# Evergold Corp.

## Management's Discussion and Analysis

*For the Six Months Ended June 30, 2023 and 2022*

## Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Evergold Corp. ("Evergold" or the "Company") has been prepared by management as at August 22, 2023 and should be read in conjunction with the unaudited financial statements of the Company for the six months ended June 30, 2023 and 2022 (the "Financial Statements") and related notes. Additional information on the Company may be found at www.evergoldcorp.ca, or under the Company's profile at www.sedar.com.

The Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the condensed Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements, together with the other financial information included in the filings, fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of, and for the periods presented in, the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

## Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: the highly uncertain nature of geology; limited operating history; business interruption due to global pandemic; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders; ability to secure needed permits; ability to physically access and work the Company's property assets due to poor weather or First Nations risks; a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early-stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all forward-looking statements made in this MD&A and the related financial statements are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

## Management Comments

As founders, management is not at all happy with the Company's current share price and weak financial position, and has been working hard to reinvigorate its prospects. The Company has received several expressions of interest from third parties, including major mining companies, in both its drill-permitted Rockland, Nevada gold-silver property, and its Golden Lion gold-silver property in B.C. Such interest underscores the value that knowledgeable industry operators see in both assets, value that is otherwise presently going unrecognized by the market. Management has been actively exploring such interest, supported by the establishment of data rooms and confidentiality agreements, as doing so may open doors to alternative property and corporate financing arrangements, an important consideration when limited capital is available through public markets or, if available, on unacceptable terms.

In addition, management has been searching for a new property that offers the near-term discovery prospects that the majority of our shareholders and investors in current markets appear to seek. As announced on August 2, 2023, the Company has entered into an option agreement with non-arms-length vendors Charles Greig and Alex Walcott, both of whom are directors and shareholders of the Company and well known in the industry, for the exclusive right and option to acquire a 100% interest in the drill-ready, highly prospective DEM gold-silver-copper property, located in central British Columbia. The option agreement requires the completion of a minimum $750,000 financing, on terms to be announced in the near future, and requires also the participation of the optionors therein. The option agreement remains subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSX Venture Exchange and the approval of disinterested shareholders, the vote in regards to which is to be held on October 10. For further information see "Subsequent Events".

Management is of the opinion that the successful acquisition of the DEM property and closing of the attendant financing, coupled with the evaluation of other opportunities presently before the Company, will materially improve the Company's prospects over the next 12 months.

## Corporate History and Description of the Business

Evergold was incorporated as a privately held mineral exploration company in October 2015 to serve as a vehicle for the acquisition, exploration and development of mineral properties. On October 4, 2019, the Company completed an initial public offering ("IPO") for gross proceeds of $3.45 million and listed its shares on the TSX Venture exchange, where it trades under the ticker 'EVER'. The Company's shares also trade in Germany (Frankfurt, Munich, Tradegate) with the unique identifier 'A2PTHZ'.

On its IPO the Company held four 100%-owned property assets in British Columbia, Canada: **Snoball**, located in the heart of northwestern B.C.'s so-called "Golden Triangle"; **Golden Lion**, located to the east of Snoball in similar Stikine terrane rocks, at the north end of the historical Toodoggone camp; **Holy Cross**, located in central B.C. 60 kilometres due north of Artemis Gold's Blackwater deposit; and Spanish Lake, located in the Cariboo region of central interior B.C. (collectively, "the original Canadian properties"). Spanish Lake was allowed to lapse in October 2022, as being non-material to the Company's future prospects. Snoball, Golden Lion, and Holy Cross are interpreted as intrusion-related, precious and base metals-enriched epithermal systems.

All of the Company's original Canadian properties were acquired in an all-stock transaction effective April 5, 2016, from vendor C.J. Greig Holdings Ltd. of Penticton, B.C., a company controlled by C.J. (Charles) Greig, who presently serves as the Company's Chief Exploration Officer, and remains a significant shareholder. C.J. Greig Holdings Ltd. retains a 0.5% Net Smelter Returns ("NSR") royalty on each of the remaining three original Canadian properties, i.e. Golden Lion, Snoball and Holy Cross.

In addition to the Canadian property assets, on February 11, 2021, the Company signed an option agreement giving it the right, subject to certain work commitments and staged payments of cash and shares detailed below, to acquire a 100% ownership position in the high-grade, past producing **Rockland** property, located in western Nevada's "Walker Lane" structural belt, south of Yerington. The Rockland property hosts a large, robust, epithermal gold-silver vein system, including known zones of high-grade and bulk-tonnage style gold-silver mineralization that are open for further expansion and that the Company believes it can grow, and add to, with systematic exploration. For the purpose of holding the Rockland property asset, in

2021 the Company established a wholly-owned, Nevada-incorporated, Reno-based subsidiary called Evergold (U.S.) Corp..

To date the Company has completed the financings listed below in support of its exploration plans.

| Date | Financings | $ Raised | Shares Issued | Price per Share/Unit |
|---|---|---|---|---|
| 4-Oct-19 | Initial public offering, HD[1], no warrants | 3,450,000 | 17,250,000 | 0.20 |
| 21-May-20 | Private placement, FT[2], no warrants | 1,177,450 | 1,757,388 | 0.67 |
| 22-Sep-20 | Private placement, HD units (1/2 a warrant per share) | 1,086,800 | 2,173,600 | 0.50 |
| | Private placement, FT, no warrants | 195,000 | 325,000 | 0.60 |
| 23-Feb-21 | Private placement, FT units (1/2 a warrant per share) | 4,500,000 | 20,454,546 | 0.22 |
| | Private placement, HD units (1 full warrant per share) | 3,500,000 | 17,500,000 | 0.20 |
| | **Totals** | **13,909,250** | **59,460,534[3]** | |

*Notes:*

*(1) Hard Dollars*
*(2) Flow-Through Dollars*
*(3) As of June 30, 2023, the Company had a total of 74,888,393 shares outstanding, including shares issued pursuant to the exercise of warrants, options and the acquisition of property.*

# Property Assets and Exploration Activities

## ***Rockland Property***

On February 11, 2021, the Company signed a Definitive Agreement for an option to purchase 100% of the Rockland gold-silver property, including the past-producing Rockland mine and adjacent exploration claims, located in the Walker Lane geological belt of western Nevada, USA. The option payments required to acquire the Rockland property are as follows:

| | |
|---|---|
| On signing | $US5,000 (paid) |
| On TSX 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 | $US500,000* |
| **Total** | **$US805,000 and 500,000 shares** |

** 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, on January 14, 2021, of a wholly-owned U.S. subsidiary Evergold (U.S.) Corp., with registered offices in Reno, Nevada.

The Rockland property was acquired for its potential to host a large, robust, epithermal gold-silver vein system akin to the neighbouring high-grade Aurora (Hecla Mining) and Bodie vein districts, each with +1.5 million ounces (Moz) of gold production at grades of +1 ounces per ton (opt) gold. It is located approx. 25 miles south of the town of Yerington in western Nevada, along the northern portion of the Walker Lane structural trend, and consists of 71 unpatented claims encompassing 594 hectares.

