares of common stock valued at \$46,532 were issued to an employee pursuant to an employment agreement (Note 10(1)).

During the year ended December 31, 2022, a total of 4,650,000 unregistered, restricted shares of common stock issued to consultants in December 2020 were cancelled without consideration.

Shares issued in the year ended December 31, 2021:

On January 1, 2021 10,714,286 unregistered, restricted shares of common stock were issued by the Company to its CEO and director, Eliav Kling, pursuant to an executive compensation agreement and valued at fair market value (Note 5).

On March 3, 2021, 4,108,400 unregistered, restricted shares of common stock were issued to settle certain debt (Note 6).

On June 15, 2021, 13,025,762 unregistered, restricted shares of common stock were issued to settle certain debt (Note 6)

On August 15, 2021, 80,000 unregistered, restricted shares of common stock were issued by the Company to consultants pursuant to advisory agreements and valued at fair market value (Note 10)

During the year ended December 31, 2021, 1,054,339 unregistered, restricted shares of common stock were issued by the Company to its President and director, Louis Shefsky, pursuant to an executive compensation agreement (Note 5).

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Note 8 – Capital Stock (continued)

During the fiscal year ended December 31, 2021, a total of 395,812 unregistered, restricted shares of common stock valued at \$56,227 were issued to an employee pursuant to an employment agreement (Note 10(1)).

There were 121,523,404 and 97,221,933 shares of common stock issued and outstanding at December 31, 2022 and December 31, 2021, respectively.

Note 9 – Warrants

On May 20, 2022, the Company issued cumulative 19,000,000 warrants to a convertible note holder in conjunction with certain financing agreements (Note 6) with exercise terms as follows: 15,000,000 shares at \$0.04 per share; 2,000,000 shares at \$0.10 per share; 1,000,000 shares at \$0.20 per share and 1,000,000 shares at \$0.50 per share. The fair value of the warrants granted was estimated at \$0.038 or \$722,000 using the Black-Scholes pricing model.

On May 27, 2022, the Company issued 10,000,000 warrants to an investor conjunction with equity purchase agreements (Note 7) with an exercise price of \$0.06 per share. The fair value of the warrants granted was estimated at \$0.035 or \$350,000 using the Black-Scholes pricing model.

Certain warrants above include dilution protection for the warrant holders, which could cause the exercise price to be reduced as a result of a financing event at a valuation below the exercise price in effect at the time. During the year ended December 31, 2022, as a result of additional share issuances below the original exercise price of certain warrants, the warrant exercise price for the aforementioned 29,000,000 warrants was downward adjusted to \$0.0105 per share. The downward pricing adjustment on each of the modification dates did not result in any additional expense.

In accordance with authoritative accounting guidance, the fair value of the outstanding common stock purchase warrants was calculated using the Black-Scholes option-pricing model with the following assumptions at the measurement date(s):

	<u>Measurement date</u>
Dividend yield	0%
Expected volatility	351.08 ~ 515.59
Risk-free interest rate	2.71 ~ 2.80%
Expected life (years)	5 years
Stock Price	\$0.0295 ~ \$0.038
Exercise Price	\$0.04-\$0.50

The following table summarizes information with respect to outstanding warrants to purchase common stock of the Company at December 31, 2022 and December 31, 2021:

<u>Exercise Price</u>	<u>December 31,</u> <u>2021</u>	<u>Issued</u>	<u>Repricing</u>	<u>Exercised</u>	<u>December 31,</u> <u>2022</u>	<u>Expiration</u> <u>Date</u>
\$ 0.04 ~ \$0.50	-	29,000,000	0.0105	-	29,000,000	May 20, 2027

A summary of the warrant activity for the period ended December 31, 2022 and 2021 is as follows:

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Note 9 – Warrants (continued)

	<u>Shares</u>	<u>Weighted- Average Exercise Price</u>	<u>Weighted- Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at December 31, 2021	-	\$ -	-	\$ -
Grants	29,000,000	0.04	5	-
Exercised	-			-
Expired	-			-
Outstanding at December 31, 2022	29,000,000	\$ 0.0105 (1)	4.39	\$ -
Exercisable at December 31, 2022	29,000,000	\$ 0.0105 (1)	4.39	\$ -

(1) Reflects current exercise price as a result of downward price adjustments during the year.

