



## **Evergold Corp.**

### **Condensed Interim Consolidated Financial Statements**

*For the nine months ended September 30, 2023 and 2022  
(unaudited)*

## Evergold Corp. Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)  
(Unaudited)

	As at September 30, 2023 \$	As at December 31, 2022 \$
<b>Assets</b>		
<b>Current</b>		
Cash	1,198,784	596,109
HST and other receivables	22,276	50,333
Prepaid expenses and deposits	23,656	34,452
Total current assets	1,244,716	680,894
Reclamation bond (note 4)	97,479	97,479
<b>Total assets</b>	<b>1,342,195</b>	<b>778,373</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 10)	127,194	41,900
Flow-through premium liability	60,392	-
Total liabilities	187,586	41,900
<b>Shareholders' equity</b>		
Share capital (note 6)	12,359,500	11,577,748
Warrants (note 6)	1,853,621	1,633,844
Contributed surplus (note 6)	1,256,477	1,410,506
Retained deficit	(14,314,989)	(13,885,625)
Total shareholders' equity	1,154,609	736,473
<b>Total liabilities and shareholders' equity</b>	<b>1,342,195</b>	<b>778,373</b>

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

Approved by the Board of Directors and authorized for issue on November 21, 2023.

(signed) Kevin M. Keough  
Director

(signed) Rosie Moore  
Director

Going concern (note 1)  
Commitments and contingencies (note 12)

**Evergold Corp.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Expressed in Canadian dollars)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
<b>Operating expenses</b>				
Exploration expenditures (note 5)	43,385	323,410	215,770	897,389
Management and consulting fees (note 10)	57,750	57,750	173,250	173,250
Share-based compensation (note 6 and note 10)	-	-	-	-
Professional fees	21,259	19,991	80,966	51,574
General and administrative	67,210	48,246	237,330	360,246
<b>Total operating expenses</b>	<b>189,604</b>	<b>449,397</b>	<b>707,316</b>	<b>1,482,459</b>
<b>Loss before income taxes</b>	<b>(189,604)</b>	<b>(449,397)</b>	<b>(707,316)</b>	<b>(1,482,459)</b>
Income tax expense (recovery)	-	(60,425)	-	(113,500)
<b>Loss and comprehensive loss for the period</b>	<b>(189,604)</b>	<b>(388,972)</b>	<b>(707,316)</b>	<b>(1,368,959)</b>
Loss per share	(0.00)	(0.01)	(0.01)	(0.02)
Weighted average number of shares – basic and fully diluted	<b>75,126,893</b>	<b>74,843,393</b>	<b>74,923,767</b>	<b>74,842,807</b>

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

**Evergold Corp.**
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Expressed in Canadian dollars)

(Unaudited)

	Number of Shares	Share Capital \$	Warrants \$	Contributed Surplus \$	Retained Deficit \$	Total \$
<b>Balance, December 31, 2022</b>	74,843,393	11,577,748	1,633,844	1,410,506	(13,885,625)	736,473
Issuance of shares pursuant to acquisition of property	45,000	2,475	-	-	-	2,475
Issuance of flow-through units	12,078,334	469,114	195,194	-	-	664,308
Issuance of units	9,863,636	383,097	159,403	-	-	542,500
Issuance of warrants	-	(14,103)	14,103	-	-	-
Expiry of warrants	-	-	(123,923)	-	123,923	-
Forfeiture of options	-	-	-	(154,029)	154,029	-
Share issuance costs	-	(58,831)	(25,000)	-	-	(83,831)
Net loss	-	-	-	-	(707,316)	(707,316)
<b>Balance, September 30, 2023</b>	96,830,363	12,359,500	1,853,621	1,256,477	(14,314,989)	1,154,609