The property hosts two key target areas: the historic Rockland Mine and Rockland East. Five companies - BHP, Hecla, Inmet, Romarco and B2Gold - explored the property between 1987 and 2019, drilling 78 holes totaling 50,385 feet. Many of the holes bottomed in mineralization.

*Rockland Mine Target Area*

The historic Rockland Mine is located within the western portion of the property. Production between 1870 and the late 1930's was largely undocumented but is estimated by the Geological Society of Nevada to have approximated 50,000 ounces of gold and silver, with grades as high as 2.8 opt gold equivalent (96 g/t AuEq). The Rockland Mine area has yielded surface values up to 50.9 g/t Au and 1,758 g/t Ag, and underground values up to 91 g/t Au. Stopes along the Rockland Mine adit level are reported to be several feet wide and semi-continuous for nearly 1,000 ft. along strike, and up to 1,400 feet down dip.

In the vicinity of the Rockland Mine, drilling by BHP in the late 1980s returned relatively shallow, broad intercepts of low-grade mineralization encompassing intervals of higher grade (true widths unknown), including:

- 39.6 metres of 1.16 g/t Au including 3.1 metres of 8.56 g/t Au in BHP hole RK-17
- 59.4 metres of 1.03 g/t Au including 6.1 metres of 4.80 g/t Au in BHP hole RK-11 and
- 67.1 metres of 0.34 g/t Au in BHP hole RK-8

Much of the approximately 1 kilometre strike length of the Rockland Mine *en echelon* vein system remains untested for high-grade mineralization, particularly below the Rockland Mine adit level. In 2018 B2Gold intersected a vein with 5.08 g/t Au and 354 g/t Ag over 1.5 metres in hole RK18-27, which is interpreted as the down-dip extension of the main vein historically mined.

*Rockland East Target Area*

Limited historical drilling indicates a large low-grade gold zone at depth at Rockland East, with broad lower-grade intercepts commonly encompassing narrower intervals of higher grade. The geometry of this zone is still poorly understood. Map relations coupled with abundant associated pathfinder elements (particularly

As and Sb) characteristic of the upper levels of low sulphidation systems found at Nevada mines such as Sleeper, Hollister and Midas, and El Penon in Chile (all +1.5 Moz deposits), indicate that the Rockland East target area is down-dropped relative to the Rockland Mine area western block, and that the entire epithermal system in this area may be largely preserved.

Significant Rockland East historical intercepts include (true widths unknown):

- 30.5 metres of 1.29 g/t Au including 3.1 metres of 6.13 g/t Au in Inmet hole PG-13
- 16.8 metres of 1.05 g/t Au and 9.1 metres of 2.82 g/t Au including 1.5 metres of 9.20 g/t Au in Inmet hole PG-15
- 109.7 metres of 0.96 g/t Au including 12.2 metres of 1.88 g/t Au in Romarco hole PG-32
- 182.9 metres of 0.40 g/t Au in Romarco hole PG-33 and
- 59.4 metres of 1.09 g/t Au including 3.1 metres of 19.80 g/t Au in Romarco hole PG-36C

Many of the historical Rockland East holes bottomed in gold mineralization.

Few of the companies that previously carried out work on the Rockland property executed systematic exploration programs. Evergold believes that its exploration team, advancing the continuing program of methodical exploration, can potentially expand known zones of mineralization and generate new discoveries, possibly leading to the definition of significant gold-silver resources.

To that end, in the period since optioning the property the Company has carried out multiple programs of grid-based soil sampling, prospecting, mapping, hyperspectral analysis of old drill core, short-wave infrared analysis of surface alteration, 3D modeling of historical drilling data, and geophysical surveys (both IP and CSAMT). This work has returned intriguing results, including attractive new coincident chargeability and resistivity anomalies of significant scale that are complemented by surface showings and geochemical anomalies.

*Year-to-Date Exploration Activities*

Activity during the most recent quarter focused on drill permitting for the Rockland Mine (also known as "Keane" after an early mine owner) part of the project area, a drill permit for which is anticipated for August or September 2023. Earlier in the year, in February, a drill permit was received for the Rockland East part of the project area.

The Company has also received several expressions of interest from third parties, including major mining companies, in the Rockland Property. At a time when market sentiment is poor and the Company's treasury and stock price weak, such interest underscores the value knowledgeable industry operators see in Rockland, which is otherwise presently going unrecognized by the market. Management has been actively exploring such interest, supported by the establishment of a data room and confidentiality agreements, as doing so may open doors to alternative property and corporate financing arrangements, an important consideration when limited capital is available through public markets or, if available, only on unacceptable terms.

## ***Golden Lion Property***

The helicopter accessible, 5,099-hectare Golden Lion property is located at the north end of the historical Toodoggone mining camp of north-central British Columbia, approximately 308 kilometres north of Smithers, immediately adjacent to Thesis Gold's 'Ranch' exploration prospect, and 24 kilometres north of Benchmark's Lawyers (former Cheni Mine) project. The property is situated within the traditional territories of the Tahltan and Kaska Dena Nations. The Kaska Dena village of Kwadacha (Fort Ware), located over mountains some 85 kilometres to the east, is the nearest community. The Company holds a 100% ownership interest in the property, and a 0.5% NSR royalty is payable on any future production.

The Golden Lion property exhibits high grades of gold, silver, zinc, lead and copper in selected outcrop, and high values of a spectrum of gold indicator elements in soil sampling, across three broad target areas known, respectively, as "GL1", "GL2" and "GL3". Styles of mineralization identified to date on the property include high-grade vein-hosted epithermal gold-silver, and copper-gold-silver carbonate replacement/skarn.

The Golden Lion showing (GL1 Main Zone) was the focus of considerable work by Newmont in the period from 1982 to 1984, including sampling, mapping, bulldozer trenching, and geophysics, and culminating in the drilling of 22 holes for 2,475 metres in 1984. Despite achieving broad intercepts of epithermal mineralization commencing at surface in several holes, including 87 metres of 1.01 g/t Au in GL-84-020, by drilling only a single shallow-angle hole from each pad, and opting for wide spacing between pads, Newmont's work left the depth potential entirely untested, and large untested gaps at surface.

In 2020 the Company carried out a Phase 1 drill program on the property, comprising 3,017 metres in 16 shallow angle holes, along with an induced polarization ("IP") geophysical survey, and extensive soil sampling programs. At the GL1 Main Zone, where the majority of the 2020 drilling took place and the program's best results were achieved, drilling returned multiple broad assay intercepts of lower-tenor gold and silver-bearing epithermal-style mineralization with local intervals of moderate grade, comparable to historical Newmont drill results. Hole GL-20-009, for example, returned 88.62 metres of 0.71 g/t Au from 4.88 to 93.50 metres, including 16.50 metres of 1.59 g/t Au from 45.00 to 61.50 metres, and hole GL-20-006 returned 61.70 metres of 0.76 g/t Au from 6.80 to 68.50 metres, including 17.50 metres of 1.51 g/t Au from 42.50 to 60.00 metres.

