

Interim Condensed Consolidated Financial Statements of



DISCOVERIES CORP.

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

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GOLDSPOT DISCOVERIES CORP.

Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2021 and December 31, 2020

(Unaudited - Prepared in Canadian dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Assets			
Current			
Cash and cash equivalents	7	\$ 17,434,410	\$ 4,467,177
Accounts receivable, net of expected credit losses (ECL)	4, 7, 12(d), 20(a)	888,631	486,320
Investments, at fair value	5, 12(d)	26,911,860	17,820,973
Equity investment	6, 12(e)	7,848,720	-
Tax credits receivable	8	521,343	-
Prepays		610,620	86,908
Assets held for sale	6	-	525,429
		<u>54,215,584</u>	<u>23,386,807</u>
Property and equipment	9	760,371	340,360
Intangible assets	3	688,333	-
Goodwill	3	1,280,272	-
		<u>\$ 56,944,560</u>	<u>\$ 23,727,167</u>
Liabilities and Equity			
Current			
Accounts payable and accrued liabilities	12(f)	\$ 932,098	\$ 302,299
Sales tax payable		70,126	223,022
Deferred revenue	10	4,527,433	3,119,439
Liabilities directly associated with the assets held for sale	6	-	11,463
Lease liabilities	11	131,123	101,390
Income tax payable		111,078	-
		<u>5,771,858</u>	<u>3,757,613</u>
Deferred tax liabilities		1,366,762	1,399,246
Non-current lease liabilities	11	128,630	180,187
		<u>7,267,250</u>	<u>5,337,046</u>
Equity			
Share capital	13	34,971,147	12,978,924
Contributed surplus	13(c)	1,949,660	1,447,247
Warrants	13(b, d)	41,051	-
Retained earnings		12,715,452	3,865,001
Total equity attributable to shareholders of the Company		49,677,310	18,291,172
Non-controlling interest		-	98,949
		<u>49,677,310</u>	<u>18,390,121</u>
		<u>\$ 56,944,560</u>	<u>\$ 23,727,167</u>

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

GOLDSPOT DISCOVERIES CORP.**Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)****Three And Nine Months Ended September 30,****(Unaudited - Prepared in Canadian dollars)**

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Notes	2021	2020	2021	2020
Revenue					
Consulting income	9, 12(d, e)	\$ 2,051,683	\$ 1,586,121	\$ 6,342,225	\$ 3,461,943
Net investment gains (losses)	15	(10,363,074)	2,924,514	3,557,563	6,486,988
Other income	16	10,306	1,496	14,889	14,905
		<u>(8,301,085)</u>	<u>4,512,131</u>	<u>9,914,677</u>	<u>9,963,836</u>
Expenses					
Operating, general and administrative	12, 17	2,645,750	1,542,105	7,654,329	4,077,134
Finance expenses	11	8,699	7,726	28,516	24,761
		<u>2,654,449</u>	<u>1,549,831</u>	<u>7,682,845</u>	<u>4,101,895</u>
Loss from equity investment	6	(273,304)	-	(1,225,429)	-
Income (loss) before income taxes		(11,228,838)	2,962,300	1,006,403	5,861,941
Income tax recovery		(1,662,208)	-	(184,250)	-
Net income (loss) from operations		(9,566,630)	2,962,300	1,190,653	5,861,941
Realized gains from disposition of subsidiary	6	-	-	7,659,798	-
Net income (loss) and comprehensive income (loss) for the period		<u>\$ (9,566,630)</u>	<u>\$ 2,962,300</u>	<u>\$ 8,850,451</u>	<u>\$ 5,861,941</u>
Earnings (loss) per common share for the period					
Basic		\$ (0.08)	\$ 0.03	\$ 0.08	\$ 0.06
Diluted		<u>\$ (0.08)</u>	<u>\$ 0.03</u>	<u>\$ 0.08</u>	<u>\$ 0.06</u>
Weighted average number of common shares outstanding					
Basic	13(e)	120,764,199	94,724,876	105,589,937	94,724,876
Diluted	13(e)	120,764,199	94,724,876	110,851,680	94,724,876

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

GOLDSPOT DISCOVERIES CORP.

Interim Condensed Consolidated Statements of Changes in Equity

Nine Months Ended September 30,

(Unaudited - Prepared in Canadian dollars)

	Notes	Number of shares	Share capital	Contributed surplus	Warrants	Retained earnings (accumulated deficit)	Non-controlling interest	Total equity
Balance at December 31, 2019		94,724,876	\$ 12,978,924	\$ 842,308	\$ 203,380	\$ (6,514,679)	\$ -	\$ 7,509,933
Net income and comprehensive income for the period		-	-	-	-	5,861,941	-	5,861,941
Reallocation of expired warrants		-	-	203,380	(203,380)	-	-	-
Stock-based compensation expense		-	-	295,856	-	-	-	295,856
Balance at September 30, 2020		94,724,876	\$ 12,978,924	\$ 1,341,544	\$ -	\$ (652,738)	\$ -	\$ 13,667,730
Balance at December 31, 2020		94,724,876	\$ 12,978,924	\$ 1,447,247	\$ -	\$ 3,865,001	\$ 98,949	\$ 18,390,121
Net income and comprehensive income for the period		-	-	-	-	8,850,451	-	8,850,451
Issued pursuant to private placements, net	13(b)	23,755,000	18,948,241	-	425,700	-	-	19,373,941
Issued pursuant to exercise of options	13(c)	352,240	146,651	(59,080)	-	-	-	87,571
Issued pursuant to exercise of warrants	13(d)	745,444	981,004	-	(384,649)	-	-	596,355
Issued pursuant to acquisition of Ridgeline Exploration Services Inc., net	3, 13(a)	1,951,219	1,916,327	-	-	-	-	1,916,327
Stock-based compensation expense	13(c)	-	-	561,493	-	-	-	561,493
Disposition of shares of subsidiary of non-controlling interest	6	-	-	-	-	-	(98,949)	(98,949)
Balance at September 30, 2021		121,528,779	\$ 34,971,147	\$ 1,949,660	\$ 41,051	\$ 12,715,452	\$ -	\$ 49,677,310

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

GOLDSPOT DISCOVERIES CORP.**Interim Condensed Consolidated Statements of Cash Flows****Nine Months Ended September 30,****(Unaudited - Prepared in Canadian dollars)**