	Number of Shares	Share Capital \$	Warrants \$	Contributed Surplus \$	Retained Deficit \$	Total \$
<b>Balance, December 31, 2021</b>	74,803,393	11,572,748	1,967,733	1,410,506	(12,163,331)	2,787,656
Issuance of shares pursuant to acquisition of property	40,000	5,000	-	-	-	5,000
Expiry of warrants	-	-	(333,889)	-	333,889	-
Net loss	-	-	-	-	(1,368,959)	(1,368,959)
<b>Balance, September 30, 2022</b>	74,843,393	11,577,748	1,633,844	1,410,506	(13,198,401)	1,423,697

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

## Evergold Corp. Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Loss for the period	(189,604)	(388,972)	(707,316)	(1,368,959)
Items not affecting cash:				
Share-based compensation	-	-	-	-
Shares issued for property acquisition	-	-	2,475	5,000
Changes in non-cash working capital:				
HST receivable	(3,835)	7,520	28,057	5,682
Prepaid expenses and deposits	(10,341)	10,640	10,797	(39,468)
Accounts payable and accrued liabilities	78,023	41,236	85,293	69,365
Flow-through share premium	60,392	(60,425)	60,392	(113,500)
<b>Net cash used in operating activities</b>	<b>(65,365)</b>	<b>(390,001)</b>	<b>(520,302)</b>	<b>(1,441,880)</b>
<b>Financing activities</b>				
Proceeds from the issuance of flow-through units	664,308	-	664,308	-
Proceeds from the issuance of units	542,500	-	542,500	-
Share issuance costs	(83,831)	-	(83,831)	-
Proceeds from the exercise of warrants	-	-	-	-
Proceeds from the exercise of options	-	-	-	-
<b>Net cash from financing activities</b>	<b>1,122,977</b>	<b>-</b>	<b>1,122,977</b>	<b>-</b>
<b>Investing activities</b>				
Posting of reclamation bond	-	-	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,057,612</b>	<b>(390,001)</b>	<b>602,675</b>	<b>(1,441,880)</b>
<b>Cash, beginning of period</b>	<b>141,172</b>	<b>1,921,310</b>	<b>596,109</b>	<b>2,973,189</b>
<b>Cash, end of period</b>	<b>1,198,784</b>	<b>1,531,309</b>	<b>1,198,784</b>	<b>1,531,309</b>

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

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Evergold Corp. (the "Company" or "Evergold") was formed on October 30, 2015 and became a reporting issuer through an Initial Public Offering ("IPO") on the TSX Venture Exchange ("TSXV") on October 4, 2019. The Company's registered and records office is located at 110 Yonge St., Suite 1601, Toronto, Ontario, Canada M5C 1T4.

These consolidated financial statements (the "financial statements") were approved by the Board of Directors on November 21, 2023.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts expended on exploration properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing necessary to complete development of the properties, and the future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken customary steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

As at September 30, 2023, the Company had a deficit of \$14,314,989 (December 31, 2022 - \$13,885,625) and working capital of \$1,057,129 (December 31, 2022 - \$638,994).

The Company will require additional capital to support its future exploration activities. There can be no assurance that it will be able to raise this capital. However, management has secured financing and advanced corporate plans and shareholder interests in the past and believes it can continue to do so. These matters represent material uncertainties that cast significant doubt on the ability of the Company to continue as a going concern.

### 2. BASIS OF PREPARATION

#### **Statement of compliance:**

These condensed consolidated interim financial statements of the Company have been prepared by management in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. The September 30, 2023 financial information has been derived from the December 31, 2022 annual audited consolidated financial statements.

**2. BASIS OF PREPARATION (CONTINUED)****Basis of measurement:**

These financial statements have been prepared on the historical cost basis except for those financial instruments carried at fair value. In addition, these financial statements are prepared using the accrual basis of accounting except for cash flow information.

**Basis of preparation:**

These financial statements have been prepared on the basis of a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern; such adjustments could be material.

**Basis of consolidation:**

The consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiary, Evergold (U.S.) Corp..

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied in preparing the financial statements for the nine months ended September 30, 2023 and 2022.

