



## **Evergold Corp.**

### **Consolidated Financial Statements**

*For the years ended December 31, 2023 and 2022*

## **Independent Auditor's Report**

To the Shareholders of Evergold Corp.

### **Opinion**

We have audited the consolidated financial statements of Evergold Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and, as of that date, the Company was in a deficit position. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

## **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Nicole Louli.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
April 23, 2024

## Evergold Corp. Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	As at December 31, 2023 \$	As at December 31, 2022 \$
<b>Assets</b>		
<b>Current</b>		
Cash	237,389	596,109
Sales tax and other receivables	35,984	50,333
Prepaid expenses and deposits	21,908	34,452
Total current assets	295,281	680,894
Reclamation bond (note 4)	120,351	97,479
<b>Total assets</b>	<b>415,632</b>	<b>778,373</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 11)	43,706	41,900
Flow-through premium liability (note 6)	23,042	-
Total liabilities	66,748	41,900
<b>Shareholders' equity</b>		
Share capital (note 6)	12,367,500	11,577,748
Warrants (note 6)	1,853,621	1,633,844
Contributed surplus (note 6)	1,160,977	1,410,506
Retained deficit	(15,033,214)	(13,885,625)
Total shareholders' equity	348,884	736,473
<b>Total liabilities and shareholders' equity</b>	<b>415,632</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 April 23, 2024.

(signed) Kevin M. Keough  
Director

(signed) Rosie Moore  
Director

Going concern (note 1)  
Commitments and contingencies (note 14)

## Evergold Corp. Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Years ended December 31,	
	2023	2022
	\$	\$
<b>Operating expenses</b>		
Exploration expenditures (note 5 and note 11)	965,129	1,614,520
Management and consulting fees (note 11)	231,000	231,000
Share-based compensation (note 6 and note 11)	61,068	-
Professional fees	106,260	60,984
General and administrative	256,002	420,240
<b>Total operating expenses</b>	<b>1,619,459</b>	<b>2,326,744</b>
<b>Loss before income taxes</b>	<b>(1,619,459)</b>	<b>(2,326,744)</b>
Income tax expense (recovery) (note 12)	(37,350)	(270,561)
<b>Loss and comprehensive loss for the period</b>	<b>(1,582,109)</b>	<b>(2,056,183)</b>
Loss per share (note 13)	(0.02)	(0.03)
Weighted average number of shares – basic and fully diluted	<b>80,434,087</b>	<b>74,842,955</b>

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

## Evergold Corp. Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	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	145,000	10,475	-	-	-	10,475
Issuance of flow-through units	12,078,334	529,506	195,194	-	-	724,700
Premium allocated to flow-through units		(60,392)				(60,392)
Issuance of hard-dollar units	9,409,091	365,442	152,058	-	-	517,500
Issuance of broker units	454,545	17,655	7,345			25,000
Issuance of broker warrants	-	(14,103)	14,103	-	-	-
Expiry of warrants	-	-	(123,923)	-	123,923	-
Share-based compensation	-	-	-	61,068	-	61,068
Forfeiture of options	-	-	-	(310,597)	310,597	-
Share issuance costs	-	(58,831)	(25,000)	-	-	(83,831)
Net loss	-	-	-	-	(1,582,109)	(1,582,109)
<b>Balance, December 31, 2023</b>	96,930,363	12,367,500	1,853,621	1,160,977	(15,033,214)	348,884

	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	-	-	-	-	(2,056,183)	(2,056,183)
<b>Balance, December 31, 2022</b>	74,843,393	11,577,748	1,633,844	1,410,506	(13,885,625)	736,473

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



## Evergold Corp. Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Years ended December 31,	
	2023	2022
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Loss for the period	(1,582,109)	(2,056,183)
Items not affecting cash:		
Share-based compensation	61,068	-
Income tax recovery	(37,350)	(270,561)
Shares issued for property acquisition	10,475	5,000
Changes in non-cash working capital:		
Sales tax and other receivables	14,349	(24,482)
Prepaid expenses and deposits	12,544	13,448
Accounts payable and accrued liabilities	1,806	(44,301)
<b>Net cash used in operating activities</b>	<b>(1,519,217)</b>	<b>(2,377,080)</b>
<b>Financing activities</b>		
Proceeds from the issuance of flow-through units	724,700	-
Proceeds from the issuance of units	517,500	-
Share issuance costs	(58,831)	-
<b>Net cash from financing activities</b>	<b>1,183,369</b>	<b>-</b>
<b>Investing activities</b>		
Posting of reclamation bond	(22,872)	-
<b>Net (decrease) in cash and cash equivalents</b>	<b>(358,720)</b>	<b>(2,377,080)</b>
<b>Cash, beginning of period</b>	<b>596,109</b>	<b>2,973,189</b>
<b>Cash, end of period</b>	<b>237,389</b>	<b>596,109</b>
Supplemental information		
Broker warrants issued	\$14,103	\$-
Broker units issued	\$25,000	\$-

