



## **Evergold Corp.**

### **Management's Discussion and Analysis**

*For the Years Ended December 31, 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 April 23, 2024 and should be read in conjunction with the financial statements of the Company for the years ended December 31, 2023 and 2022 (the "Financial Statements") and related notes. Additional information on the Company may be found at [www.evergoldcorp.ca](http://www.evergoldcorp.ca), or under the Company's profile at [www.sedar.com](http://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 unpredictable nature of geology; 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 service 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 statements 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.

## Quarterly Highlights

During the quarter management moved quickly to advance the Corporation's near term and future prospects. Key developments were as follows:

- On October 10, 2023, a special meeting of disinterested shareholders was held to seek approval for the DEM Property option agreement announced on August 2, 2023. This meeting returned a greater than 98 percent vote in favour.
- On October 11, 2023 the Company received TSX Venture Exchange approval for the DEM Property option agreement and the agreement formally closed.
- On October 19, 2023, following recommendations delivered in a NI 43-101 technical report dated August 30, 2023, and using proceeds of a \$1,242,200 financing completed on September 29, 2023, the Company commenced a small reconnaissance drill program on the DEM "Halo" (a.k.a. 'DEM1') prospect, which wrapped up on November 4 for a total of 947 metres drilled in 3 holes, from two pads.
- On November 21, 2023, the Company announced that the drill program had delivered a new sulphide vein system discovery, with assay results pending.
- Shortly after quarter's end, on January 15, 2024, the Company reported encouraging initial assays from the DEM1 drill program, including broad intercepts of precious metals (gold, silver) encompassing, locally, narrow intercepts of high-grade precious and, notably, high-grade / high value strategic metals (molybdenum, cobalt, tungsten, rhenium). At the time of writing additional assays remain pending.
- These initial assays attracted considerable positive attention in the technical community and industry, including a shout-out as "the property to watch" by the B.C. government geologist at the January AMEBC Roundup conference in Vancouver.
- In follow up to the promising DEM1 drill results and an earlier (2017), limited coverage magnetic survey over only the immediate area of the DEM1 prospect, on Feb 22, 2024 the Company announced the completion of a 1490 line-km, high resolution heli-borne magnetic survey over the entire 10,451-hectare breadth of the DEM property. The survey is expected to provide greater detail and depth penetration over and below the DEM1 prospect, allowing for more effective drill targeting, and possibly reveal new targets over the roughly 96% of the property not surveyed to date.

## Corporate History and Description of the Business

Evergold was incorporated as a privately held mineral exploration company on October 30, 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 ("TSXV"), 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.

Adding once again to its Canadian property portfolio, on August 2, 2023, the Company announced that it had 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, for the exclusive right, subject to certain work commitments, staged payments of cash, and a 2% net smelter returns royalty detailed below, to acquire a 100% interest in the **DEM** gold-silver-copper property, located in central British Columbia.

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 past producing **Rockland** gold-silver property, located in western Nevada's "Walker Lane" structural belt, south of Yerington. 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 <sup>1</sup> , no warrants | 3,450,000         | 17,250,000                    | 0.20                 |
| 21-May-20     | Private placement, FT <sup>2</sup> , 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                 |
| 29-Sep-23     | Private placement, FT units (1 full warrant per share) | 724,700           | 12,078,334                    | 0.06                 |
| 29-Sep-23     | Private placement, HD units (1 full warrant per share) | 517,500           | 9,863,636                     | 0.055                |
| <b>Totals</b> |  | <b>15,151,450</b> | <b>81,402,504<sup>3</sup></b> |                      |

**Notes:**

- (1) *Hard Dollars*
- (2) *Flow-Through Dollars*
- (3) *As of April 23, 2024, the Company had a total of 129,180,000 shares outstanding, including shares issued pursuant to the exercise of warrants, options and the acquisition of the Rockland property.*

## **Property Assets and Exploration Activities**

### **DEM Property**

On August 2, 2023, the Company announced that it had entered into an option agreement with non-arms-length vendors Charles Greig and Alex Walcott, for the exclusive right and option to acquire a 100% interest in the 10,451 hectare DEM gold-silver-copper property, located in moderate terrain some 40 kms as the crow flies northwest of Fort St. James in central British Columbia. The DEM property hosts the DEM1 prospect, a roughly 4 square kilometre 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. Logging operations are common in the immediate area of the property and well-maintained forest service roads provide drive-on access directly to the property and the DEM1 prospect itself.