Note 10 – Commitments and Contingencies

- (1) On November 15, 2020, the Company entered into an employment agreement with Eital Muskal as VP of Strategy and Business Development for Enigmai Ltd., the Company's wholly owned subsidiary. Under the terms of the employment agreement, Ms. Muskal receives compensation of \$160,000 Canadian dollars per annum (approximately US\$126,000), paid as follows: cash consideration of CDN\$100,000 and CDN\$60,000 in consideration by way of the issuance of shares of the common stock of the Company which shall be paid quarterly, based on a 10% discount to the 10 day average trading price at the time of issuance and using the applicable rate of exchange from Canadian to US dollars at the valuation date. In year 2021, accumulated of 395,812 shares were issued in the consideration of the consideration of CDN\$60,000 payable in shares. At the end of the term of the contract, the Company agreed to issue a bonus to its VP Business Development and Strategy in the amount of CDN\$10,000 paid by the issuance of 24,642 shares of common stock at a discount of 10% to the market price on the date of issue. Further, on expiry, the Company and the consultant agreed to extend the contract for a further year and amend the terms of the employment agreement to provide those shares issued as compensation under the terms of the agreement shall be issued at a 15% discount to market, on the same terms and conditions, with the contract terminating on November 15, 2022. In the year ended December 31, 2022, a cumulative total of 2,232,921 shares were issued in consideration of CDN\$60,000 payable in shares. The contract was not returned for a further term upon expiry in November 2022.
- (2) During the quarter ended September 30, 2021, the Company formed an Advisory Board and entered into Advisory agreements with two independent consultants. The Agreements have a term of two years from August 15, 2021 and provide that the advisors will provide advice and recommendations regarding the Company's business strategy and corporate development. Under the terms of the agreements the Company issued the advisors a cumulative 80,000 shares of unregistered, restricted common stock in consideration for their services.
- (3) In December 2021, the Company filed a lawsuit in Israel against the original founders of Enigmai for Breach of Contract, and for damages in the amount of 559,977 NIS (approximately \$179,845 USD). With the acquisition of Enigmai, the original founders of Enigmai agreed to assist the Company in its transition, and more specifically, with training on the use of its software, and performance of various services related to the upgrading of the product. During the month of October 2021, both original founders of Enigmai informed the Company that they would cease providing their services on October 31, 2021, contrary to agreed upon terms of the acquisition of Enigmai, wherein, the founders agreed to assist the Company until the transition was complete and all improvements, upgrades and training of the product was completed. The Company has not yet received a response to the claim filed in Israel. The lawsuit was filed in the regional court in Tel Aviv,

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Note 10 – Commitments and Contingencies (continued)

and since the defendants (the original founders) failed to respond to the claim, the Company has filed for judgment without response. The Company as of the date of this filing is waiting for a ruling on the motion.

Note 11 – Related Party Transactions

Louis Shefsky

On December 1, 2020, the Company entered into a compensation agreement with Louis Shefsky, a director and officer of the Company, pursuant to which the Company issued a total of 8,975,000 unregistered, restricted shares of common stock, valued at \$130,138. The term of the contract was from December 1, 2020 to November 30, 2021.

On December 1, 2021, the Company entered into a new one-year compensation agreement with Mr. Shefsky under which the Company issued a total of 1,054,339 shares of unregistered, restricted common stock at \$0.28 per share for a total value of \$295,215. The term of the contract was from December 1, 2021 to November 30, 2022.

On December 1, 2022, the Company entered into a new one-year compensation agreement with Mr. Shefsky under which the Company issued a total of 12,380,952 shares of unregistered, restricted common stock at \$0.0105 per share for a total value of \$130,000. The term of the contract is from December 1, 2022 to November 30, 2023.