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Cash flows from (used in) operating activities			
Net income for the period		\$ 8,850,451	\$ 5,861,941
Items not affecting cash			
Net investment gains		(3,557,563)	(6,486,988)
Loss from equity investment		1,225,429	-
Stock-based compensation expense		561,493	295,856
Depreciation		122,911	68,803
Provision for expected credit losses		65,625	4,140
Finance expense		28,516	24,761
Deferred tax recovery		(224,184)	-
Realized gains from disposition of subsidiary		(7,659,798)	-
		<u>(587,120)</u>	<u>(231,487)</u>
Changes in non-cash working capital balances			
Increase in accounts receivable, net of expected credit losses (ECL)		(332,112)	(190,670)
Decrease in sales tax recoverable		-	61,632
Increase in tax credits receivable		(151,346)	-
Decrease (increase) in prepaids		(523,712)	61,944
Increase (decrease) in accounts payable and accrued liabilities		221,919	(31,820)
Increase (decrease) in sales tax payable		(163,960)	167,167
Increase in deferred revenue		1,407,994	306,035
Increase in income tax payable		39,934	-
		<u>(88,403)</u>	<u>142,801</u>
Cash flows from (used in) financing activities			
Proceeds pursuant to private placement financings, net	13(b)	19,373,941	-
Proceeds pursuant to exercise of options		87,571	-
Proceeds pursuant to exercise of warrants		596,355	-
Principal payments of lease liabilities		(108,924)	(66,830)
Share issuance costs		(12,720)	-
		<u>19,936,223</u>	<u>(66,830)</u>
Cash flows from (used in) investing activities			
Proceeds on disposition of investments		3,818,939	3,972,806
Purchases of investments		(9,352,263)	(3,750,184)
Purchases of equity investments	6	(999,334)	-
Acquisition of Ridgeline Exploration Inc, net of cash on hand	3	6,267	-
Purchases of property and equipment		(354,196)	(6,974)
		<u>(6,880,587)</u>	<u>215,648</u>
Net increase in cash and cash equivalents during the period		12,967,233	291,619
Cash and cash equivalents, beginning of period		4,467,177	4,762,213
Cash and cash equivalents, end of period		\$ 17,434,410	\$ 5,053,832

Supplemental cash flow information

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

GOLDSPOT DISCOVERIES CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

1. Nature of business:

GoldSpot Discoveries Corp. ("GoldSpot" or the "Company") was incorporated under the *Canada Business Corporations Act* on May 1, 2017. On February 21, 2019, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "SPOT" and on the OTCQX Best Market under the symbol "SPOFF". The Company's head office is at 69 Yonge Street, Suite 1010, Toronto, Ontario, M5E 1K3.

GoldSpot is a technology company using artificial intelligence to revolutionize the future of global mineral exploration with a full suite of data and knowledge-driven SaaS tools and services. GoldSpot works with industry leaders across all commodity and deposit types to identify new exploration targets, develop cutting-edge technologies and to strategically invest in mineral exploration companies. Our leading team of expert scientist's merge geoscience and data science to deliver bespoke solutions that save time, reduce costs and produce far more accurate results than ever before possible.

These interim condensed consolidated financial statements were approved for issuance by the Company's board of directors on November 29, 2021.

2. Basis of preparation:

(a) Statement of compliance:

These interim condensed consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These interim condensed consolidated financial statements for the three and nine months ended September 30, 2021 and 2020 should be read together with the annual financial statements as at and for the year ended December 31, 2020. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of and as described in note 3 of the annual consolidated financial statements as at and for the year ended December 31, 2020.

(b) Basis of presentation:

These interim condensed consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$").

GOLDSPOT DISCOVERIES CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

2. Basis of preparation (continued):

(c) Basis of consolidation:

As at September 30, 2021, these interim condensed consolidated financial statements include the financial statements of GoldSpot and its wholly-owned subsidiary, Ridgeline Exploration Services Inc.

As at December 31, 2020, these interim condensed consolidated financial statements include the financial statements of GoldSpot and its majority-owned subsidiary, XCorp AI Ltd. ("XCorp") which completed a transaction on January 1, 2021 with Golden Planet Mining Corp. ("GPM"). See Note 6.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All inter-company account balances and transactions have been eliminated upon consolidation.

(d) Equity investment:

The Company holds an equity investment in an associate. An associate is an entity over which the Company has significant influence and is neither a controlled subsidiary nor a jointly controlled entity. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for equity investments using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and is subsequently increased or decreased to recognize the Company's share of earnings or losses of the associate, and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings or losses of associates are recognized through net income or loss during the period. Cash distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment in the associate.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the associate's operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the greater of its fair value less costs of disposal and value in use (i.e., present value of its future cash flows). If the recoverable amount of an investment in an associate is less than its carrying amount, then an impairment loss is recognized in that period.

GOLDSPOT DISCOVERIES CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

2. Basis of preparation (continued):

When an impairment loss reverses in a subsequent period, the carrying amount of the investment in an associate is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through net income or loss in the period in which the reversal occurs.

As at September 30, 2021, the Company holds a 28.3% interest in Golden Planet Mining Corp, has representation on its board and has shared management. Golden Planet Mining Corp has a December 31 year end, which is the same year end as the Company.

(e) Critical accounting judgments, estimates and assumptions:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the interim condensed financial statements were the same as those in the preparation of the annual financial statements as at and for the year ended December 31, 2020.

In addition, Management uses judgement to determine significant influence over an investee. Management determines its ability to exercise significant influence over an investment in shares of other companies by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Company and the associate, managerial personnel in common, provision of essential technical information and operating involvement.

GOLDSPOT DISCOVERIES CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

3. Acquisition of Ridgeline Exploration Services Inc.:

On August 3, 2021, GoldSpot acquired 100% of the issued and outstanding share capital and voting rights in Ridgeline Exploration Services Inc. ("Ridgeline"), a geological and logistical field services firm, based in Kelowna, British Columbia. As consideration for the acquisition, GoldSpot issued 1,951,219 common shares with a fair value of \$1,929,047 and made a cash payment of \$28,000. The common shares issued are subject to a statutory hold period expiring on December 4, 2021. Accordingly, the fair value of common shares was measured using the Company's closing share price on August 3, 2021, and further adjusted due to the statutory hold period. Additionally, the consideration payable by the Company was subject to a working capital adjustment, which has been accrued in the amount of \$118,407. The resulting total fair value of consideration has been measured as \$2,075,454. The Company began consolidating the operating results, cashflows, and net assets of Ridgeline from August 3, 2021, onwards.

The transaction was accounted for as a business combination using the acquisition method of accounting under the provision of IFRS 3- *Business Combination*, as the operations of Ridgeline meet the definition of a business. As the transaction was accounted for as a business combination, transaction costs were expensed. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales and growth potential of Ridgeline. The fair value of the consideration transferred has been determined on a preliminary basis. The consideration has been allocated to the assets acquired and liabilities assumed on a preliminary basis based on their estimated fair values at the date of acquisition. Due to the timing of the acquisition, the Company will require additional information to allocate the fair values to the net assets acquired, particularly to any intangibles acquired. The determination of the fair value of the net assets will be revised by the Company as additional information is received. At acquisition date on August 3, 2021, the Company has preliminary allocated the purchase price as follows:

Consideration	
Equity consideration (1,951,219 common shares)	\$ 1,929,047
Cash consideration	28,000
Working capital adjustment	118,407
Total consideration	\$ 2,075,454
Net assets acquired	
Cash	\$ 34,267
Accounts receivable, net of ECL	135,824
Tax credits receivable	369,997
Property and equipment	133,018
Accounts payable and accrued liabilities	(289,473)
Sales tax payable	(11,064)
Corporate tax payable	(71,144)
Lease liabilities	(24,543)
Deferred tax liability	(191,700)
Intangible assets	710,000
Net assets at fair value, as at August 3, 2021	\$ 795,182
Goodwill	\$ 1,280,272

GOLDSPOT DISCOVERIES CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

3. Acquisition of Ridgeline Exploration Services Inc. (continued):

The goodwill generated as a result of this acquisition relates to other intangible assets such as workforce and synergies that do not qualify for separate recognition.