Encouraged by the results of the drilling and IP survey work carried out at GL1 Main in 2020, the latter of which suggested potential system strengthening with depth below previous drilling, the Company returned to the property in 2021 and drilled an additional 1,811 metres in 9 holes on the GL1 Main Zone, in a program cut short by drilling contractor equipment and crew labour shortage issues. Importantly, the final three holes of this program, which the Company was unable to immediately follow up on, all drilled from the same pad, delivered the discovery of the GL1 Main Zone's first high-grade domain, including the highest grades of gold, silver, zinc and lead ever achieved in drilling on the Golden Lion property, definitively establishing that the GL1 Main Zone carries high grades of gold, silver and base metals within a broader envelope of moderate grade mineralization. Deep hole GL21-025, for example, returned **2.8 metres of 10.4 g/t Au, 651 g/t Ag, 10.9% Zn, 3.7% Pb**, within **40.3 metres of 2.0 g/t Au, 24 g/t Ag, 1.2% Zn, 0.5% Pb**, whereas shallow overcut GL21-024 delivered, at an estimated vertical depth from surface of just 20 metres, **3.3 metres of 11.30 g/t Au, 12 g/t Ag, 1.9% Zn, 2.3% Pb** within **66.0 metres of 1.36 g/t Au, 11 g/t Ag, 0.3% Zn, 0.2% Pb**. Program highs for individual core samples, each 0.5-0.6 metres in length, achieved **44.70**

**g/t Au, 924.0 g/t Ag**, **20.2% Zn and 10.0% Pb**. The results point to excellent potential to build high-grade ounces, and rock value, both near-surface and down dip, as well as along adjacent areas of the major fault associated with the GL1 Main Zone.

*Year-to-Date Exploration Activities*

During the quarter ended June 30, 2023 no exploration activities took place on or in relation to the Golden Lion Property. The Company has, however, received several expressions of interest from third parties, including major mining companies, in Golden Lion. At a time when market sentiment is poor and the Company's treasury and stock price weak, such interest underscores the value that knowledgeable industry operators see in Golden Lion, which is otherwise presently going unrecognized by the market. Management has been actively exploring such interest, supported by the establishment of a data room and confidentiality agreements, as doing so may open doors to alternative property and corporate financing arrangements, an important consideration when limited capital is available through public markets or, if available, only on unacceptable terms.

*First Nation Relationships, Golden Lion Property*

The Golden Lion property falls within the traditional territories of two aboriginal groups: the Tahltan and Kaska Dena, and to the north of that of a third, the Sekani. The closest First Nation is the Kaska Dena community of Kwadacha (Fort Ware), located some 85 kms over the mountains to the east. The Company engages with the Tahltan and Kwadacha communities through periodic meetings and presentations, employment fairs, contributions to community newsletters and websites, and the hiring of First-Nations linked contractors and band personnel.

## ***Holy Cross Property***

The drive-on access, 1,872-hectare Holy Cross property is located in central British Columbia, approximately 30 kilometres south of the community of Fraser Lake, and north of the Blackwater gold deposit, presently being advanced to mining by Artemis Gold. A new powerline to serve Blackwater will cross a corner of the property. The Company holds a 100% ownership interest in Holy Cross, and a 0.5% NSR royalty is payable on any future production.

The primary target type on the Holy Cross property is epithermal-style Au-Ag. Work by the Company and previous operators including Noranda and Phelps Dodge has included IP, magnetic, and audio-magnetotellurics surveys, along with mapping, rock and soil geochemical sampling, and some 2 kilometres of trenching. This work had demonstrated the presence of a robust siliceous and pyritic alteration system carrying silver, gold, and copper values over a large area extending approximately 3,500 metres along a NW-SE trend, and across approximately 1,000 metres perpendicular to trend, coupled with attractive coincident geochemical-geophysical anomalies. Nonetheless until the Company's recently-concluded maiden drill program, the property had never been drilled.

*Year-to-Date Exploration Activities*

Other than reporting for the purpose of assessment credits, no exploration occurred on or in relation to the Holy Cross property in the quarter end June 30, 2023. During the final quarter of 2022 the Company drilled a total of 1,556 metres in 4 holes at Holy Cross. As announced on February 16, 2023, the assays returned from this work were disappointing, delivering only narrow intercepts of low-grade silver and copper, and locally elevated gold. No further work is anticipated on the property in the near future.

## ***Snoball Property***

The helicopter accessible, 3,545-hectare Snoball property is located in northwestern British Columbia, approximately 140 kilometres north-northwest of the village of Stewart, 25 kilometres northwest of the Bob Quinn Lake gravel airstrip, and 12 kilometres as the crow flies from highway 37. The property is situated within the traditional territory of the Tahltan First Nation.

The Company holds a 100% ownership interest in the property, and a 0.5% NSR royalty is payable on any future production.

The Snoball prospect is a precious metals-enriched, intrusion-related system, centred on a body of diorite emplaced along the northwest-trending, faulted contact between sedimentary rocks to the west, and volcanics to the east. Known mineralization styles include 1) high-grade vein-hosted gold-silver, 2) carbonate replacement/skarn, and 3) disseminated bulk tonnage style gold-silver in hornfelsed sediments overlying the intrusion.

The property has seen several historical work programs, including gridded geochemical sampling of soils and rocks, mapping, trenching and geophysics, culminating with drilling by Noranda in 1992 (12 holes for 1,500 metres). The great bulk of this historical work, including all of the historical diamond drilling, took place at lower elevations on this rugged property.

During the 2020 field season, Evergold carried out a Phase 1 drill program at Snoball encompassing a total of 2,799 metres in 13 holes on the Pyramid Peak target, all from a single pad located on top of the mountain. This work resulted in several narrow high-grade intercepts including 20.8 g/t Au and 54 g/t Ag over 0.70 metres in hole SB20-006, and 12.90 g/t Au and 54 g/t Ag over 1.44 metres in hole SB20-005.

In follow-up to the 2020 field season, four short holes totaling 400 metres were drilled in 2021 from a new pad located downslope to the southwest of the 2020 Apex drill pad. Drilling returned a best intercept of 6.2 g/t Au and 11.9 g/t Ag over 2.4 metres, at surface, in hole SB21-015. Of note, holes SB21-016 and 017, drilled opposite to hole SB21-015, also both cut gold and silver mineralization at surface. Modelling of these results suggests the true width of the zone intercepted in all four holes is approximately 5 metres and likely to be, on balance, high-grade.

Nonetheless, despite the considerable geological promise which remains at Snoball, the Company has decided to down-grade the Snoball property and the Pyramid Peak target area because of the uniquely challenging work conditions and therefore high costs.