**Functional and presentation currency:**

The Company's presentation and functional currency is the Canadian dollar. The functional currency of the Company's subsidiary is the Canadian Dollar. In addition to its Canadian mineral properties, upon which it currently conducts the bulk of its exploration activities, the Company also has operations in the state of Nevada, USA. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statements of loss.

**Cash and cash equivalents:**

Cash includes cash on hand and balances with banks. Cash equivalents include investments with original maturities of ninety days or less. The Company has not held cash equivalents to September 30, 2023.

**Income taxes:**

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income. Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years. Deferred tax is recognized on any temporary differences between the carrying amounts of assets and

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in the statements of loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

**Loss per share:**

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. In the Company's case, diluted loss per share is the same as basic loss per share for the periods presented as any warrants or options issued were determined to be anti-dilutive for the three and nine months ended September 30, 2023 and 2022.

**Financial instruments:**

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are measured at fair value through profit or loss ("FVTPL"). These instruments are measured at fair value with subsequent changes in fair value recognized in the statements of loss. The Company has no financial instruments carried as FVTPL.

Items classified as financial assets are measured at amortized cost using the effective interest method. Any gains or losses on the realization of loans and receivables are recognized in the statements of loss. The Company's cash is classified as financial assets at amortized cost. The estimated fair values of these financial instruments approximate their carrying values because of the limited terms of these instruments.

Financial liabilities that are not measured at fair value through profit or loss are carried at amortized cost using the effective interest method. Any gains or losses arising from the realization of other financial liabilities are recognized in the statements of loss. The Company has classified accounts payable and accrued liabilities as other financial liabilities at amortized cost. Due to their short-term natures, the fair values of these financial instruments approximate their carrying values.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). At September 30, 2023 and December 31, 2022, no financial instruments were carried at fair value.

**Impairment of financial assets:**

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that the estimated future cash flows of the assets have been negatively impacted. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced by the amount of the impairment and the loss is recognized in the statements of loss.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in the statements of loss.

**Impairment of non-financial assets:**

The carrying value of non-financial assets is assessed for impairment when indicators of such impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets. This generally results in the Company evaluating its non-financial assets on a geographical or license basis.

If the carrying amount of the asset or CGU exceeds its recoverable amount, the asset or CGU is impaired and an impairment loss is charged to the statement of loss so as to reduce the carrying amount to its recoverable amount.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of loss.

**Share-based payments:**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in the stock option note.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interests in exploration properties and exploration expenditures:**

Exploration and evaluation costs are expensed as incurred and included in profit or loss until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine will be capitalized to mineral properties.

Exploration expenditures include costs to acquire exploration properties, and costs to explore and evaluate exploration properties.

**Equipment:**

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. The cost of equipment comprises its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated decommissioning and restoration costs associated with the asset. Equipment is depreciated on a diminishing balance basis at 20% per year.

**Provisions:**

*General*

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event, and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

*Rehabilitation provision*

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, dismantling operating facilities, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the exploration or production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related exploration and evaluation asset to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of loss as a finance cost. Additional disturbances or changes in rehabilitation costs are recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the statement of loss.

The Company does not currently have any such significant legal or constructive obligations and therefore no decommissioning liabilities have been recorded as at September 30, 2023 and December 31, 2022.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Critical judgements and estimation uncertainties:**

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

#### *Estimation of decommissioning and restoration costs and the timing of expenditures*

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

#### *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgement is required in determining the Company's provisions for such taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

#### *Share-based payments and warrants*

Management determines the value of any share-based payments using market-based valuation techniques such as the Black-Scholes model outlined in note 6. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Warrants are valued using a similar approach. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

*Going concern – see note 1*

*Commitments and contingencies – see note 13*

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **New IFRS adopted:**

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract.

During the year ended December 31, 2022, the Company adopted a number of amendments and improvements of existing standards. These included IAS 37, IFRS 3 – include those standards listed in the prior year financial statements as future changes. These new standards and changes did not have any material impact on the Company’s financial statements.