The intangible assets are comprised of the trade name/brand with a fair value of \$190,000 and non-compete agreements with a fair value of \$520,000. The fair values were determined using a discounted cash flow analysis with the following assumptions:

Assumptions	Intangible assets	
	Trade name/Brand	Non-compete agreements
Discount rate	33.0%	31.0%
% revenue associated with trade name	100%	n/a
Pre-tax royalty rate	2.0%	n/a
Life of the intangible asset	20 years	4 years
Probability to compete	n/a	37.5%
Revenue impact % rate	n/a	75.0%
Income tax rate	27.0%	27.0%

A continuity of intangible assets are as follows for the nine months ended September 30, 2021 and year ended December 31, 2020:

Cost	Trade name/Brand	Non-compete agreements	Total
Balance – December 31, 2020	\$ -	\$ -	\$ -
Acquisition of Ridgeline	190,000	520,000	710,000
Balance – September 30, 2021	\$ 190,000	\$ 520,000	\$ 710,000

Accumulated Amortization	Trade name/Brand	Non-compete agreements	Total
Balance – December 31, 2020	\$ -	\$ -	\$ -
Amortization	-	21,667	21,667
Balance – September 30, 2021	\$ -	\$ 21,667	\$ 21,667

Carrying Value	Trade name/Brand	Non-compete agreements	Total
Balance – December 31, 2020	\$ -	\$ -	\$ -
Balance – September 30, 2021	\$ 190,000	\$ 498,333	\$ 688,333

From the date of the acquisition to September 30, 2021, Ridgeline contributed \$331,146 to the Company's revenues. Had the acquisition occurred on January 1, 2021, the Company's revenue for the nine months ended September 30, 2021 would have been \$522,032 higher.

GOLDSPOT DISCOVERIES CORP.**Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2021****(Unaudited - Prepared in Canadian dollars)**

4. Accounts receivable, net of expected credit losses:

As at September 30, 2021, accounts receivable consists of receivables relating to consulting services to 22 (December 31, 2020 - 18) mining and exploration companies located in Canada. See Note 20(a).

Accounts receivable, net of expected credit losses consist of the following as at September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Accounts receivable	\$ 1,009,784	\$ 541,848
Expected credit loss provision	(121,153)	(55,528)
	\$ 888,631	\$ 486,320

5. Investments, at fair value and financial instruments hierarchy:

(a) The fair value and cost of investments, at fair value are as follows as at September 30, 2021 and December 31, 2020:

	Fair Value	Cost
September 30, 2021	\$ 26,911,860	\$ 13,707,452
December 31, 2020	\$ 17,820,973	\$ 6,696,813

(b) As at September 30, 2021, included in investments, at fair value were securities of private companies with a fair value totaling \$1,741,601 (cost of \$1,551,601) (December 31, 2020 – fair value of \$1,150,625 (cost of \$976,756) measured in accordance with the company's accounting policy for private company investments.

(c) Financial instruments hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Securities that are traded on a recognized securities exchange, but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 25%, using Finnerty's put option model. In determining the discount for such investments, the Company considers the nature and length of the restriction. (Level 2).

GOLDSLOT DISCOVERIES CORP.**Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2021****(Unaudited - Prepared in Canadian dollars)**

5. Investments at fair value and financial instruments hierarchy (continued):

- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Investments which are in Level 3 and become public issuers during the period are transferred to Level 1 or 2.

The following table presents the Company's investments, measured at fair value, and categorized into levels of the fair value hierarchy on the interim condensed consolidated statements of financial position as at September 30, 2021 and December 31, 2020:

Investments, at fair value	Level 1	Level 2	Level 3	Total
	Quoted market price	Valuation technique – observable market inputs	Valuation technique – non-observable market inputs	
September 30, 2021	\$ 20,722,234	\$ 4,448,025	\$ 1,741,601	\$ 26,911,860
December 31, 2020	\$ 10,995,774	\$ 5,674,574	\$ 1,150,625	\$ 17,820,973

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the nine months ended September 30, 2021 and year ended December 31, 2020. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. The net change in unrealized gains are recognized in the interim condensed consolidated statements of income (loss) and comprehensive income (loss).

	Opening balance at January 1,	Purchases	Transfer to Level 1 or 2	Net unrealized gains	Ending balance
September 30, 2021	\$ 1,150,625	\$ 1,475,001	\$ (900,156)	\$ 16,131	\$ 1,741,601
December 31, 2020	\$ 905,000	\$ 1,420,516	\$ (1,270,360)	\$ 95,469	\$ 1,150,625

Investments which are in Level 3 and become public issuers during the period are transferred to Level 1 or 2. These represents the only type of transfer between Levels during the reporting periods.

GOLDSPOT DISCOVERIES CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

5. Investments at fair value and financial instruments hierarchy (continued):

Significant unobservable inputs used in the fair value measurement of Level 3 investments were:

Description	Fair value at September 30, 2021	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable inputs (%)
Unlisted private equities	\$ 1,475,001	New investment	Recent acquisition price	5.5	Recent transaction price
Unlisted private equities	266,600	Grey market activity	Recent transaction calibration	1.0	Recent transaction price – market trends
	\$ 1,741,601			6.5	

Description	Fair value at December 31, 2020	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable inputs (%)
Unlisted private equities	\$ 884,025	New investment	New investment during the period	5.0	Recent transaction price
Unlisted private equities	266,600	Grey market activity	Recent transaction price	1.5	Recent transaction price – market trends
	\$ 1,150,625			6.5	

For investments valued based on trends in comparable publicly traded companies, general market conditions and specific company information, the inputs used can be highly judgmental. A +/- 25% change on the fair value of this investment will result in a corresponding +/- \$435,400 (December 31, 2020 - \$287,656) change in the total fair value of the investments.

While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of this investment.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

GOLDSPOT DISCOVERIES CORP.

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited - Prepared in Canadian dollars)

6. Equity investment:

On August 14, 2020, the Company incorporated a wholly-owned subsidiary, XCorp AI Ltd. ("XCorp") to acquire certain exploration and evaluation assets. XCorp was formed as an initiative between the Company and Hanging Wall Metals Inc. ("Hanging Wall"), a private exploration company, and it holds an option to acquire a 100% interest in the Rider Block Project (located in central British Columbia, Canada) pursuant to an option agreement dated October 9, 2020 with Hanging Wall.

GoldSpot had invested an aggregate of \$475,001 in XCorp, and as at December 31, 2020 held approximately 80.7% of the outstanding shares of XCorp. During the year ended December 31, 2020, XCorp also completed a private placement in the amount of \$25,000 for 500,000 common shares. In addition, XCorp issued 1,765,000 common shares to acquire the Rider Block Project. Such shares issued were measured at \$88,250 based on the fair value of common shares of XCorp issued. As at December 31, 2020, Hanging Wall and Envision Geoscience Inc. ("Envision") held approximately 15.0% and 4.3%, respectively, of the outstanding shares of XCorp. Envision is a private company controlled by Shawn Hood, who is the Chief Technology Officer of the Company.