*Year-to-Date Exploration Activities*

No exploration activities took place on or in relation to the Snoball property during the year to date, and no activity is foreseen for 2023.

*First Nation Relationships, Snoball Property*

The Snoball property falls within the traditional territory of the Tahltan First Nation. The Company engages with the Tahltan Nation through periodic in-community and/or virtual meetings, employment fairs, contributions to community newsletters and websites, and the hiring of Tahltan linked contractors and band personnel.

## Overall Performance and Outlook

Management is not happy with the Company's current share price and financial position, and has been working hard to reinvigorate the Company's prospects. The Company's key projects – Golden Lion, B.C. and Rockland, Nevada - continue to have real, if currently unrecognized, value. At Golden Lion, the large GL1 Main Zone target is showing promise for further advancement given the combination of both bulk tonnage and high-grade Au-Ag styles of mineralization demonstrated by the Company's drill programs in 2020 and 2021. At Rockland, Nevada, where the recently-granted drill permit for Rockland East provides a major catalyst to exploration plans, management is looking forward to executing the approved Plan of

Operations, possibly with the assistance of a partner.

As noted elsewhere in this document, the Company has received several expressions of interest from third parties, including major mining companies, in both Rockland and Golden Lion. Such interest underscores the value that knowledgeable industry operators see in both properties, which is otherwise presently going unrecognized by the market. Management has been actively exploring such interest, supported by the establishment of data rooms and confidentiality agreements, as doing so may open doors to alternative property and corporate financing arrangements, an important consideration when limited capital is available through public markets or, if available, only on unacceptable terms.

In addition, high quality exploration-stage properties continue to be brought to the attention of management through its extensive network of industry contacts, the optioning of one of which – DEM - was announced after period end (see "Subsequent Events"). Metal prices - particularly those for gold, silver and copper - the Company's primary exploration targets, continue to be at historically high levels. All of these are positives and bode well for the year ahead.

## Selected Financial Information

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

| Expense Category 2023 | Snoball $ | Golden Lion $ | Holy Cross $ | Rockland $ | Total $ |
|---|---|---|---|---|---|
| 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 | 1,971 | 30,514 | 34,002 |
| Geophysics | - | - | - | 3,284 | 3,284 |
| Miscellaneous | 2,400 | 3,894 | 4,120 | 3,745 | 14,159 |
| Permitting | - | - | - | 22,169 | 22,169 |
| Surveys | - | - | - | 532 | 532 |
| **Total** | **6,915** | **12,896** | **20,100** | **132,475** | **172,386** |

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

| Expense Category 2022 | Snoball $ | Golden Lion $ | Holy Cross $ | Spanish Lake $ | Rockland $ | Total $ |
|---|---|---|---|---|---|---|
| Acquisition costs | - | - | - | - | 56,644 | 56,644 |
| Assaying | - | 190 | 1,291 | - | 2,786 | 4,267 |
| Camp | 562 | 10,111 | 5,789 | - | 2,026 | 18,488 |
| Drilling | 85 | 23,410 | - | - | - | 23,495 |
| Environmental | - | 8,843 | - | - | 13,349 | 22,192 |
| First Nations | 3,333 | 28,777 | - | - | - | 32,110 |
| Geological | 7,220 | 37,900 | 27,111 | - | 11,857 | 84,088 |
| Geophysics | - | - | 43,560 | - | 205,201 | 248,761 |
| Miscellaneous | 5,160 | 3,850 | 103 | - | 3,127 | 12,240 |
| Permitting | 250 | 250 | 250 | 250 | 39,608 | 40,608 |
| Surveys | - | 82 | 18,822 | - | 12,182 | 31,086 |
| **Total** | **16,610** | **113,413** | **96,926** | **250** | **346,780** | **573,979** |

The following is selected financial information concerning loss and financial position for the six months ended June 30, 2023 and June 30, 2022:

| Summary of Loss, Assets & Liabilities by Period | For the 6 months and as at June 30, 2023 $ | For the 6 months and as at June 30, 2022 $ |
|---|---|---|
| Operating expenses | 517,712 | 1,033,062 |
| Loss from operations | 517,712 | 1,033,062 |
| Net loss for the period | 517,712 | 979,987 |
| Loss per share – basic and diluted | 0.01 | 0.01 |
| **Total assets** | **270,407** | **2,144,485** |
| **Total liabilities** | **49,171** | **331,816** |

The following is selected financial information concerning operating expenses for comparative periods in 2023 and 2022:

| Summary of Operating Expenses and Loss by Period | 3 Months Ended June 30, 2023 $ | 3 Months Ended June 30, 2022 $ | 6 Months Ended June 30, 2023 $ | 6 Months Ended June 30, 2022 $ |
|---|---|---|---|---|
| **Operating expenses** | | | | |
| Exploration expenditures | 42,027 | 255,437 | 172,386 | 573,979 |
| Management and consulting fees | 57,750 | 57,750 | 115,500 | 115,500 |
| Share-based compensation | - | - | - | - |
| Professional fees | 53,294 | 23,484 | 59,707 | 31,584 |
| General and administrative | 75,889 | 104,626 | 170,119 | 311,999 |
| **Loss from operations** | (228,960) | (441,297) | (517,712) | (1,033,062) |
| Interest income | - | - | - | - |
| **Income before taxes** | (228,960) | (441,297) | (517,712) | (1,033,062) |
| Tax expense (recovery) | - | (34,550) | - | (53,075) |
| **Loss and comprehensive loss for the period** | (228,960) | (406,747) | (517,712) | (979,987) |

## Results of Operations

Total operating expenses and net loss were $517,712 for the six months ended June 30, 2023, compared to $1,033,062 and $979,987 in the comparative period in 2022, a decrease of $515,350 and $462,275 respectively. The decrease in net loss was the result of a decline in operating expenses partially offset by the recovery of income taxes related to the issuance of flow-through shares in February, 2021. Lower operating expenses were largely due to a sharp decline in exploration activities.

Exploration expenses totaled $172,386 for the six months ended June 30, 2023, compared to $573,979 in the same period last year.

Exploration expenditures on the Company's Snoball property totaled $6,915 for the six months ended June 30, 2023, compared to $16,610 spent in the same period in 2022.

Expenditures during the first six months of 2023 on the Golden Lion property totaled just $12,896, much less than the $113,413 spent in the comparative period in 2022, when the Company was still paying for legacy costs from the prior year 2021 drilling program.

Exploration outlays on the Company's Holy Cross property were $20,100 during the first six months of 2023, lower than the $96,926 spent in the same period in 2022, and included $12,517 (2022 – $1,291) spent on assaying drill core from the prior quarter's drill program, and $1,492 (2022 - $nil) spent on costs relating to the prior year period's drill program.