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

## Notes to the 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 April 23, 2024.

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 December 31, 2023, the Company had a deficit of \$15,033,214 (December 31, 2022 - \$13,885,625) and working capital of \$228,533 (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. These matters represent material uncertainties that cast significant doubt on the ability of the Company to continue as a going concern. The Company will have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

### 2. BASIS OF PREPARATION

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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. The policies set out in the Company's annual financial statements for the year ended December 31, 2023, were consistently applied to all periods presented unless otherwise noted below.

**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 years ended December 31, 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 December 31, 2023 and 2022.

**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

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

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 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 years ended December 31, 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 and other receivables are 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 December 31, 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

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

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. 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 note 6.

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.

**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 December 31, 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.

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

**New IFRS adopted:**

During the year ended December 31, 2022, the Company adopted the following amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's financial statements.

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.

**Future accounting standards not yet effective:**

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, 2024.



**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 December 31, 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, a \$38,479 reclamation bond covering work on the Holy Cross property, and a \$22,872 reclamation bond on the DEM property for a combined total of \$120,351 (December 31, 2022 - \$97,479).

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

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

At December 31, 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 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 Toadoggone 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 required the Company to complete a minimum of \$750,000 in financing. This requirement was satisfied on September 29, 2023. The Option Agreement does not require the issuance of shares.

The schedule of DEM property cash payments is as follows:

<b><u>Date</u></b>	<b><u>Payment</u></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
<u>On the fourth anniversary</u>	<u>\$500,000</u>
<b>Total</b>	<b>\$980,000</b>

The schedule of DEM property work commitments is as follows:

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

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

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

On February 11, 2021, the Company signed a Definitive Agreement with Enigma Resources LLC 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. Under the terms of the Definitive Agreement, the Company must make staged outlays to Enigma over five years cumulatively totaling US\$805,000 cash and 500,000 common shares payable in installments as set out below, in addition to escalating work commitments of US\$1,675,000 over the same time frame, and grant a 3% Net Smelter Returns royalty to Enigma, two percentage points of which can be bought back by the Company for an aggregate of US\$3 million, with a right of first refusal granted to the Company by Enigma to purchase the remaining one percentage point.

The schedule of Rockland property option payments is 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 (paid)
January 1, 2025	\$US100,000 and 275,000 shares
January 1, 2026	\$US500,000*
<b>Total</b>	<b>\$US805,000 and 500,000 shares</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 schedule of Rockland property work commitments is as follows:

On or before January 1, 2022	\$US75,000 (met)
On or before January 1, 2023	\$US175,000 (met)
On or before January 1, 2024	\$US250,000 (met)
On or before January 1, 2025	\$US1,175,000*
<b>Total</b>	<b>US\$1,675,000</b>

\* US\$1,175,000 on or before the later of January 1, 2025, or 18 months from the receipt of drill permits, and to include drilling (with assaying costs) that includes 5,000 feet in the Rockland Mine area and 15,000 feet in the Rockland East target area.

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 year ended December 31, 2023:

<b>Expense Category 2023</b>	<b>Snoball \$</b>	<b>Golden Lion \$</b>	<b>Holy Cross \$</b>	<b>Rockland \$</b>	<b>DEM \$</b>	<b>Total \$</b>
Acquisition costs	-	-	-	179,853	130,000	309,853
Aircraft	--	-	-	-	147,163	147,163
Assaying	-	-	12,517	-	7,830	20,347
Camp	-	-	-	541	43,974	44,515
Drilling	-	-	1,492	-	201,995	203,487
First Nations	4,334	7,666	-	-	-	12,000
Fuel	-	--	-	-	324	324
Geological	181	1,727	15,484	30,880	98,389	146,661
Geophysics	-	-	-	3,284	-	3,284
Miscellaneous	4,423	6,628	4,800	6,506	1,685	24,042
Permitting	-	-	-	52,661	260	52,921
Surveys	-	-	-	532	-	532
<b>Total</b>	<b>8,938</b>	<b>16,021</b>	<b>34,293</b>	<b>274,257</b>	<b>631,620</b>	<b>965,129</b>