In order to earn its interest in the Rider Block project, XCorp is required to (i) make cash payments aggregating \$240,000 over two years, (ii) incur aggregate exploration expenditures of \$3,000,000 on the property over three years, (iii) issue shares aggregating 15% of the issued and outstanding shares of XCorp (which have been issued) and (iv) issue stock options to acquire such number of shares of XCorp as are equal to 3% of the outstanding shares of XCorp after giving effect to an initial minimum financing of \$2,500,000.

On December 14, 2020, the Company entered into a definitive agreement ("Definitive Agreement") with Golden Planet Mining Corp. ("GPM"), a private mining exploration company. Pursuant to the Definitive Agreement (i) GoldSpot and each of the other shareholders of XCorp will exchange their common shares of XCorp ("XCorp Shares") on the basis of 1.6999431 common shares of GPM ("GPM Shares") for each one XCorp Share held; and (ii) XCorp will become a wholly-owned subsidiary of GPM. GPM holds 146,000 hectares of prospective property located south-east of La Ronge, Saskatchewan. As a result, the results for XCorp for the year ended December 31, 2020 were reclassified as a loss from discontinued operations in the consolidated statements of income and comprehensive income. The assets and liabilities have been classified as assets held for sale and liabilities of assets held for sale, respectively, in the consolidated statement of financial position as at December 31, 2020.

GOLDSPOT DISCOVERIES CORP.

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(Unaudited - Prepared in Canadian dollars)

6. Equity investment (continued):

Assets and liabilities related to XCorp have been reclassified as assets held for sale and liabilities associated with assets held for sale:

	As at December 31, 2020
Cash	\$ 267,162
Sales tax recoverable	7,499
Prepays	21,000
Exploration and evaluation assets	229,768
Assets held for sale	\$ 525,429
Accounts payable and accrued liabilities	\$ 11,463
Liabilities held for sale	\$ 11,463

The results of discontinued operations were as follows:

	From incorporation (August 14, 2020 to December 31, 2020)
Expenses:	
Professional fees	\$ 46,783
Exploration and evaluation expenditures	20,879
Consulting fees	4,648
Other office and general	1,475
Shareholder relations and filing fees	500
Net loss from discontinued operations	\$ 74,285
Net loss from discontinued operations attributable to non-controlling interests	\$ 14,301

On January 1, 2021, the Company completed the transaction of its majority owned subsidiary, XCorp with GPM (the "Transaction"). Pursuant to the Transaction, (i) GoldSpot and each of the other shareholders of XCorp. exchanged their common shares of XCorp ("XCorp Shares") on the basis of 1.6999431 common shares of GPM ("GPM Shares") for each one (1) XCorp Share held; and (ii) XCorp became a wholly-owned subsidiary of GPM. Immediately following the Transaction, GoldSpot holds an aggregate of 16,149,629 GPM Shares representing 31.3% of all issued and outstanding GPM Shares on a non-diluted basis (or 30.4% on a fully diluted basis assuming exercise of the GPM Options). For the nine months ended September 30, 2021, included in the interim condensed consolidated statement of income and comprehensive income is realized gains from disposition of subsidiary of \$7,659,798, relating to the Transaction.

An associate is an entity over which the Company has significant influence and is not a subsidiary or joint venture. Significant influence is presumed to exist when the Company has the power to be actively involved and influential in financial and operating policy decisions of the associate. The Company accounts for its investment in an associate using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date.

GOLDSPOT DISCOVERIES CORP.**Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2021****(Unaudited - Prepared in Canadian dollars)**

6. Equity investment (continued):

The Company's share of comprehensive earnings or losses of associates are recognized in net income and comprehensive income during the period. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

The Company is considered to have significant influence over GPM due to the percentage of its equity interest in GPM.

In July 2021, GPM completed a non-brokered financing by issuing 7,330,078 GPM common shares at a price of \$0.90 per share, raising gross proceeds of \$6,597,070. The Company participated in the financing and purchased 1,110,371 GPM common shares at a total cost of \$999,334. As a result, as at September 30, 2021, the Company now owns 28.3% of GPM with a fair market value of \$15,534,000. Such fair value is categorized as level 3 within the fair value hierarchy.

The following is a summary of the Company's investment in GPM:

	GPM
Equity investment as at December 31, 2020	\$ -
Share exchange of XCorp for GPM (at fair value)	8,074,815
Purchased during the period	999,334
GoldSpot's share of loss	(1,225,429)
Equity investment as at September 30, 2021	\$ 7,848,720

7. Financial assets and (liabilities) other than investments at fair value:

Financial assets and liabilities other than investments at fair value are as follows as at September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 17,434,410	\$ 4,467,177
Accounts receivable, net of expected credit losses	888,631	486,320
Accounts payable and accrued liabilities	(932,098)	(302,299)
	\$ 17,390,943	\$ 4,651,198

The carrying values of cash and cash equivalents, accounts receivable, net of expected credit losses, accounts payable and accrued liabilities approximate their fair values due to the short term to maturity for these instruments.

GOLDSPOT DISCOVERIES CORP.

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(Unaudited - Prepared in Canadian dollars)

7. Financial assets and (liabilities) other than investments at fair value (continued):

Cash and cash equivalents consist of the following as at September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Cash	\$ 8,875,804	\$ 1,645,149
Cash equivalents	8,558,606	2,822,028
	\$ 17,434,410	\$ 4,467,177

As at September 30, 2021 and December 31, 2020, cash equivalents were comprised of Guarantee Investment Certificates and money market funds which are cashable at any time.

8. Tax credits receivable:

The Company undertakes research and development activities, the costs of which are eligible for investment tax credits which may be refunded or applied to reduce income tax payable in the current year and future years.

During the nine months ended September 30, 2021, the Company recognized \$223,732 (nine months ended September 30, 2020 - \$Nil) of Ontario and Quebec Investment Tax Credits for claims relating to fiscal 2019 and 2020, which has been deducted from operating, general and administrative expenses.

Investment tax credits for the fiscal year are dependent upon qualification of each individual project under stringent technical criteria and amounts may vary upon further review by the Canada Revenue Agency and Revenue Quebec. Historically, the Company has not claimed any investment tax credits and fiscal 2019 and 2020 are the first years of these filings. Adjustments to the claim, if any, will be accounted for in the year of assessment. As at September 30, 2021, the Company has received the Ontario portion of the investment tax credits totaling \$72,386.

In addition, Ridgeline has provincial mining tax credits receivable of \$369,997. Adjustments to the claim, if any, will be accounted for in the year of assessment.