The DEM claims lie within and close to the western boundary of the Quesnel Terrane, a major B.C. porphyry belt hosting large deposits and long-life mines including Lorraine, Mount Milligan (50 kms to the northeast of DEM), Mount Polly, Highland Valley, Afton, and Copper Mountain.

Attention was first drawn to the DEM property by strong, multi-element Au-Ag-Cu-Zn-Pb-As soil geochemical anomalies developed in 1991 by Noranda Exploration Company ("Noranda"), associated with a limited area of volcanic and sedimentary outcrop intruded by high-level porphyritic dykes, located on a local topographic high. Noranda concluded at the time that *"the geochemical-geological setting suggests high level veins above a porphyry system at shallow depth"* (B.C. Assessment Report #22277) and recommended additional work. However, with gold and commodity prices in sharp decline, Noranda allowed the DEM claims to lapse. Other than a single-line Induced Polarization (IP) survey directly over the DEM1 prospect in 2021 by Xstrata Copper as part of their "Hat Super Block" exploration effort, mostly focused on areas well to the east, no further work of consequence occurred until the acquisition by the optionors of the claims overlying the DEM1 prospect in 2016.

In 2016 and 2017, the optionors added to the historical geochemical data with a high-resolution magnetic survey and a single line of deep-looking IP over the immediate area of the DEM1 prospect, followed by a gridded soil sampling program and two additional lines of IP in 2021. The results were impressive, revealing a large-scale magnetic anomaly and coincident broad, deep-running, exceptionally high intensity IP chargeability and flanking resistivity anomalies, underlying the strong soil geochemical anomalies.

The combined geochemical, geological, and geophysical datasets, coupled with knowledge of local geography and topography, provided an unusual degree of confidence in the high discovery potential of the DEM1 target area, which is why the Company decided to option the prospect.

### **Terms of the DEM Property Option Agreement**

The Company has the right to earn a 100% ownership interest in the DEM property in exchange for staged cash payments to the optionors over four years cumulatively totaling \$980,000, in addition to escalating work commitments totaling \$5,000,000 over the same time frame, as set out below. The option agreement does not require the issuance of any shares of the Company. In addition, the optionors retain a 2% Net Smelter Returns royalty, subject to the right of the Company to buy back 1.5% for \$4.5 million, inflation adjusted to 2023.

**Schedule of DEM Property Cash Payments:**

| <b>Date</b>   | <b>Payment</b>   |
|---|------------------|
| On signing August 2, 2023   | \$5,000 (paid)   |
| By the first anniversary or start-up of drilling, whichever comes first | \$125,000 (paid) |
| On the first anniversary  | \$100,000        |
| On the second anniversary   | \$150,000        |
| On the third anniversary  | \$100,000        |
| On the fourth anniversary   | \$500,000        |
| <b>TOTAL</b>  | <b>\$980,000</b> |

**Schedule of DEM Property Work Commitments:**

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

**Exploration Plans and Quarterly Exploration Activities**

A 5-year MYAB (Multi-Year, Area-Based) exploration permit for the DEM property was received in mid-August 2023, allowing for as many as 50 drill sites. Late in the same month, on August 30, 2023, the Company received an independent NI-43-101 compliant technical report, authored by Linda Dandy, P. Geo., which recommended a two-phase work program in follow-up to the historical and more recent exploration on the property, with Phase 1 consisting of a limited round of initial drilling focused on the 'DEM Halo' (a.k.a. 'DEM1') prospect, and a success-contingent Phase 2 comprising for the most part systematic fences of drill holes.

Early in the quarter, on October 10, 2023, and following a >98% shareholder vote in favour, the Company received TSXV approval to formally close the DEM property option agreement. Shortly thereafter, on October 19, 2023, using proceeds of the \$1.2 million, September 29, 2023 private placement financing, the Company announced the start of the recommended Phase 1 exploration program at the DEM1 prospect, aiming for up to 1,000 metres of drilling in multiple holes targeting the DEM geochemical trend and underlying high-order geophysical anomalies.

On November 21, 2023, the Company reported that this program had successfully concluded with the discovery of a new sulphide vein system, accomplished with the drilling of a total of 947 metres in three holes from two pads located approximately 400 metres apart. This initial interpretation was based on visual logging of core and X-Ray Fluorescence techniques, with receipt of laboratory assays anticipated for early in the new year. Each of the three holes intercepted sedimentary rocks cut locally by metre-scale porphyritic dykes, with the host rocks, and locally the dykes, strongly infused over core lengths of up to 20 metres by cross-cutting sulphide-bearing veinlets and veins, locally of semi-massive to massive character, along with associated disseminated sulphides. These intervals were also encompassed by broader halos of lower-intensity disseminated and sulphide-bearing veinlets and veins. Sulphide minerals observed in core included abundant disseminated and vein-hosted arsenopyrite, pyrite, and pyrrhotite, with lesser but significant sphalerite, galena, chalcopyrite, and molybdenite. Sulphosalts were also commonly observed.