The following is a summary of exploration expenditures by property during the year ended December 31, 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	96,907	-	31,843	129,904
Camp	562	40,085	118,134	-	2,026	160,807
Drilling	84	23,410	348,459	-	-	371,953
Environmental	407	9,040	5,720	-	13,349	28,516
First Nations	10,000	42,110	-	-	-	52,110
Geological	7,369	69,159	102,791	-	72,063	251,382
Geophysics	-	-	184,365	-	205,514	389,879
Miscellaneous	8,060	6,839	4,703	-	4,797	24,399
Permitting	250	250	250	250	50,593	51,593
Roads and bridges	-	88	35,606	-	-	35,694
Surveys	66	81	47,180	-	12,632	59,959
<b>Total</b>	<b>26,957</b>	<b>193,737</b>	<b>944,115</b>	<b>250</b>	<b>449,461</b>	<b>1,614,520</b>

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

**(a) Authorized**

Unlimited number of common shares, without par value.

**(b) Issued**

96,930,363 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*	145,000	10,475
Issuance of flow-through units	12,078,334	529,506
Flow-through premium		(60,392)
Issuance of hard-dollar units	9,863,636	383,097
Issuance of warrants		(14,103)
Share issuance costs		(58,831)
<b>Balance, December 31, 2023</b>	<b>96,930,363</b>	<b>12,367,500</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 9,409,091 hard-dollar units at a price of \$0.055 per hard dollar unit, for gross proceeds of \$1,242,200. Each flow-through unit consists of one flow-through common share and one common share purchase warrant, and each hard-dollar unit consists of one common share and one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.08 until September 29, 2025. The valuation of the warrants was estimated in the amount of \$347,252 using the Black-Scholes option pricing model. In connection with the offering, the Company incurred financing costs of \$58,832 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. In addition, the Company issued 454,545 broker units for total compensation valued at \$25,000, where each broker unit consists of one common share and one common share purchase warrant with the same terms as the hard dollar units. The valuation of the warrants was estimated in the amount of \$7,346. The following assumptions were used in the Black-Scholes option pricing model calculations: share price of \$0.04, expected dividend yield of 0%, expected volatility of 108%, risk-free interest rate of 4.87%, 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.

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

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.

On November 23, 2023, the Company granted 3,951,000, 5-year options to directors, officers, and consultants, exercisable at \$0.085 per share until November 23, 2028. The options vest as follows: 25% on February 23, 2024, 25% on May 23, 2024, 25% on August 23, 2024, and 25% on November 23, 2024.

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.

<b>Exercise price</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Expiry date</b>
\$0.085	3,951,000	-	November 23, 2028
\$0.20	353,331	353,331	October 4, 2024
\$0.25	571,667	571,667	October 4, 2025
\$0.26	3,660,000	3,660,000	March 26, 2026
\$0.30	571,669	571,669	October 4, 2026
\$0.66	475,000	475,000	June 16, 2025
<b>Total</b>	<b>9,582,667</b>	<b>5,631,667</b>	

The weighted average remaining contractual life of options outstanding is 2.52 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 December 31, 2023 and December 31, 2022:

<b>Option grant activity and Black-Scholes option pricing model input factors</b>	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>
Stock options granted during the period	3,951,000	Nil
Weighted-average exercise price	\$0.085	Nil
Expected stock option life <sup>(1)</sup>	5 years	Nil
Expected volatility <sup>(2)</sup>	107%	Nil
Risk-free interest rate <sup>(3)</sup>	3.8%	Nil
Dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

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

1. The Company estimates the expected stock option life (estimated period of time outstanding) of options granted to be the length of time before the stock option's expiry until such time that the Company can base its estimate on historical information on the Company's options.
2. The expected volatility was based on the trading history of comparable companies over a period equal to the expected stock option life.
3. The risk-free rate is based on the yield of a Government of Canada marketable bond in effect at the time of grant with an expiry commensurate with the expected life of the award.

During the year ended December 31, 2023, an amount of \$60,836 (December 31, 2022 - \$nil) was recorded as share-based compensation in connection with the granting of 3,951,000 stock options to directors, officers and consultants. An amount of \$232 was recorded as share-based compensation in connection with the granting of options to Peak Investor Marketing Corp. (December 31, 2022 - \$nil).