9. Property and equipment:

Property and equipment are as follows as at September 30, 2021 and December 31, 2020:

Cost	Geophysical equipment	Furniture and fixtures	Computer equipment	Right-of-use assets	Vehicles	Total
Balance – December 31, 2019	\$ -	\$ 18,047	\$ 58,189	\$ 299,556	\$ -	\$ 375,792
Additions	-	-	24,537	119,687	-	144,224
Balance – December 31, 2020	\$ -	\$ 18,047	\$ 82,726	\$ 419,243	\$ -	\$ 520,016
Acquisition of Ridgeline	59,133	9,659	4,157	25,326	34,743	133,018
Additions	320,653	-	33,545	34,041	-	388,239
Balance – September 30, 2021	\$ 379,786	\$ 27,706	\$ 120,428	\$ 478,610	\$ 34,743	\$ 1,041,273

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(Unaudited - Prepared in Canadian dollars)

9. Property and equipment (continued):

Accumulated Depreciation	Geophysical equipment	Furniture and fixtures	Computer equipment	Right-of-use assets	Vehicles	Total
Balance – December 31, 2019	\$ -	\$ 6,860	\$ 21,311	\$ 53,426	\$ -	\$ 81,597
Depreciation	-	2,238	12,655	83,166	-	98,059
Balance – December 31, 2020	\$ -	\$ 9,098	\$ 33,966	\$ 136,592	\$ -	\$ 179,656
Depreciation	789	1,594	14,094	84,074	695	101,246
Balance – September 30, 2021	\$ 789	\$ 10,692	\$ 48,060	\$ 220,666	\$ 695	\$ 280,902

Carrying Value	Geophysical equipment	Furniture and fixtures	Computer equipment	Right-of-use assets	Vehicles	Total
Balance – December 31, 2020	\$ -	\$ 8,949	\$ 48,760	\$ 282,651	\$ -	\$ 340,360
Balance – September 30, 2021	\$ 378,997	\$ 17,014	\$ 72,368	\$ 257,944	\$ 34,048	\$ 760,371

10. Deferred revenue:

Revenue is recognized on service contracts based on the proportion of the number of labour hours incurred as a proportion of the total labour hours required to complete the contract. There may be differences between the timing of billings and the number of labour hours incurred at a point in time. Where revenue recognized exceeds the amounts billed to customers, the difference is recorded as revenue. Where amounts billed to customers exceed revenue recognized, the difference is recorded as deferred revenue.

The following table summarizes the changes in the Company's deferred revenue during the nine months ended September 30, 2021 and year ended December 31, 2020:

	September 30, 2021	December 31, 2020
Deferred revenue, at beginning of period	\$ 3,119,439	\$ 2,229,903
Revenue billed	7,751,419	6,059,580
Revenue recognized	(6,343,425)	(5,170,044)
Deferred revenue, at the end of period	\$ 4,527,433	\$ 3,119,439

Generally, the Company has service contracts which are between 6 to 18 months long. Service contracts are completed upon providing the final deliverable to the customer which include a final report and presentation of the work performed. As at September 30, 2021, deferred revenue was \$4,527,433 (December 31, 2020 - \$3,119,439) and the Company expects that a majority of the deferred revenue will be recognized in fiscal 2021 and 2022. The expected timing on recognition of revenue is subject to project delays by the customer, unplanned work requests, non-optimal fieldwork environment, and other factors which are beyond the Company's control.

GOLDSPOT DISCOVERIES CORP.

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(Unaudited - Prepared in Canadian dollars)

11. Lease liabilities:

In February 2018, the Company signed a lease for new premises in Montreal, Quebec, which started March 1, 2018 for annual payments of approximately \$96,000 (\$8,000 monthly, increased by 2.5% each year) plus applicable taxes until February 28, 2023. In November 2020, the Company signed a lease for premises in Toronto, Ontario which started December 1, 2020 for annual payments of \$42,900 plus operating costs and applicable taxes until April 30, 2024.

In addition, Ridgeline has leased two vehicles with payments of \$783 and \$683 per month plus applicable taxes expiring on May 30, 2024 and August 23, 2025, respectively.

The following table summarizes the changes in the Company's lease liabilities during the nine months ended September 30, 2021 and year ended December 31, 2020:

	Lease liabilities	
Opening balance at January 1, 2020	\$	236,412
Additions		119,687
Repayments		(106,346)
Finance expense		31,824
Ending balance at December 31, 2020	\$	281,577
Additions		58,584
Repayments		(108,924)
Finance expense		28,516
Ending balance at September 30, 2021	\$	259,753

	September 30, 2021	December 31, 2020
Current lease liabilities	\$ 131,123	\$ 101,390
Non-current lease liabilities	128,630	180,187
Total lease liabilities	\$ 259,753	\$ 281,577

As at September 30, 2021, future minimum annual lease payments under operating leases for premises and vehicles are approximately as follows:

2021	\$	40,967
2022		166,019
2023		78,149
2024		26,408
2025		5,462
Prepaid rent deposits		(23,069)
Total lease obligations	\$	293,936
Discount at effective interest rates of 15%		(34,183)
Net lease liabilities, as at September 30, 2021	\$	259,753
Non-current lease liability, as at September 30, 2021		(128,630)
Current lease liability, as at September 30, 2021	\$	131,123

GOLDSPOT DISCOVERIES CORP.

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12. Related party transactions:

All transactions with related parties have occurred in the normal course of operations.

- (a) During the three and nine months ended September 30, 2021 and 2020, key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. GoldSpot considers Denis Laviolette, its Executive Chairman and President ("EC&P"), Vincent Dube-Bourgeois, its Chief Executive Officer ("CEO"), Binh Quach, its Chief Financial Officer and Corporate Secretary ("CFO"), Cejay Kim, its Chief Business Officer, and Shawn Hood, its Chief Technology Officer (who was appointed on July 15, 2020) to be its key management personnel, in addition to its board of directors.

Compensation of key management is included in the interim condensed statements of income and comprehensive income:

Type of expense	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Salaries and consulting fees	\$ 187,500	\$ 212,500	\$ 1,737,500	\$ 611,500
Directors' fees	64,500	30,000	170,500	129,730
Stock-based compensation expense (d, e and 12(f))	23,288	168,549	117,020	227,911
Employee benefits	3,583	3,583	10,748	9,403
	\$ 278,871	\$ 414,632	\$ 2,035,768	\$ 978,544

For the nine months ended September 30, 2021, included in salaries and consulting fees are cash bonuses paid to key management personnel totaling \$1,175,000 (September 30, 2020 - \$nil).

- (b) On July 15, 2020, the Company granted 2,250,000 options to directors and officers of the Company, exercisable at \$0.18 per share and expiring on July 15, 2025.
- (c) In October 2020, Envision acquired 500,000 shares of XCorp at a cost of \$25,000. Envision is a private company controlled by the Chief Technology Officer of the Company.
- (d) During the nine months ended September 30, 2021, the Company recorded consulting revenue of \$1,019,659 (nine months ended September 30, 2020 - \$112,575) from New Found Gold Corp ("NFGC"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "NFG". As at September 30, 2021, the Company had an accounts receivable of \$147,237 due from NFGC. As at September 30, 2021, the Company also has an investment in NFGC with a fair value of \$13,027,587 (December 31, 2020 - \$6,877,079). The Company's EC&P is also a director and President of NFGC.

GOLDSPOT DISCOVERIES CORP.