Expenditures on the Company's Rockland property decreased in the first six months of 2023 to $132,475 (2022 - $346,780), as the Company continued to advance exploration and permitting on the property, and included $30,514 (2022 - $11,857) on geological services (principally evaluation of datasets), $3,816 (2022 - $217,383) on remaining expenses from the prior year's geophysical surveys, and $22,169 (2022 - $39,608) on permitting.

Management and consulting fees remained stable with last year ($115,500 in the first six months of both 2023 and 2022); higher amounts were spent on professional fees ($59,707 in the first six months of 2023 versus $31,584 in the first six months of 2022); and significantly less ($170,119 in the first six months of 2023 versus $311,999 in the same period in 2022) in the general and administrative category, primarily reflecting lower expenditures on marketing and promotion during the period.

The following table sets out selected quarterly results of the Company for the eight quarters prior to the effective date of this report. The information contained herein is drawn from the unaudited interim financial statements of the Company.

| **Calendar Year** | **2023** | **2023** | **2022** | **2022** |
|---|---|---|---|---|
| **Quarter** | **June 30** | **March 31** | **December 31** | **September 30** |
| Revenue | $nil | $nil | $nil | $nil |
| Working capital | 123,757 | 325,716 | 638,994 | 1,326,218 |
| Operating expenses | 517,712 | 288,753 | 844,284 | 449,396 |
| **Net loss** | 517,712 | 288,753 | 687,224 | 388,972 |
| **Net loss per share** (1) | 0.01 | 0.00 | 0.01 | 0.01 |

| **Calendar Year** | **2022** | **2022** | **2021** | **2021** |
|---|---|---|---|---|
| **Quarter** | **June 30** | **March 31** | **December 31** | **September 30** |
| Revenue | $nil | $nil | $nil | $nil |
| Working capital | 1,715,190 | 2,121,937 | 2,690,177 | 3,156,352 |
| Operating expenses | 441,297 | 591,764 | 494,393 | 3,131,092 |
| **Net loss** | 406,747 | 573,240 | 466,175 | 2,515,968 |
| **Net loss per share** (1) | 0.01 | 0.01 | 0.01 | 0.03 |

Notes:
(1) Net loss per share on a diluted basis is the same as basic net loss per share as all factors which were considered in the calculation are anti-dilutive.

## Related Party Transactions

Evergold has entered into the following transactions with related parties:

| | For the six months ended June 30, | | Amounts payable* as at | |
|---|---|---|---|---|
| | 2023 | 2022 | June 30, 2022 | December 31, 2022 |
| | $ | $ | $ | $ |
| Consulting fees paid or accrued to the Company's Chief Executive Officer | 75,000 | 75,000 | - | - |
| Exploration expenses paid or accrued to C.J. Greig & Associates Ltd., an exploration services company controlled by the Company's Chief Exploration Officer(1) | 63,289 | 175,152 | 27,395 | 7,069 |
| Exploration expenses 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 | - | 70,797 | - | - |
| Consulting fees paid or accrued to the Company's Chief Financial Officer | 27,000 | 27,000 | - | - |
| Consulting fees paid or accrued to a Company controlled by the Company's Corporate Secretary | 9,000 | 10,603 | 1,704 | 1,780 |
| Directors' fees paid or accrued | 13,500 | 13,500 | - | - |
| **Totals** | **187,789** | **372,052** | **29,099** | **8,849** |

**Amounts payable are unsecured, non-interest bearing and are due on demand.*

Notes:

(1) As described in Note 5 to the Financial Statements, the 2016 Agreement to acquire the Company's initial four Canadian exploration properties (one has since lapsed) 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 multiple geologists and geotechnicians to the Company.

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) of the Company.

# Liquidity, Capital Resources, and Outlook

Evergold is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties entirely through the issuance of share capital. Although the Company has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk and the vast majority of exploration projects on which capital is spent will not result in producing mines. The success of future financings will depend on a variety of factors including geological success – i.e. obtaining superior results from exploration; strong metal prices and generally positive economic conditions; a receptive investment climate and a "risk-on" appetite among investors; and the Company's track record and its management's ability and experience. If such financing is unavailable, Evergold may be unable to retain its mineral interests and execute its business plans.

Through the course of 2020 and early 2021 the Company completed financings on three occasions to supplement capital secured on its IPO in October, 2019, as follows:

On May 21, 2020, the Company completed a non-brokered private placement financing of 1,757,388 flow-through (FT) common shares and no warrants at a price of $0.67 per FT share, for gross proceeds of $1,177,450. In connection with the offering, the Company paid a finder's fee of $40,000 and issued 35,147 broker's warrants entitling the holder to purchase one common share at a price of $0.67 until May 21, 2022. The fair value of the 35,147 broker warrants issued, in the amount of $12,291, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of $0.67, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.30%, at an exercise price of $0.67 and an expected life of 2 years.

On September 22, 2020, the Company closed the sale of 2,173,600 hard dollar units for gross hard dollar proceeds of $1,086,800, and 325,000 flow-through shares, for gross flow-through proceeds of $195,000. Gross proceeds of hard dollars and flow-through combined, amounted to $1,281,800. Each hard dollar unit was comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.60 for the first 12 months and $0.70 for the remaining 12 months. The fair value of the 1,086,800 hard dollar unit warrants issued, in the amount of $180,038, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of $0.42, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.26%, at an exercise price of $0.70 and an expected life of 2 years. In connection with the offering, the Company paid finder's fees of $46,801 and issued 89,852 broker's warrants entitling holders to purchase one common share at a price of $0.60 until September 22, 2021, and at a price of $0.70 until September 22, 2022. The fair value of the 44,926 broker warrants issued, in the amount of $4,276, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of $0.38, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.22%, at an exercise price of $0.60 and an expected life of 1 year. The fair value of the second tranche of 44,926 broker warrants issued, in the amount of $3,601, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of $0.38, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.26%, at an exercise price of $0.70 and an expected life of 2 years.

On November 16, 2020, the Corporation announced that it had opted to formally close off the foregoing August 26/28 tranched private placement financing at a single tranche, pending exploration news and a subsequent financing, to be announced.

On February 23, 2021, the Corporation closed a bought deal brokered private placement financing (the "Offering") for gross proceeds of $8 million. Under the Offering, a total of 17,500,000 hard dollar units ("HD Units") were sold at a price of $0.20 per HD Unit for gross proceeds of $3,500,000 and 20,454,546 flow-through units ("FT Units") were sold at a price of $0.22 per FT Unit for gross proceeds of $4,500,000. Each HD Unit consisted of one common share and one warrant. Each FT Unit comprised one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 for a period of 3 years from the closing date of the financing.

Although the Company's anticipated near and medium-term capital requirements continue to be met with the proceeds of the February 23, 2021 financing, the Company will in future require additional capital to support exploration activities beyond those currently envisaged. 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.

## Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at June 30, 2023 or at December 31, 2022.

## Critical Accounting Estimates and Policies

The Company's significant accounting policies and the adoption of new accounting policies are disclosed in Note 3 to the financial statements prepared for the period ended June 30, 2023.