**Options**

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

	<b>Number of options</b>	<b>Weighted average exercise price</b>
		\$
<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	(1,280,000)	(0.33)
Options granted	3,951,000	0.09
<b>Balance, December 31, 2023</b>	<b>9,582,667</b>	<b>0.21</b>

6. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

Contributed surplus

	\$
<b>Balance, December 31, 2021 and December 31, 2022</b>	<b>1,410,506</b>
Share-based compensation expense – options forfeited	(310,597)
Share-based compensation expense – options granted	61,068
<b>Balance, December 31, 2023</b>	<b>1,160,977</b>

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
Broker warrants granted	725,000	0.06
<b>Balance, December 31, 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
\$0.055	725,000	September 29, 2025
\$0.08	21,941,970	September 29, 2025
<b>Outstanding at December 31, 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 December 31, 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 December 31, 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 December 31, 2023, the Company had a cash balance of \$237,389 (December 31, 2022 - \$596,109) to settle current liabilities of \$66,748 (December 31, 2022 - \$41,900). Working capital at December 31, 2023 stood at \$228,533 (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.



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

**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. FLOW-THROUGH LIABILITY**

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not incurred the required exploration expenditures. As expenditures are incurred, the flow-through liability is reversed. During the year ended December 31, 2023, the Company recognized a flow-through share premium renunciation of \$37,350 (2022 - \$270,561). At December 31, 2023, the flow-through share liability was \$23,042 (2022 - \$ nil).

**11. 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 years ended		Amount payable as at	
	December 31, 2023	2022	December 31, 2023	December 31, 2022
	\$	\$	\$	\$
Consulting fees paid or accrued to the Company's Chief Executive Officer	150,000	150,000	-	-
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>	263,505	456,550	20,242	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	209,827	-	-
Consulting fees paid or accrued to the Company's Chief Financial Officer	54,000	54,000	-	-
Consulting fees paid or accrued to a Company controlled by the Company's Corporate Secretary	25,029	20,324	1,695	1,780
Directors' fees paid or accrued	27,000	27,000	-	-
<b>Totals</b>	<b>522,034</b>	<b>917,701</b>	<b>21,937</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).

Amounts payable are unsecured, non-interest bearing and are due on demand. During the year ending December 31, 2023, the Company expensed \$58,905 in share-based compensation (December 31, 2022 - \$nil) to directors and officers in connection with the November 23, 2023 stock option grant.

**12. INCOME TAXES**

a) Provision for Income Taxes

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
(Loss) before income taxes	(1,619,549)	(1,536,783)
Expected income tax recovery based on statutory rate	(429,000)	(407,000)
Adjustment to expected income tax benefit:		
Share-based compensation	16,000	-
Flow-through renunciation	119,000	-
Flow-through premium	(37,350)	(270,561)
Expenses not deductible for tax purposes		
Other	274,000	(315,000)
Change in benefit of tax assets not recognized	20,000	722,000
Income tax provision (recovery)	(37,350)	(270,561)

b) Deferred Income Taxes

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Non-capital loss carryforwards	4,309,000	3,529,000
Exploration properties	4,965,000	11,012,000
Share issuance costs	361,000	760,000
Total	9,635,000	15,301,000

The Company's non-capital losses expire between 2035 and 2043. Exploration property costs carry forward indefinitely. The potential future benefit of these losses has not been recognized in the financial statements because it is not probable that future taxable profit will be available against which the Company can use the benefits.

**13. BASIC AND DILUTED LOSS PER SHARE**

The calculation of basic and diluted loss per share for the year ended December 31, 2023 was based on the net loss attributable to common shareholders of \$1,582,109 (December 31, 2022 - \$2,056,183) and the weighted average number of common shares outstanding of 80,434,087 (December 31, 2022 - 74,842,955).

Diluted loss per share in all periods did not include the effect of 50,394,243 warrants outstanding (December 31, 2022 - 29,930,626 warrants outstanding) and 9,582,667 options outstanding (December 31, 2022 - 6,911,667 options outstanding) as they are anti-dilutive.

**14. 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

**14. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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.

**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 \$724,700 of qualifying exploration expenditures to the shareholders effective December 31, 2023. Under the "look-back" provision governing flow-through shares, approximately \$275,000 of the amount was unspent by the end of 2023 and must be spent by December 31, 2024.

**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.

**15. SUBSEQUENT EVENTS**

On February 23, 2024, the Company recorded the expiry of 27,727,273 warrants issued at an exercise price of \$0.30.