#### **Flow-through shares:**

A flow-through share is a type of common share that permits the initial purchaser to claim a tax deduction equal to the amount invested. The flow-through share regime allows public companies to transfer to investors certain exploration expenditures conducted on Canadian soil. Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized as income tax recovery as expenditures are incurred.

#### **Future accounting standards not yet effective:**

IAS 1 – In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

**4. RECLAMATION BONDS**

From time to time the Company posts reclamation bonds with the relevant provincial and state authorities as security toward planned exploration work and the projected future cost of returning the Company’s mineral properties to their natural state. The size of these bonds tends to increase over time as exploration and/or development activity on a particular property increases. Once reclamation of the properties is complete, the bond funds will be returned to the Company. As at September 30, 2023, the Company has posted a \$25,000 reclamation bond covering work on the Snoball property, a \$34,000 reclamation bond covering work on the Golden Lion property, and a \$38,479 reclamation bond covering work on the Holy Cross property, for a combined total of \$97,479.

Subsequent to September 30, 2023, the Company posted a \$22,872 bond covering work on the DEM property, bringing the total value of reclamation bonds posted for its Canadian properties to \$120,351.

On the Rockland, Nevada property, it is anticipated that a reclamation bond totaling an estimated \$US93,700 will need to be posted to the relevant U.S. authorities in relation to the now permitted Rockland East project. In addition, a reclamation bond totaling an estimated \$US50,000 will need to be posted in relation to the now permitted Rockland Mine (“Keane”) project.

**5. INTEREST IN EXPLORATION PROPERTIES AND EXPLORATION EXPENDITURES**

***Properties Located in British Columbia, Canada***

At September 30, 2023, the Company held a 100% ownership interest in three mineral properties located in British Columbia (Snoball, Golden Lion, and Holy Cross), and had entered into, effective August 2, 2023, an option agreement to acquire a 100% ownership interest in a fourth (DEM), a transaction which closed shortly after period end, on October 11, 2023. A previously held fifth B.C. property – Spanish Lake – was allowed to lapse in 2022 as being no longer material to the Company’s prospects. The DEM property is located near Fort St. James in Central B.C.; Snoball in the “Golden Triangle” area of northwestern B.C.; Golden Lion in the Toodoggone region of north central B.C.; and Holy Cross in central B.C. south of Fraser Lake. The Snoball, Golden Lion and Holy Cross properties are each subject to a 0.5% Net Smelter Returns (“NSR”) royalty, with no buy-back option.

As detailed below, the option agreement providing Evergold with the right to earn a 100% interest in the DEM property requires 1) staged cash payments over four years totaling \$980,000, 2) escalating work commitments totaling \$5,000,000 over the same time frame and 3) the granting of a 2% Net Smelter Returns royalty, 1.5% of which the Company may buy back for \$4.5 million, inflation adjusted to 2023. The Option Agreement does not require the issuance of shares.

**5. INTEREST IN EXPLORATION PROPERTIES AND EXPLORATION EXPENDITURES (CONTINUED)**

**Schedule of DEM Property Cash Payments:**

<b>Date</b>	<b>Payment</b>
On signing	\$5,000 (paid)
By the first anniversary or start-up of drilling	\$125,000 (paid)
On the first anniversary	\$100,000
On the second anniversary	\$150,000
On the third anniversary	\$100,000
On the fourth anniversary	\$500,000
<b>TOTAL</b>	<b>\$980,000</b>

**Schedule of DEM Property Work Commitments:**

<b>Date</b>	<b>Work Expenditures</b>
By the first anniversary	at least \$250,000
By the second anniversary	an additional \$1,000,000
By the third anniversary	an additional \$1,750,000
By the fourth anniversary	an additional \$2,000,000
<b>TOTAL</b>	<b>\$5,000,000</b>

***Properties Located in the United States***

On February 11, 2021, the Company entered into an agreement with vendor Enigma Resources LLC (“Enigma”), for an option to purchase the Rockland, Nevada gold-silver property. The option payments required to acquire the Rockland property are as follows:

On signing	\$US5,000 (paid)
On TSXV approval of transaction	\$US35,000 and 40,000 shares (paid)
January 1, 2022	\$US40,000 and 40,000 shares (paid)
January 1, 2023	\$US50,000 and 45,000 shares (paid)
January 1, 2024	\$US75,000 and 100,000 shares
January 1, 2025	\$US100,000 and 275,000 shares
January 1, 2026	\$US500,000*
<b>TOTAL</b>	<b>\$US805,000 and 500,000 shares of Evergold</b>

\* The final \$US500,000 payment may be made in cash, shares of Evergold or any combination thereof, at the discretion of Evergold, based on a price per share equal to the greater of \$0.30 or the twenty-day volume weighted average price of the shares on the TSX Venture Exchange.

The Rockland property option agreement was supported by the incorporation of a wholly-owned U.S. subsidiary, Evergold (U.S.) Corp., with registered offices in Reno, Nevada.

**5. INTEREST IN EXPLORATION PROPERTIES AND EXPLORATION EXPENDITURES (CONTINUED)**

The following is a summary of exploration expenditures by property during the nine months ended September 30, 2023:

<b>Expense Category 2023</b>	<b>Snoball \$</b>	<b>Golden Lion \$</b>	<b>Holy Cross \$</b>	<b>Rockland \$</b>	<b>Total \$</b>
Acquisition costs	-	-	-	71,690	71,690
Assaying	-	-	12,517	-	12,517
Camp	-	-	-	541	541
Drilling	-	-	1,492	-	1,492
First Nations	4,334	7,666	-	-	12,000
Geological	181	1,336	10,196	30,880	42,593
Geophysics	-	-	-	3,284	3,284
Miscellaneous	3,050	5,018	4,370	6,022	18,460
Permitting	-	-	-	52,661	52,661
Surveys	-	-	-	532	532
<b>Total</b>	<b>7,565</b>	<b>14,020</b>	<b>28,575</b>	<b>165,610</b>	<b>215,770</b>

The following is a summary of exploration expenditures by property during the nine months ended September 30, 2022:

<b>Expense Category 2022</b>	<b>Snoball \$</b>	<b>Golden Lion \$</b>	<b>Holy Cross \$</b>	<b>Spanish Lake \$</b>	<b>Rockland \$</b>	<b>Total \$</b>
Acquisition costs	-	-	-	-	56,644	56,644
Aircraft	-	1,680	-	-	-	1,680
Assaying	159	995	37,500	-	20,665	59,319
Camp	562	54,453	16,609	-	2,026	73,650
Drilling	84	23,410	-	-	-	23,494
Environmental	-	8,842	-	-	13,349	22,191
First Nations	6,667	35,444	-	-	-	42,111
Geological	7,347	43,956	42,089	-	49,856	143,248
Geophysics	-	-	117,335	-	205,201	322,536
Miscellaneous	6,660	5,439	103	-	3,625	15,827
Permitting	250	250	250	250	47,977	48,977
Surveys	-	81	75,449	-	12,182	87,712
<b>Total</b>	<b>21,729</b>	<b>174,550</b>	<b>289,335</b>	<b>250</b>	<b>411,525</b>	<b>897,389</b>

**6. CAPITAL STOCK, OPTIONS AND WARRANTS**

**(a) Authorized**

Unlimited number of common shares, without par value.