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of the recoverable value of its mineral exploration properties and related deferred exploration and evaluation expenditures, as well as the value of stock-based compensation. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options and compensation warrants might be exercised and stock price volatility. The timing of exercise of options is out of the Company's control and will depend on a variety of factors, including the market value of the Company's shares and the financial objectives of the share-based instrument holders. The Company used historical data to determine volatility in accordance with the Black-Scholes option pricing model. However, the future volatility is uncertain and the model has its limitations.

The recoverability of the recorded value of the Company's mineral exploration properties and associated deferred exploration and evaluation expenses is based on current market conditions for metals and minerals, underlying mineral resources associated with the properties, and future costs that may be required for the ultimate realization of value through mining operations or by sale. The Company operates in an industry that is dependent upon and subject to an array of factors and risks including environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete exploration and development, and/or achieve profitable production, or realize value through the disposition of property assets.

## Commitments and Contingencies

*Environmental Contingencies*

The Company's exploration activities are subject to various provincial, state and federal laws and regulations governing the protection of archaeological heritage and the environment. Prior to the execution of any exploration programs involving site disturbance, such as on-site camps and drilling operations, application must be made to the appropriate B.C. (or in the case of operations in the state of Nevada) Nevada and/or U.S. federal government ministries for an exploration permit. Permit applications must provide specific detail with regard to the Company's plans including, among other things, the nature and estimated total area of surface disturbance, impacts on wildlife, surveys for cultural artifacts, plans for waste disposal, and use of locally-sourced water, etc. Prior to the start of work, reclamation bonds must be posted with the B.C., Nevada or U.S. federal government to cover remediation of disturbed sites following program completion. To the date of writing 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. It is anticipated that a reclamation bond totaling $US93,700 will have to be posted in 2023 to the relevant U.S. authorities in relation to the now permitted Rockland East project.

*Management Contracts*

The Company has entered into an engagement agreement with Kevin M. Keough, of indefinite term, to provide President and CEO services and to undertake the duties and exercise the powers associated with this role. The Company pays Mr. Keough $150,000 per annum. Upon the occurrence of a change of control or termination without cause, the engagement 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.

*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.

# Financial Instruments & Risks

The Company's financial instruments consist of cash, other receivables, reclamation bonds, trade and other payables, accrued liabilities and amounts due to related parties.

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, foreign exchange rate and price risk) and credit risk.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

**Credit Risk**

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables included in amounts receivable and prepaid expenses. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in amounts receivable and prepaid expenses consist of goods and services tax due from the Federal Government of Canada. Accordingly, management believes that the credit risk associated with these financial instruments is low.

**Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital on hand to meet liabilities when due, and to cover twelve 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 June 30, 2023, the Company had a cash balance of $141,172 (December 31, 2022 - $596,109) to settle current liabilities of $49,171 (December 31, 2022 - $41,900). Working capital at June 30, 2023, stood at $123,757 (December 31, 2022 - $638,994). Management has been husbanding the Company's resources while it actively works toward improving the Company's financial position with an anticipated near term financing, supported by improved property prospects.

**Interest Rate Risk**

The Company has cash, cash equivalents and short-term investment balances subject to interest. Management does not believe the Company is exposed to significant interest rate risk.

**Foreign Currency Risk**

The Company's functional currency is the Canadian dollar. The Company is exposed, though not presently in a material way, to a small degree of foreign exchange risk through its operations in Nevada, USA. This exposure may increase with time to the degree exploration activities in the state of Nevada increase.

**Price Risk**

The Company has noted some recent price inflation for goods and services. This trend has the potential to throw off program cost estimates in ways that are unpredictable, and potentially damaging. To address this risk, the Company has taken steps to build higher contingencies into its exploration budgets.

## Capital Management

Evergold is essentially a capital pool established to carry out high-risk / potential high reward exploration. The Company considers its capital to be equity, which is comprised of capital stock, share purchase warrants, broker compensation warrants, contributed surplus and deficit. Given the nature of the business, 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 team to generate discoveries and advance its properties which, in healthy economic and market circumstances, will usually in time be accompanied by share price appreciation.

When managing capital, the Company's foremost objective is to generate returns for shareholders in the form of capital gains, whether by achieving discoveries which, in the normal course, would result in share price appreciation, or by advancing those discoveries and properties toward development and in the longer term selling them, or the Company itself, to large mining concerns. Achieving this objective requires first ensuring that Evergold continues as a going concern and, secondly, that capital resources are deployed cost-effectively into only those properties and those specific exploration targets and activities, which management believes have the greatest potential to generate capital gains for shareholders. Management seeks to have sufficient capital on hand to cover at least six months – and preferably twelve months – corporate overheads, achieve its near-term exploration objectives, and to advance discoveries when achieved as expeditiously as possible. In doing so, it seeks a balance between minimizing shareholder dilution and maintaining an attractive capital structure on the one hand, and the need to achieve and advance discoveries of merit on the other.

The Company's four mineral properties are all in the exploration stage and the Company has neither revenues nor profits. As such the Company is wholly dependent upon external financing to fund its planned exploration programs and administration costs. The Company will therefore spend its existing working capital and raise additional amounts when conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in soft market conditions by:

1) Redoubling efforts to identify new properties that management believes offer high discovery potential, and that can be drill tested at relatively low cost, because in difficult markets it is usually the case that fresh new discoveries or the prospect of same are the only events that generate market excitement and share price appreciation;
2) reducing or eliminating exploration activity where resulting news flow from such activities, even if expected to be positive and to add value to the Company's properties, cannot reasonably be expected to generate a positive market response and share price appreciation, given a general lack of investor interest and overall soft market conditions;
3) reducing or eliminating certain marketing and promotional expenses that are, in normal markets, required to broaden awareness of the Company and to convey its plans and objectives to shareholders and would-be investors;
4) ensuring cost-effective deployment of existing funds;
5) avoiding project "overstretch" – i.e. too many properties and projects, and too many commitments;
6) minimizing discretionary disbursements;
7) maintaining a liquidity cushion in order to address disruptions and industry downturns; and
8) exploring alternative sources of liquidity, including teaming arrangements and the optioning or outright sale of assets

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. As a Tier 2 Issuer, the Company is subject to the listing requirements of the TSX Venture Exchange, which include having at least $750,000 in net tangible assets, minimum cash in treasury adequate to carry out work plans and overheads for 12 months, and minimum working capital of $100,000.

## Disclosure of Outstanding Share Data (as at August 22, 2023)

Listed below are the terms of all financings closed by the Company since becoming an Issuer in 2019.

On October 4, 2019, the Company closed its Initial Public Offering (IPO) of 17,250,000 units at a purchase price of $0.20 per unit for gross proceeds of $3,450,000. Each unit consisted of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for a period of 24 months from closing at a price of $0.25. In connection with the offering, the Company paid the agents a commission of $241,500 equal to 7% of the gross proceeds of the offering, and issued to the agents 1,207,500 common share purchase warrants entitling the agents to purchase one common share at a price of $0.20 per common share until October 4, 2021.