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12. Related party transactions (continued):

- (e) During the nine months ended September 30, 2021, the Company recorded consulting revenue of \$407,116 (nine months ended September 30, 2020 - \$nil) from Golden Planet Mining Corp. As at September 30, 2021, the Company had a deferred revenue of \$18,753 due to GPM. As at September 30, 2021, the Company also has an equity investment in GPM with a fair value of \$15,534,000 (December 31, 2020 - \$nil). The Company's EC&P is also a director and CEO of GPM. Also, the Company CTO is the Chief Operations Officer of GPM. See Note 6.
- (f) As at September 30, 2021, included in accounts payable and accrued liabilities is \$nil (December 31, 2020 - \$3,874) due to the Chief Business Officer, relating to reimbursement of expenses.
- (g) As at September 30, 2021, included in accounts payable and accrued liabilities is \$16,097 (December 31, 2020 - \$nil) due to a company controlled by the Chief Technology Officer, relating to reimbursement of expenses.

13. Equity:

- (a) Authorized: unlimited number of common shares (no par value).

On August 3, 2021, GoldSpot acquired Ridgeline by issuing an aggregate of 1,951,219 common shares at a fair value of \$1,929,047, made a cash payment of \$28,000, and accrued a contingent consideration of \$118,407 for a total consideration of \$2,075,454. See Note 3.

- (b) Private placements:

On June 2, 2021, the Company completed a bought deal public offering to which GoldSpot issued 14,375,000 common shares at a price of \$0.80 per share, for aggregate gross proceeds of \$11,500,000, which included the full exercise of the over-allotment option. In connection with this offering, the Company paid a cash commission to the Underwriter in the amount of \$660,000, together with an aggregate of 825,000 broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the Underwriter to purchase one common share at an exercise price of \$0.80 expiring on June 2, 2024. The Company also paid other share issuance costs totaling \$298,689

The Broker Warrants were valued using the Black-Scholes option pricing model with the following assumptions: expected volatility of 114.9%; dividend yield of 0%; risk-free interest rate of 0.32%; and an expected life of 2.0 years. The expected volatility is based on the average historical volatility over the life of the Broker Warrant at GoldSpot's closing share trade price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that the Broker Warrants are expected to be outstanding. The value assigned to the Broker Warrants was \$425,700.

GOLDSPOT DISCOVERIES CORP.**Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2021****(Unaudited - Prepared in Canadian dollars)**

12. Equity (continued):

On June 14, 2021, the Company completed a non-brokered private placement financing raising gross proceeds of \$9,145,500 through the issuance and sale of 9,380,000 common shares at a price of \$0.975 per share. In connection with the non-brokered private placement, the Company paid a cash financial advisory fee to Canaccord Genuity Corp. in the amount of \$274,365. The Company also paid other share issuance costs totaling \$38,505.

(c) Stock options:

On April 27, 2021, the Company granted 1,170,000 stock options to employees and consultants of the Company, exercisable at \$0.68 per share expiring on April 27, 2026. The stock options granted vest at the rate of 1/6 of the grant every three months over an 18-month period. Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense and credits contributed surplus for all options granted.

The fair value of the options granted on April 27, 2021 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	119.2%
Expected dividend yield	0%
Risk-free interest rate	0.96%
Expected option life in years	5 years
Expected forfeiture rate	0%
Fair value per stock option granted on April 27, 2021	\$ 0.559

On July 15, 2020, the Company granted 2,920,000 stock options to directors, officers, and employees of the Company, exercisable at \$0.18 per share expiring on July 15, 2025. The stock options granted to directors vest as: (i) 25% immediately; (ii) 25% on October 15, 2020; 25% on January 15, 2021; and 25% on April 15, 2021. The stock options granted to officers and employees vest as: (i) 33.3% immediately; (ii) 33.3% on the first anniversary of the date of grant; and (iii) 33.3% on the second anniversary of the date of grant.

The fair value of the options granted on July 15, 2020 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	131%
Expected dividend yield	0%
Risk-free interest rate	0.35%
Expected option life in years	5 years
Expected forfeiture rate	0%
Fair value per stock option granted on July 15, 2020	\$ 0.154

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13. Equity (continued):

The expected volatility is based on the average historical volatility over the life of the options at GoldSpot's closing share trade price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on the vesting dates.

For the three months ended September 30, 2021, included in interim condensed consolidated statements of income (loss) and comprehensive income (loss) is stock-based compensation expense of \$225,420 (three months ended September 30, 2020 - \$185,964) relating to the stock options granted to directors, officers, employees, and consultants of the Company.

For the nine months ended September 30, 2021, included in statements of income and comprehensive income is stock-based compensation expense of \$561,493 (nine months ended September 30, 2020 - \$295,856) relating to the stock options granted to directors, officers, employees, and consultants of the Company.

A summary of the status of the Company's stock options as at September 30, 2021 and September 30, 2020 and changes during the periods then ended is presented below:

	September 30, 2021		September 30, 2020	
	# of options	Weighted average exercise price	# of options	Weighted average exercise price
Stock options				
Outstanding, at beginning of period	7,021,566	\$ 0.22	7,370,732	\$ 0.32
Granted	1,170,000	0.68	2,920,000	0.18
Exercised	(352,240)	0.25	-	-
Cancelled/forfeited	-	-	(3,202,500)	0.40
Outstanding, at end of period	7,839,326	\$ 0.29	7,088,232	\$ 0.23
Exercisable, at end of period	4,093,279	\$ 0.24	2,160,582	\$ 0.24

As at September 30, 2021, the weighted average remaining life of the stock options was 3.8 years (September 30, 2020 – 3.4 years).

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2021:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
3,629,991	1,582,290	\$ 0.24	February 1, 2025
303,500	303,500	0.40	March 18, 2022
2,740,001	2,016,661	0.18	July 15, 2025
1,165,834	190,828	0.68	April 27, 2026
7,839,326	4,093,279		

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13. Equity (continued):

(d) Broker Warrants:

A summary of the status of the Company's broker warrants as at September 30, 2021 and September 30, 2020 and changes during the periods then ended is presented below:

	September 30, 2021		September 30, 2020	
	# of warrants	Weighted average exercise price	# of warrants	Weighted average exercise price
Broker warrants				
Outstanding, at beginning of period	-	\$ -	1,312,130	\$ 0.40
Issued	825,000	0.80	-	-
Exercised	(745,444)	0.80	-	-
Expired	-	-	(1,312,130)	0.40
Outstanding, at end of period	79,556	\$ 0.80	-	\$ -

The following table summarizes information about broker warrants outstanding as at September 30, 2021:

Number of broker warrants	Exercise price	Expiry date	Warrant value (\$)
79,556	\$ 0.80	September 2, 2023	\$ 41,051
79,556			\$ 41,051

(e) Basic and diluted earnings (loss) per common share based on net income for the three and nine months ended September 30:

Numerator:	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net income (loss) for the period	\$ (9,566,630)	\$ 2,962,300	\$ 8,850,451	\$ 5,861,941

Denominator:	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Weighted average number of common shares outstanding - basic	120,764,199	94,724,876	105,589,937	94,724,876
Weighted average effect of diluted stock options and warrants (i)	5,791,566	-	5,261,743	-
Weighted average number of common shares outstanding - diluted	126,555,765	94,724,876	110,851,680	94,724,876

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13. Equity (continued):