**(b) Issued**

96,830,363 common shares

**Summary of changes in capital stock:**

	Shares #	Amount \$
<b>Balance, December 31, 2021</b>	<b>74,803,393</b>	<b>11,572,748</b>
Issuance of shares pursuant to property acquisition*	40,000	5,000
<b>Balance, December 31, 2022</b>	<b>74,843,393</b>	<b>11,577,748</b>
Issuance of shares pursuant to property acquisition*	45,000	2,475
Issuance of flow-through units	12,078,334	469,114
Issuance of hard-dollar units	9,863,636	383,097
Issuance of warrants		(14,103)
Share issuance costs		(58,831)
<b>Balance, September 30, 2023</b>	<b>96,830,363</b>	<b>12,359,500</b>

\* Valued at the quoted market price of the shares at the time of issue

On September 29, 2023, the Company completed a non-brokered private placement financing of 12,078,334 flow-through common units at a price of \$0.06 per unit and 9,863,636 hard-dollar units at a price of \$0.055 per hard dollar unit, for gross proceeds of \$1,267,200. In connection with the offering, the Company paid a finder's fee of \$42,990 and issued 725,000 broker's warrants entitling the finder to purchase one common share at a price of \$0.055 until September 29, 2025. The fair value of the 725,000 broker warrants issued, in the amount of \$14,103, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of \$0.04, expected dividend yield of 0%, expected volatility of 108%, risk-free interest rate of 4.87%, at an exercise price of \$0.06 and an expected life of 2 years.

**Stock options**

The Company has adopted a stock option plan (the "Option Plan") for directors, officers and consultants of the Company. Under the Option Plan, the Company may grant non-transferable options to purchase common shares of the Company for a period of up to ten years from the date of grant. The maximum number of common shares reserved for issuance under the Option Plan together with any common shares reserved for issuance pursuant to any other stock options may not exceed 10% of the issued and outstanding common shares of the Company.

The exercise price of options is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by any exchange on which the Company's common shares are listed or any regulatory body having jurisdiction. Currently, the TSX Venture Exchange requires that the exercise price of the options must be equal to or greater than the Discounted Market Price (as defined in the policies of the TSXV). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Option Plan at the time of grant subject to the policies of the TSXV.



**6. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)**

On March 26, 2021, the Company granted 4,010,000 5-year options to directors, officers, and consultants, exercisable at \$0.26 per share until March 26, 2026. All are now vested.

Exercise price	Options outstanding	Options exercisable	Expiry date
\$0.20	403,331	403,331	October 4, 2024
\$0.25	621,667	621,667	October 4, 2025
\$0.26	3,810,000	3,810,000	March 26, 2026
\$0.30	621,669	621,669	October 4, 2026
\$0.66	715,000	715,000	June 16, 2025
<b>Total</b>	<b>6,171,667</b>	<b>6,171,667</b>	

The weighted average remaining contractual life of options outstanding is 2.24 years. The following is a summary of stock option grant activity and related Black-Scholes option pricing model input factors used for the periods ended September 30, 2023 and June 30, 2022:

**Options**

A summary of the Company's options is presented below:

	Number of options	Weighted average exercise price
		\$
<b>Balance, December 31, 2021</b>	<b>6,911,667</b>	<b>0.31</b>
Options granted	-	-
<b>Balance, December 31, 2022</b>	<b>6,911,667</b>	<b>0.31</b>
Options forfeited	740,000	0.33
<b>Balance, September 30, 2023</b>	<b>6,171,667</b>	<b>0.31</b>

**Contributed surplus**

	\$
<b>Balance, December 31, 2021 and December 31, 2022</b>	<b>1,410,506</b>
Share-based compensation expense	(154,029)
<b>Balance, September 30, 2023</b>	<b>1,256,477</b>

**6. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)**

**Warrants**

A summary of the Company's warrants is presented below:

	Number of warrants	Weighted average exercise price
<b>Balance, December 31, 2021</b>	<b>32,685,750</b>	<b>0.30</b>
Warrants expired	(2,755,124)	0.37
<b>Balance, December 31, 2022</b>	<b>29,930,626</b>	<b>0.29</b>
Warrants expired	(2,203,353)	0.22
Warrants issued in connection with flow-through units	12,078,334	0.08
Warrants issued in connection with hard-dollar units	9,863,636	0.08
Finders' fees warrants granted	725,000	0.06
<b>Balance, September 30, 2023</b>	<b>50,394,243</b>	<b>0.20</b>