On May 21, 2020, the Company completed a non-brokered private placement financing of 1,757,388 flow-through (FT) common shares and no warrants at a price of $0.67 per FT share, for gross proceeds of $1,177,450. In connection with the offering, the Company paid a finder's fee of $40,000 and issued 35,147 finder's warrants entitling the finder to purchase one common share at a price of $0.67 until May 21, 2022. The fair value of the 35,147 broker warrants issued, in the amount of $12,291, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of $0.67, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.30%, at an exercise price of $0.67 and an expected life of 2 years.

On September 22, 2020, the Company closed the sale of 2,173,600 hard dollar units for gross hard dollar proceeds of $1,086,800, and 325,000 flow-through shares, for gross flow-through proceeds of $195,000. Gross proceeds of hard dollars and flow-through combined, amounted to $1,281,800. Each hard dollar unit was comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.60 for the first 12 months and $0.70 for the remaining 12 months. The fair value of the 1,086,800 hard dollar unit warrants issued, in the amount of $180,038, was estimated using the Black-Scholes warrant pricing model under the following assumptions: share price of $0.42, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.26%, at an exercise price of $0.70 and an expected life of 2 years. In connection with the offering, the Company paid finder's fees of $46,801 and issued 89,852 finder's warrants entitling finders to purchase one common share at a price of $0.60 until September 22, 2021, and at a price of $0.70 until September 22, 2022. The fair value of the 44,926 broker warrants issued, in the amount of $4,276, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of $0.38, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.22%, at an exercise price of $0.60 and an expected life of 1 year. The fair value of the second tranche of 44,926 broker warrants issued, in the amount of $3,601, was estimated using the Black-Scholes option pricing model under the following assumptions: share price of $0.38, expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.26%, at an exercise price of $0.70 and an expected life of 2 years.

On November 16, 2020, the Corporation announced that it had opted to formally close off the foregoing August 26/28 tranched private placement financing at a single tranche, pending exploration news and a subsequent financing, to be announced.

On February 23, 2021, the Company closed a private placement (the "Offering") for total gross proceeds of $8 million. Under the Offering, a total of 17,500,000 units (the "HD Units") were sold at a price of $0.20 per HD Unit for gross proceeds of $3,500,000 and 20,454,546 flow-through units (the "FT Units") were sold at a price of $0.22 per FT Unit for gross proceeds of $4,500,000. Each HD Unit shall consist of one common share and one warrant. Each FT Unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 for a period of 3 years from the closing date of the financing.

The Company has adopted a stock option plan (the "Option Plan") for directors, officers, employees 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 (the "TSX-V") 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 TSX-V). 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 TSX-V.

Concurrent with the closing of the Company's IPO on October 4, 2019, the Company granted a total of 2,280,000 5-year options to directors, officers and consultants, to purchase common shares of the Company, exercisable in thirds at $0.20, $0.25 and $0.30 respectively, all of which have fully vested. On the same day the Company granted 100,000 options to Peak Investor Marketing Corp ("Peak") exercisable at $0.20, all now fully vested, and expiring 30 days following the conclusion of Peak's agreement with the Company, which is ongoing.

On June 16, 2020, the Company granted 820,000 5-year options to directors, officers, and consultants, exercisable at $0.66 per common share until June 16, 2025, all now fully vested. In addition, the Company issued 20,000 options to Peak Investor Marketing Corp. exercisable at $0.66 per share, all now fully vested, and expiring 30 days following the conclusion of Peak's agreement with the Company, which is ongoing.

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

The following is a description of the outstanding equity securities and convertible securities issued by the Company:

***Common Shares***

Authorized: Unlimited number of common shares. Outstanding: 74,888,393 common shares.

***Warrants***

A summary of the Company's warrants outstanding and exercisable at August 22, 2023 is presented below:

| Exercise price | Warrants outstanding | Number of warrants remaining to be exercised at each exercise price | Expiry date |
|---|---|---|---|
| $0.30 | 27,727,273 | 27,727,273 | February 23, 2024 |
| **Total** | **27,727,273** | **27,727,273** | |

***Stock Options***

A summary of the Company's stock options outstanding and exercisable at August 22, 2023 is presented below:

| Exercise price | Options outstanding | Options exercisable | Expiry date |
|---|---|---|---|
| $0.20 | 541,664 | 541,664 | October 4, 2024 |
| $0.25 | 760,000 | 760,000 | October 4, 2025 |
| $0.26 | 4,010,000 | 4,010,000 | March 26, 2026 |
| $0.30 | 760,003 | 760,003 | October 4, 2026 |
| $0.66 | 840,000 | 840,000 | June 16, 2025 |
| **Total** | **6,911,667** | **6,911,667** | |

***Share Issuances Further to Property Agreements***

On February 10, 2021 the Corporation entered into a Definitive 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 TSX 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 | $US500,000* |
| **Total** | **$US805,000 and 500,000 shares** |

* 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.

***Issuances of Equity Year-to-Date***

There were no issuances of equity in fiscal 2022.

The most recent issuance occurred on February 23, 2021, when the Company closed a private placement (the "Offering") for total gross proceeds of $8 million. Under the Offering, a total of 17,500,000 units (the "HD Units") were sold at a price of $0.20 per HD Unit for gross proceeds of $3,500,000 and 20,454,546 flow-through units (the "FT Units") were sold at a price of $0.22 per FT Unit for gross proceeds of $4,500,000. Each HD Unit consisted of one common share and one warrant. Each FT Unit was comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 for a period of 3 years from the closing date of the financing.

***Issuances of Options Year-to-Date***

There were no option grants during the quarter.

The most recent issuance of options occurred on March 26, 2021, when the Company granted 4,010,000 options to directors, officers, and consultants, exercisable at $0.26 per common share until March 26, 2026. All are now fully vested.

The Company has adopted a stock option plan (the "Option Plan") for directors, officers, employees 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 (the "TSX-V") 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 TSX-V). 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 TSX-V.

## Risks and Uncertainties

The Company's securities should be considered high risk and highly speculative due to the nature of its business.

*Capitalization and Commercial Viability Risks*

The Company will require additional funds to further explore and advance its properties. The Company has limited financial resources and there is no assurance that additional funding will be available to it to carry out proposed exploration activities. Although the Company has in the past been successful in obtaining financing through the sale of equity securities, there can be no assurance that it will in the future be able to obtain adequate financing on acceptable terms. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development of its properties, and the loss of part or all of its ownership position in its properties.

*Global Financial and Economic Condition Risks*

Global financial and economic conditions are subject to instability and volatility. Access to public capital markets for junior exploration companies has at times been, and is currently, restricted. These factors and circumstances negatively impact the ability of the Company to obtain equity or debt financing on terms favourable to the Company.