During the fiscal years ended December 31, 2022 and 2021, the Company recorded expenses of \$281,447 and \$143,894, respectively pursuant to the terms of the consulting agreements. At December 31, 2022, there remained deferred compensation of \$119,167 which is recorded on the balance sheet as deferred compensation to be amortized over 2023 until the end of the contract term, November 30, 2023.

Eliav Kling

On January 1, 2021, the Company and its CEO and director, Eliav Kling, entered into a compensation agreement for a term of one year, ending December 31, 2021, pursuant to which the Company agreed to compensation of \$150,000 in the form of 10,714,286 unregistered, restricted shares of common stock, based on the fair market value of the stock on the date of the agreement or \$0.014 per share.

On January 1, 2022, the Company and its CEO and director, Eliav Kling entered into a compensation agreement for a term of one year, ending December 31, 2022, pursuant to which the Company issued 1,216,545 unregistered, restricted shares of common stock, based on the fair market value of the stock on the date of the agreement or \$0.1498 per share.

During the year ended December 31, 2022 and 2021, the Company recorded expenses of \$182,238 and \$150,000, respectively pursuant to the terms of the consulting agreement.

During the fiscal year ended December 31, 2020, Mr. Kling, a director and officer of the Company advanced a total of \$1,534 to the Company for operational expenses. During the fiscal year ended December 31, 2021, Mr. Kling further advanced a total of \$55,077 to the Company for operational expenses. During the year ended December 31, 2022, Mr. Kling further advanced a total of \$3,147 to the Company for operational expenses and was repaid in cash in the amount of \$58,630. As at December 31, 2022 and December 31, 2021, Mr. Kling was owed a total of \$1,128 and \$56,611, respectively. The amount is reflected in the financial statements as due to related parties.

Ofir Hersaz

At December 31, 2022 and December 31, 2021, respectively, Mr. Hersaz, a former director of the Company's subsidiary and over 8% shareholder of the Company, was owed \$1,812 (6,381 ILS) and \$2,051 (6,381 ILS) which amounts are reflected on the financial statements as due to related parties.

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Note 12 - Subsequent Events

On January 1, 2023, the Company and its CEO and director, Eliav Kling entered into a compensation agreement for a term of one year, ending December 31, 2023, pursuant to which the Company issued 1,500,000 unregistered, restricted shares of common stock, based on the fair market value of the stock on the date of the agreement or \$0.01 per share.

Effective January 12, 2023 the Company and Auroraview LLC ("Auroraview"), a creditor of Enigmai, entered into a binding term sheet whereunder Auroraview and the Company agree to form a new jointly controlled entity to be called AuroraView Enigmai whereunder Auroraview EV will offer the Enigmai Business Suite ("EBS") globally. Auroraview will finance the ongoing development and offering of the EBS and the parties agree that all currently outstanding invoices and all future investments into Auroraview Enigmai shall have first priority for repayment from future revenues until paid in full following which the parties will split the net operating profits on a 50/50 basis. As of the date of this report Auroraview Enigmai has not yet been formed.

On March 2, 2023, the Company announced a definitive agreement for the acquisition of Super Fresh Foods USA ("Super Fresh"), a U.S.-based food-tech company established in 2022 specializing in meal-subscription operations, from its sole shareholder, Mr. Benny Doro. Following the closing of the transaction, Super Fresh shall operate as a 100% owned subsidiary of the Company. In return, the Super Fresh shareholder will be issued a total of 84,000,000 new shares. The Company will concurrently add two new board members, Mr. Benny Doro and Mr. Mark Wright to the Company's board of directors.

Super Fresh Foods operates through a partnership with All Your Foods in the Vancouver, British Columbia metropolitan area to deliver meals under its "All Your Meals" brand. All Your Meals is for people who want to eat healthy food without sacrificing taste and without the hassle of preparing every meal at home. Using proprietary Super Fresh recipes, the All Your Foods kitchen delivers our delicious meals for Super Fresh' clients to heat and eat, without sacrificing the freshness or flavor we expect from a home cooked meal.

The Company has evaluated events for the period from December 31, 2022, through April 17, 2023 the date on which these financial statements were issued, and determined that there are no additional events requiring disclosure.