Exercise price	Number of warrants remaining to be exercised at each exercise price	Expiry date
\$0.30	27,727,273	February 23, 2024
\$0.06	725,000	September 29, 2025
\$0.08	21,941,970	September 29, 2025
<b>Outstanding at September 30, 2023</b>	<b>50,394,243</b>	

On September 29, 2023, the Company granted 12,078,334 warrants as part of the issuance of 12,078,334 flow-through units, and 9,863,636 warrants as part of the issuance of 9,863,636 hard-dollar units, including 454,545 units issued as advisory fee compensation. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.08 for a period of 2 years. In addition, the Company issued 725,000 finders warrants to agents. Each finder warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.055 for a period of 2 years.

**7. FINANCIAL INSTRUMENTS**

**Fair Value**

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the end of the reporting period based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company's financial instruments have fair values which approximate their carrying values due to their short-term nature.

**8. CAPITAL MANAGEMENT**

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have remained unchanged during the periods ended September 30, 2023 and December 31, 2022.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than that of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) \$100,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 12 months.

**9. FINANCIAL RISK FACTORS**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures during the periods ending September 30, 2023 and December 31, 2022.

**Credit risk**

The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable, and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in amounts receivable consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in cash, amounts receivable and reclamation bonds is remote.

**Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash on hand to meet liabilities when due, and to cover at least six months of corporate overheads. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

As at September 30, 2023, the Company had a cash balance of \$1,198,784 (December 31, 2022 - \$596,109) to settle current liabilities of \$187,586 (December 31, 2022 - \$41,900). Working capital at September 30, 2023 stood at \$1,057,129 (December 31, 2022 - \$638,994). The Company will in future require additional capital to support exploration activities and overheads, and to continue as a going concern. There can be no assurance that the Company will be able to raise the required capital when it has need of it. However, management has shown itself capable of raising capital and advancing corporate plans and shareholder interests through uniquely challenging circumstances, and believes it can continue to do so.

**Interest rate risk**

The Company has cash and cash equivalents subject to interest. Management believes the Company is not exposed to significant interest rate risk.

**9. FINANCIAL RISK FACTORS (CONTINUED)**

**Foreign currency risk**

The Company's functional currency is the Canadian dollar and the large majority of purchases to date have been transacted in Canadian dollars. This is expected to change in the future as work on the Rockland, Nevada property progresses. However, at present the Company is not exposed to a material amount of foreign exchange risk.

**Price risk**

To the degree that commodity prices impact investor sentiment toward the sector, and thus increase or decrease the Company's ability to potentially raise capital, the Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices and investor sentiment to determine the appropriate course of action to be taken by the Company.

**10. RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Evergold has entered into the following transactions with related parties:

	For the nine months ended		Amount payable as at	
	September 30, 2023	September 30, 2022	September 30, 2023	December 31, 2022
	\$	\$	\$	\$
Consulting fees paid or accrued to the Company's Chief Executive Officer	112,500	112,500	31,146	-
Exploration expenses and property payments paid or accrued to C.J. Greig & Associates Ltd., an exploration services company controlled by the Company's Chief Exploration Officer <sup>(1)(2)</sup>	83,207	243,168	11,128	7,069
Exploration expenses and property payments paid or accrued to Alex Walcott & Associates Ltd., and Peter E. Walcott & Associates Limited, exploration services companies controlled by a Director of the Company, and/or a relative of a Director <sup>(2)</sup>	2,500	142,797	-	-
Consulting fees paid or accrued to the Company's Chief Financial Officer	40,500	40,500	10,194	-
Consulting fees paid or accrued to a Company controlled by the Company's Corporate Secretary	18,706	15,590	5,146	1,780
Directors' fees paid or accrued	20,250	20,250	6,750	-
<b>Totals</b>	<b>277,663</b>	<b>574,805</b>	<b>64,364</b>	<b>8,849</b>