Shortly after quarter's end, on January 15, 2024, the Company reported strongly encouraging initial assays from the DEM1 reconnaissance drill program, including broad intercepts of precious metals (gold, silver) encompassing, locally, narrow intercepts of high-grade precious and, notably, high-grade / high value



strategic metals (molybdenum, cobalt, tungsten, tellurium and rhenium). At the time of writing additional assays remain pending. These early assay results demonstrate:

- A large new porphyry system at DEM1
- A system fertile for both intrusion and related vein-hosted precious and strategic metals
- A remarkable assemblage of sulphides and associated high-value elements including gold, silver, molybdenum, cobalt, tungsten, tellurium and rhenium, indicating a richly mineralized system that is considered likely to produce both broad and/or high-grade intercepts with higher-density drilling, now in planning
- Broad intercepts of gold and silver, for example, 135 metres of 0.12 g/t Au, 2 g/t Ag from 6 to 141 metres in hole DEM23-01 and 48.2 metres of 0.58 g/t Au and 11 g/t Ag from 303 to 351.2 metres in hole DEM23-03
- High-grade porphyry-hosted intercepts including individual sample highs of molybdenum (0.82%) with associated gold (1.2 g/t), rhenium (3.7 g/t) and silver (8 g/t)
- High-grade vein-hosted intercepts including individual sample highs of gold (29.5 g/t), silver (182 g/t), cobalt (0.12%), copper (0.19%) and tellurium (41 g/t).

These initial assays attracted considerable positive attention in the technical community and industry, including a shout-out as "*the property to watch*" by the B.C. government geologist at the January AMEBC Roundup conference in Vancouver.

In follow up to the promising DEM1 drill results and an earlier (2017), limited coverage magnetic survey over only the immediate area of the DEM1 prospect, on Feb 22, 2024 the Company announced the completion of a 1490 line-km, high resolution heli-borne magnetic survey over the entire 10,451-hectare breadth of the DEM property. The survey is expected to provide greater detail and depth penetration over and below the DEM1 prospect, allowing for more effective drill targeting, and possibly reveal new targets over the roughly 96% of the property not surveyed to date.

At the time of writing management is looking forward to advancing the DEM1 prospect this summer, possibly with the participation of an industry partner.

#### *First Nation Relationships, DEM property*

The DEM property falls within the traditional territories of the relatively small Binche First Nation, with offices at Binche, B.C., located on the shore of Stuart Lake approximately 20 kms northwest of Fort St. James, and the larger Nak'azdli Whut'en First Nation, whose membership resides mostly on reserves located directly adjacent to Fort St. James, BC.. Both are part of the Dakelh (Carrier) grouping of First Nations people. Company management has met and established a good relationship with the Binche leadership, who have been welcoming and supportive of the Company's exploration activities and plans. A positive relationship has also been established with the Nak'azdli Whut'en.

#### **Rockland Property**

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 option payments to acquire the Rockland property are as follows:

|                                 |                                       |
|---------------------------------|---------------------------------------|
| On signing                      | \$US5,000 (paid)                      |
| On TSXV approval of transaction | \$US35,000 and 40,000 shares (paid)   |
| January 1, 2022                 | \$US40,000 and 40,000 shares (paid)   |
| January 1, 2023                 | \$US50,000 and 45,000 shares (paid)   |
| January 1, 2024                 | \$US75,000 and 100,000 shares (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 work commitments to acquire the Rockland property are 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* (partially met) |
| <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, 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, both (as of fall 2023) drill-permitted: the historic Rockland Mine area (also known as "Keane") on the hilly west side of the property, and Rockland East encompassing mostly pediment-covered areas some 2 miles to the 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 one-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.

#### *Quarterly Exploration Activities*

No exploration activity was carried out on the Rockland property during the quarter. Company management is however, presently examining the possibility of partnering to further advance the Rockland prospect.

### **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, 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.

### *Quarterly Exploration Activities*

During the quarter no exploration activities took place on or in relation to the Golden Lion property. Company management is however, presently examining the possibility of partnering to further advance the Golden Lion prospect.

#### *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.

Late in 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.

### *Quarterly Exploration Activities*

During the quarter no exploration occurred on or in relation to the Holy Cross property, and no activity is foreseen for 2024.