Earnings (loss) per common share based on net income for the period:	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Basic	\$ (0.08)	\$ 0.03	\$ 0.08	\$ 0.06
Diluted	\$ (0.08)	\$ 0.03	\$ 0.08	\$ 0.06

- (i) The determination of the weighted average number of common shares outstanding – diluted excludes 7,918,882 shares related to convertible securities that were anti-dilutive for the three months ended September 30, 2021 and \$nil for the nine months ended September 30, 2021 (three and nine months ended September 30, 2020 – 7,088,232).
- (f) On April 28, 2021, the Company announced its intention to effect a normal course issuer bid (“NCIB”) through the facilities of the TSX Venture Exchange. The NCIB commenced on May 4, 2021 and will end on May 3, 2022. The Company may purchase on the TSX Venture Exchange up to 4,736,243 common shares in total, representing approximately 5% of the common shares of Goldspot issued and outstanding on April 28, 2021. The actual number of common shares which may be purchased and the timing of any such purchases will be determined by Goldspot. No shares have been purchased under the NCIB.
- (g) Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding convertible securities were exercised as at September 30, 2021 and 2020:

	September 30, 2021	September 30, 2020
Common shares outstanding	121,528,779	94,724,876
Stock options to purchase common shares	7,839,326	7,088,232
Broker warrants to purchase common shares	79,556	-
Fully diluted common shares outstanding	129,447,661	101,813,108

14. Segmented information:

The management of the Company is responsible for the Company's sales and considers the business to have a single operating segment. The Company has a single reportable geographic segment, Canada, and all of the Company's assets are located in Canada.

The internal reporting provided to the management of the Company's assets, liabilities, and performance is prepared consistently with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the nine months ended September 30, 2021.

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15. Net investment gains (losses):

Net investment gains (losses) comprises of the following for the three and nine months ended September 30:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net realized gains on disposal of investments	\$ 336,638	\$ 735,893	\$ 1,477,315	\$ 919,184
Net change in unrealized gains on investments	(10,699,712)	2,188,621	2,080,248	5,567,804
	\$ (10,363,074)	\$ 2,924,514	\$ 3,557,563	\$ 6,486,988

16. Other income:

Other income comprises of interest income for the three and nine months ended September 30, 2021 and 2020.

17. Expenses by nature:

Included in operating, general, and administrative expenses for the three and nine months ended September 30 are the following expenses:

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
Salaries and consulting fees	12(a)	\$ 1,878,226	\$ 967,383	\$ 5,829,509	\$ 2,367,627
Stock-based compensation expense	13(c)	225,420	185,964	561,493	295,856
Other employee benefits		86,654	51,096	286,318	166,929
Professional fees		96,956	113,989	236,407	440,566
Software licensing fees		81,349	42,340	204,310	201,470
Directors' fees	12(a)	64,500	30,000	170,500	129,730
Other office and general		46,086	29,618	135,931	92,136
Amortization/depreciation		59,522	23,095	122,911	68,803
Shareholder relations and filing fees		31,981	15,132	90,864	92,487
Provision for ECLs		-	-	65,625	4,140
Travel and promotion		45,070	1,123	62,461	79,814
Transaction costs		10,868	36,261	58,184	63,827
Operating lease payments		20,038	32,191	49,635	79,921
Foreign exchange expense (gain)		(920)	13,913	3,913	(6,172)
Research and development tax credits	8	-	-	(223,732)	-
		\$ 2,645,750	\$ 1,542,105	\$ 7,654,329	\$ 4,077,134

GOLDSPOT DISCOVERIES CORP.

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(Unaudited - Prepared in Canadian dollars)

18. Supplemental disclosure of cash flow information:

The following table shows the supplemental cash flow information for the nine months ended September 30:

	2021	2020
Income taxes paid	\$ -	\$ -
Exchange of XCorp shares for GPM shares at fair value	8,074,815	-
Non-cash investing activities		
Issuance of shares for the acquisition of Ridgeline, at fair	1,916,327	-

19. Management of capital:

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2021. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from its shareholders or raise additional funds. The Company considers its capital to include total equity which amounts to \$49,677,310 on September 30, 2021 (December 31, 2020 – \$18,291,172). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders.

Since inception, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its current liabilities as at September 30, 2021.

20. Financial instruments and financial risk management:

Financial instruments

The carrying amounts of accounts receivable, net of ECLs, accounts payable and accrued liabilities, and current lease liabilities approximate their fair value due to their short periods to maturity.

Financial risk management

The Company has exposure to credit risk, market risk, liquidity risk, and currency risk associated with its financial assets and liabilities.

There were no significant or material changes to the Company's risk management during the nine months ended September 30, 2021. A discussion of the Company's use of financial instruments and other associated risks is as follows.

(a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

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20. Financial instruments and financial risk management (continued):

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, due from brokers and accounts receivable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote. The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company.

These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash and cash equivalents and accounts receivable, net of ECLs which total \$18,323,041 as at September 30, 2021 (December 31, 2020 - \$4,953,497).

An aging of accounts receivable, net of expected credit losses are as follows as at September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Accounts receivable aging:		
0-30 days	\$ 878,111	\$ 325,890
31-60 days	-	144,716
61-90 days	10,520	-
Greater than 90 days	121,153	71,242
	\$ 1,009,784	\$ 541,848
Expected credit loss provision	(121,153)	(55,528)
Accounts receivable, net of expected credit losses	\$ 888,631	\$ 486,320

The movement in the expected credit loss provision can be reconciled as follows as at September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Expected credit loss provision:		
Expected credit loss provision, beginning balance	\$ (55,528)	\$ (50,850)
Net provision recorded during the period	(65,625)	(4,678)
Expected credit loss provision, ending balance	\$ (121,153)	\$ (55,528)

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20. Financial instruments and financial risk management (continued):

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at September 30, 2021:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		-%	-%	-%	100%
Accounts receivable	\$ 1,009,784	\$ 878,111	\$ -	\$ 10,520	\$ 121,153
Expected credit loss provisions	\$ 121,153	\$ -	\$ -	\$ -	\$ 121,153

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2020:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		-%	-%	-%	78%
Accounts receivable	\$ 541,848	\$ 325,890	\$ 144,716	\$ -	\$ 71,242
Expected credit loss provisions	\$ 55,528	\$ -	\$ -	\$ -	\$ 55,528

The Company does not have collateral to any of its receivable balances.

During the year ended December 31, 2020, the Canadian federal government made certain government support programs available to eligible entities as part of its COVID-19 economic response plan. During the nine months ended September 30, 2021, the Company did not apply for support under CEWS. During the year ended December 31, 2020, the Company had applied and received support under the CEWS. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to nature of the eligibility requirements and related calculations, it is possible that the eligibility requirements may not be considered to be met upon validation, and as such the benefits received may be repayable. During the nine months ended September 30, 2021, the Company did not receive any wage subsidies (nine months ended September 30, 2020 - \$189,959).

(b) **Market risk:**

Market risk is the risk that the fair value of future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

GOLDSPOT DISCOVERIES CORP.**Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2021****(Unaudited - Prepared in Canadian dollars)**

20. Financial instruments and financial risk management (continued):

There were no changes in the way the Company manages market risk during the nine months ended September 30, 2021.