- (1) The 2016 agreement to acquire the Company's initial four Canadian exploration properties (one has since been dropped) was entered into with C.J. Greig Holdings Ltd., a company owned and controlled by a current director and officer of the Company, C.J. (Charlie) Greig. At the time of writing C.J. Greig Holdings Ltd. continues to hold three 0.5% NSRs, one for each of the Company's remaining three Canadian mineral properties that resulted from the Agreement. C.J. Greig & Associates Ltd. continues to provide, under contract, the services of geologists and geotechnicians to the Company.
- (2) On August 2, 2023 the Company entered into an option agreement with vendors Charles Greig and Alex Walcott for the right to acquire a 100% interest in the DEM gold-silver-copper property, located in central B.C. Under the terms of this agreement, during the quarter, on August 2, 2023, a \$5,000 signing payment was made to the vendors, split equally between the two. In addition, shortly after period end, on October 11, 2023, a \$125,000 payment was made to the vendors upon drill start at the DEM prospect, also split equally between the two.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive).

## **11. BASIC AND DILUTED LOSS PER SHARE**

The calculation of basic and diluted loss per share for the three months ended September 30, 2023 was based on the net loss attributable to common shareholders of \$189,604 (September 30, 2022 - \$388,970) and the weighted average number of common shares outstanding of 75,126,893 (September 30, 2022 – 74,843,393).

The calculation of basic and diluted loss per share for the nine months ended September 30, 2023 was based on the net loss attributable to common shareholders of \$707,316 (September 30, 2022 - \$1,368,959) and the weighted average number of common shares outstanding of 74,923,767 (September 30, 2022 – 74,842,807).

Diluted loss per share in all periods did not include the effect of 50,394,243 warrants outstanding (September 30, 2022 – 29,930,626 warrants outstanding) and 6,171,667 options outstanding (September 30, 2022 – 6,911,667 options outstanding) as they are anti-dilutive.

## **12. COMMITMENTS AND CONTINGENCIES**

### **Environmental Contingencies**

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### **Management Contract**

The Company has entered into an agreement (the "Agreement") with Kevin Keough (the "Executive") to provide services to the Company in the general capacity of President and CEO and to undertake the duties and exercise the powers associated with this role. Under the terms of the Agreement, the Executive is contracted by the Company for an indefinite term, commencing as of February 1, 2019. The Company pays the Executive \$150,000 per annum. Upon the occurrence of a change of control or termination without cause, the Agreement requires additional contingent payments equal to 12 months of salary. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

### **Exploration Properties**

See Note 5.

**12. COMMITMENTS AND CONTINGENCIES (CONTINUED)****Indemnity Agreements**

The Company has indemnified the directors and officers of the Company against amounts that may become due by the directors and officers in connection with their acting as directors or officers of the Company.

**Flow Through Indemnity Provision**

The Company indemnifies the subscribers of flow-through shares for certain tax related amounts that may become payable by the subscribers if the Company were found to have not completed expenditure requirements pursuant to the flow-through subscription agreements.

The Company renounced \$4,500,000 of qualifying exploration expenditures to the shareholders effective December 31, 2021, all of which was spent by December 31, 2022.

**Legal Matters**

From time to time, the Company may be named as a party to claims or be involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.

**13. SUBSEQUENT EVENTS**

- On October 10, 2023, the Company held a special meeting of disinterested shareholders to seek approval for the DEM property option agreement, entered into on August 2, 2023. This meeting returned a greater than 98 percent vote in favour.
- On October 11, 2023, TSX Venture Exchange approval was received for the DEM property option agreement, and the Company announced the closing thereof.
- On October 19, 2023 the Company announced the start of the first-ever drill program on the DEM prospect, targeting up to 1,000 metres of core drilling.
- On November 21, 2023, the Company announced the successful completion of the maiden DEM property drill program for a total of 947 metres in 3 holes from 2 pads, on time and under budget, accompanied by a new sulphide vein system discovery, assays for which remain pending at the time of writing.