*Exploration and Development Risks*

Mineral exploration and development entails a very high degree of risk. Very few properties which are explored, ultimately develop into producing mines.

The Company's properties do not presently contain mineral "resources" or "reserves", as those terms are defined in National Instrument 43-101, nor is there any guarantee that they ever shall. The process of confirming, or alternatively disproving, the presence of resources or reserves on the Company's properties will require following an exploration and development pathway comprised of sequential steps, the execution of each of which is fraught with risk and predicated on successful results from the step immediately prior to it. Failure at any step generally, though not always, puts an end to exploration or development activities. As the exploration and development pathway is followed, the metal or mineral content of the area under exploration is quantified and assessed to an increasing degree of certainty, generally by increasing the density of drilling and the amount of sampling and assaying, coupled with volume and grade modelling.

With increasing certainty comes, initially, "Inferred" level resources, followed by resources in the "Indicated" and "Measured" categories, none of which have demonstrated economic viability. Only through the later application of technical (metallurgical, mining, processing, environmental etc.) and economic parameters appropriate to the resources under study, and the completion of pre-feasibility and ultimately, feasibility studies by qualified geologists, engineers and geoscientists, can resources potentially be converted to "reserves" ("ore"), which by definition would be potentially economic to mine and process, under the technical and economic criteria utilized in the feasibility study or studies applied to them. These steps and activities are costly.

Should ore reserves ultimately be demonstrated to exist on the Company's properties, a positive decision to take the ore reserves thus demonstrated to commercial production would not be a given. In addition to the steps and studies detailed above, a positive production decision would require environmental approvals, the securing of various permits, and consideration and evaluation of additional factors including, but not limited to: (1) the cost of construction of production facilities; (2) the availability and cost of financing; (3) anticipated ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) the political climate and/or governmental regulation and control.

The ability of the Company to profit from the sale of any eventual production from any of the Company's properties, or the sale of the Company at any stage preceding production, will be subject to the prevailing conditions in the marketplace at the time of sale. Many of these factors are beyond the control of the Company and therefore represent a market risk which could impact the long-term viability of the Company and its operations.

*Title Risks*

While the Company has performed its own due diligence with respect to legal title to its five properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the properties.

*First Nation Risks*

The nature and extent of First Nation rights and title remains the subject of active debate, claims, litigation and uncertainty in Canada including with respect to relations between First Nation authorities and federal, provincial and territorial authorities. There can be no guarantee that such claims and uncertainties will not cause permitting delays, unexpected interruptions or additional costs for the Company's projects.

*Infrastructure Risks*

Exploration, development, mining and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies are important determinants which affect access to properties; the efficiency, timeliness and type of exploration activities carried out; the ability to develop prospects and associated development capital costs; and ongoing operating expenses. Several of the Company's properties lie in remote areas with limited infrastructure. In addition, weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results.

*Competition Risks*

The exploration and mining industry is highly competitive, both for mineral properties and key personnel. Many of the Company's competitors for the acquisition, exploration and development of mineral properties, and for capital to finance such activities, will have greater financial and personnel resources available to them than the Company.

*Environmental Risks*

All phases of the exploration and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to provincial, federal and, on occasion, municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration and mining operations. The legislation also requires that exploration and mine sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner resulting in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration and mining operations may be required to compensate those suffering loss or damage by reason of the exploration and mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mineral resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing properties or require abandonment or delays in the development of new mining properties.

*Reliance on Key Employee Risks*

The success of the Company is largely dependent upon the performance of its management and key employees. Potential investors should realize that they are relying upon the continued good health, experience, judgment, discretion, integrity and good faith of the management of the Company. The Company has no backup for any of its key people, the loss of any one of whom, whether due to poor health or loss to competitors, could adversely affect the Company's ability to execute its business plans. The Company does not maintain life insurance policies in respect of its key personnel.

*Permitting and Licensing Risks*

The exploration operations of the Company require licenses and permits from government authorities which are granted subject to various conditions and must be renewed from time to time. There can be no assurance that the Company will be able to obtain, or once obtained renew, the licenses and permits required to carry out exploration, development and mining operations at its projects.

*No History of Earnings Risks*

The Company has no history of earnings, and there is no assurance that any of its mineral properties will generate earnings or provide a return on investment in the future. The Company expects to incur losses and negative operating cash flow for the foreseeable future as it conducts its exploration activities on its properties. The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

*Negative Operating Cash Flow Risks*

Since inception, the Company has had negative operating cash flow and incurred losses. The negative operating cash flow and losses are expected to continue for the foreseeable future. The Company may never achieve positive operating cash flow.

*Uninsurable Risks*

In the course of exploration and development of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is often not possible to insure against such risks and, even where coverage for particular risks is available, the Company may decide not to take out insurance against such risks because of high premiums or for other reasons. Evergold's camp contractors, for example, do not generally carry insurance on camp structures and equipment. In the unlikely event that such structures or equipment become damaged, Evergold may become liable for repairs and/or replacements. Should liabilities arise in consequence of such uninsured risks, they could potentially reduce or eliminate planned exploration operations and/or result in an increase in costs, in consequence of which the value of the Company's securities may decline.

The Company is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards resulting from exploration and production) has not been generally available to companies within the industry. Should the Company become subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or result in bankruptcy.

*Litigation Risks*

Litigation risks to the Company may include, but are not limited to, contesting exploration, development or regulatory approvals, traditional title claims by First Nations, land tenure disputes, environmental claims, and occupational health and safety claims.

*Contractual Risks*

The Company will become a party to various contracts and it is always possible that contracts to which it is a party will not be adequately or fully performed by other contracting parties.

## Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly

present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

## Additional Information

Additional information relating to the Company may be obtained from www.evergoldcorp.ca or the Company profile at www.sedar.com.

## Subsequent Events

On August 2, 2023 the Company announced that it has entered into an option agreement (the "Option Agreement") with non-arms-length vendors Charles Greig and Alex Walcott ("the Optionors"), for the exclusive right and option to acquire a 100% interest in the drill-ready, highly prospective DEM gold-silver property (the "DEM Property), located in central British Columbia.

The DEM Property hosts the newly developed, never drilled DEM prospect, a roughly 4km$^2$ target area exhibiting strong multi-element geochemical anomalism in soils, including highs to 2.1 ppm Au, 160 ppm Ag, 0.5% Pb, 0.41% Zn, 0.76% As, and 651 ppm Cu, directly associated with an underlying large-scale donut-shaped magnetic anomaly and exceptionally strong, deep-running IP chargeability, suggesting high discovery potential.

The Option Agreement gives Evergold the right to earn a 100% interest in exchange for 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 (the Optionors are already significant shareholders in Evergold).

The Option Agreement is a non-arms-length transaction that remains subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSX Venture Exchange ("TSXV"), and requires for closing the following steps, in order: delivery of a 43-101 (anticipated for mid-August), a minimum $750,000 financing, and the approval of disinterested shareholders (vote scheduled for October 10).