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the three and nine months ended September 30, 2021 from a change in the fair value price of the Company's investments with all other variables held constant as at September 30, 2021:

Percentage of change in closing trade price	Increase in after-tax net income from % increase in closing trade price	Decrease in after-tax net income from % decrease in closing trade price
2%	\$ 466,921	\$ (466,921)
4%	933,842	(933,842)
6%	1,400,762	(1,400,762)
8%	1,867,683	(1,867,683)
10%	2,334,604	(2,334,604)

The following table shows the estimated sensitivity of the Company's after-tax net income for the three and nine months ended September 30, 2020 from a change in the fair value price of the Company's investments with all other variables held constant as at September 30, 2020:

Percentage of change in closing trade price	Increase in after-tax net income from % increase in closing trade price	Decrease in after-tax net income from % decrease in closing trade price
2%	\$ 193,218	\$ (193,218)
4%	386,436	(386,436)
6%	579,653	(579,653)
8%	772,871	(772,871)
10%	966,089	(966,089)

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

There were no changes to the way that the Company manages liquidity risk during the nine months ended September 30, 2021. The Company's accounts payable and accrued liabilities are due within less than 1 year as at September 30, 2021 and December 31, 2020. The Company's cash and cash equivalents balance is sufficient to meet the Company's current liabilities.

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20. Financial instruments and financial risk management (continued):

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at September 30, 2021:

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-cash payable
Accounts payable and accrued liabilities	\$ 932,098	\$ 932,098	\$ -	\$ -	\$ -
Sales tax payable	70,126	70,126	-	-	-
Deferred revenue	4,527,433	-	-	-	4,527,433
Income tax payable	111,078	111,078	-	-	-
Deferred tax liabilities	1,366,762	-	-	-	1,366,762
Office lease payments	293,936	198,156	93,049	2,731	-
	\$ 7,301,433	\$ 1,311,458	\$ 93,049	\$ 2,731	\$ 5,894,195

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2020:

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-cash payable
Accounts payable and accrued liabilities	\$ 302,299	\$ 302,299	\$ -	\$ -	\$ -
Sales tax payable	223,022	223,022	-	-	-
Deferred revenue	3,119,439	-	-	-	3,119,439
Liabilities held for sale	11,463	11,463	-	-	-
Deferred tax liabilities	1,399,246	-	-	-	1,399,246
Office lease payments	340,980	137,245	203,735	-	-
	\$ 5,396,449	\$ 674,029	\$ 203,735	\$ -	\$ 4,518,685

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20. Financial instruments and financial risk management (continued):

The following table shows the Company's source of liquidity by assets as at September 30, 2021:

Assets	Liquidity by period				Non-liquid assets
	Total	Less than 1 year	1 – 3 years	After 4 years	
Cash and cash equivalents	\$ 17,434,410	\$ 17,434,410	\$ -	\$ -	\$ -
Accounts receivable, net of ECLs	888,631	888,631	-	-	-
Investments, at fair value	26,911,860	26,911,860	-	-	-
Equity investments	7,848,720	-	-	-	7,848,720
Tax credits receivable	521,343	521,343	-	-	-
Prepays	610,620	-	-	-	610,620
Property and equipment	760,371	-	-	-	760,371
Intangible assets	688,333	-	-	-	688,333
Goodwill	1,280,272	-	-	-	1,280,272
	\$ 56,944,560	\$ 45,756,244	\$ -	\$ -	\$ 11,188,316

The following table shows the Company's source of liquidity by assets as at December 31, 2020:

Assets	Liquidity by period				Non-liquid assets
	Total	Less than 1 year	1 – 3 years	After 4 years	
Cash and cash equivalents	\$ 4,467,177	\$ 4,467,177	\$ -	\$ -	\$ -
Accounts receivable, net of ECLs	486,320	486,320	-	-	-
Investments, at fair value	17,820,973	17,820,973	-	-	-
Prepays	86,908	-	-	-	86,908
Assets held for sale	525,429	525,429	-	-	-
Property and equipment	340,360	-	-	-	340,360
	\$ 23,727,167	\$ 23,299,899	\$ -	\$ -	\$ 427,268

(d) Currency risk:

Currency risk is the risk of loss from the Canadian dollar depreciating when it fluctuates against other foreign currencies. The Company presently holds funds in Canadian dollars but some of its receivables are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments.

As at September 30, 2021, the Company had \$337,424 (US\$264,833) in cash (September 30, 2020 - \$10,151 (US\$7,610) and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2021 would

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20. Financial instruments and financial risk management (continued):

have decreased or increased, respectively, by approximately \$13,242 (three and nine months ended September 30, 2020 - \$381). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

21. Other risks:

During the first quarter of 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. Although the COVID-19 pandemic has not significantly impacted the Company's operations in 2020 and the first nine months of 2021, it is unknown the true extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, the Company anticipates this outbreak may cause reduced sales/customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which will negatively impact the Company's business and financial condition. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. Therefore, uncertainty about judgments, estimates and assumptions made by management during the preparation of the Company's interim condensed consolidated financial statements related to potential impacts of the COVID-19 pandemic on revenue, expenses, assets, liabilities, and note disclosures could result in a material adjustment to the carrying value of the asset or liability affected.

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22. Subsequent events:

- (a) Subsequent to September 30, 2021, the Company closed its previously announced acquisition of all of the shares of CEO.CA Technologies Ltd. ("CEO.CA"). CEO.CA owns and operates a leading and rapidly-growing investment social network used by over 8 million corporate executives, institutional and retail investors with deep roots in the mining industry among other sectors. As at September 30, 2021, the Company has advanced \$250,000 as an initial deposit for the acquisition and the amount is included in prepaids on the interim condensed consolidated statements of financial position. Under the terms of the purchase agreement, the vendors of CEO.CA received an aggregate of 10,280,373 common shares of the Company at a deemed price of \$1.07 per common share, representing approximately \$11,000,000 with the majority of the common shares placed in a voluntary lock-up to be released pursuant to a three-year lock-up schedule, as well as an aggregate cash payment of \$5,205,000 (calculated based upon an originally agreed cash purchase price of \$6,000,000, less approximately \$795,000 in liabilities assumed by the Company in connection with the acquisition). The Company is in the process of collecting information from the acquiree and working with its valuator to assess the intangible assets acquired in this acquisition.
- (b) Subsequent to September 30, 2021, the Company closed its previously announced acquisition of Geotic Inc. ("Geotic"), an award-winning provider of mining industry software including applications for geological and geophysical modeling, based in Val-d'Or, Québec. Under the terms of the purchase agreement, the vendors of Geotic received \$1,000,000 in cash and 1,442,308 common shares at a deemed price of \$1.04 per common share, representing aggregate consideration of approximately \$2,500,000. According to the agreement, the common shares were placed in voluntary lock-up and will be released pursuant to a nine-month lock-up schedule. The Company is in the process of collecting information from the acquiree and working with its valuator to assess the intangible assets acquired in this acquisition.
- (c) Subsequent to September 30, 2021, 153,500 options were exercised at \$0.40 per share for total gross proceeds of \$61,400.