### **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 the drilling of 12 holes for 1,500 metres by Noranda in 1992.

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, hole SB21-015, drilled to a southwest azimuth. Of note, holes SB21-016 and 017, drilled from the same pad as SB21-015, but to the opposite northeast, also both cut gold and silver mineralization at surface. Modelling of these results, including accounting for the several metres of casing atop each hole, suggest the pad from which the four holes were drilled was set up directly on top of a mineralized zone, and that the true width of the zone intercepted in all four holes is approximately 5 metres. Nonetheless, despite the considerable geological promise which remains at Snoball, the Company has decided to down-grade the property and the Pyramid Peak target area because of the uniquely challenging work conditions and therefore high costs.

#### *Quarterly Exploration Activities*

No exploration activities took place on or in relation to the Snoball property during the quarter, and no activity is foreseen for 2024.

#### *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 newsletters and websites, and the hiring of Tahltan linked contractors and personnel.

## **Overall Performance and Outlook**

The intercept, in first-ever drilling during the quarter, of a richly mineralized system at the DEM1 prospect, including a remarkable assemblage of sulphides and associated high-value elements including gold, silver, molybdenum, cobalt, tungsten, tellurium and rhenium, represents a materially positive development for the Company, the more so for the special recognition the results subsequently garnered from the technical community, government officials, and industry at the AMEBC Roundup conference in January.

Although the early DEM results did not have a positive impact on the Company's share price, they have thrust the property into the spotlight, where management is striving to keep it. Toward this end, in February the Company carried out a high resolution heli-borne magnetic survey over the breadth of the DEM property with the goal of aiding the targeting of future drill holes at the DEM1 prospect, and potentially turning up new targets nearby. As announced on February 22<sup>nd</sup>, the survey revealed a large new target - designated 'DEM2' - of similar scale and geophysical character to the DEM1 porphyry prospect, approximately 4 kilometres to the southeast. Other targets of interest were also identified by the survey.

Management continues to believe that all the Company's key property assets have real, if currently largely unrecognized, value. This sense of value has been underscored by the receipt of multiple expressions of interest in these assets from other companies, including major mining companies, active in the space. Management has been 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 of benefit to shareholders, an important consideration when, as is currently the case, limited capital is available through public markets or, if available, only on terms that are unacceptable.

## Selected Financial Information

The following is a summary of exploration expenditures by property during the year ended December 31, 2023:

| Expense Category<br>2023 | Snoball<br>\$ | Golden<br>Lion<br>\$ | Holy<br>Cross<br>\$ | Rockland<br>\$ | DEM<br>\$      | Total<br>\$    |
|--------------------------|---------------|----------------------|---------------------|----------------|----------------|----------------|
| 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:

| Expense Category<br>2022 | Snoball<br>\$ | Golden<br>Lion<br>\$ | Holy<br>Cross<br>\$ | Spanish<br>Lake <sup>1</sup><br>\$ | Rockland<br>\$ | Total<br>\$      |
|--------------------------|---------------|----------------------|---------------------|------------------------------------|----------------|------------------|
| 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> |

Notes

(1) The Spanish Lake property was allowed to lapse in October 2022.

The following is selected financial information concerning loss and financial position for the years ended December 31, 2023 and December 31, 2022:

| Summary of Loss, Assets & Liabilities by Period | For the years and as at<br>December 31, 2023<br>\$ | For the years and as at<br>December 31, 2022<br>\$ |
|---|--|--|
| Operating expenses                              | 1,619,459  | 2,326,744  |
| Loss from operations                            | 1,619,459  | 2,326,744  |
| Net loss for the period                         | 1,582,109  | 2,056,183  |
| Loss per share – basic and diluted              | 0.02   | 0.03   |
| <b>Total assets</b>                             | <b>415,632</b>                                     | <b>778,373</b>                                     |
| <b>Total liabilities</b>                        | <b>66,748</b>                                      | <b>41,900</b>                                      |

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 December 31, |                  | Years Ended December 31, |                    |
|---|-----------------------------|------------------|--------------------------|--------------------|
|   | 2023<br>\$                  | 2022<br>\$       | 2023<br>\$               | 2022<br>\$         |
| <b>Operating expenses</b>                         |                             |                  |                          |                    |
| Exploration expenditures                          | 708,606                     | 717,130          | 965,129                  | 1,614,520          |
| Management and consulting fees                    | 57,750                      | 57,750           | 231,000                  | 231,000            |
| Share-based compensation                          | 61,068                      | -                | 61,068                   | -                  |
| Professional fees                                 | 25,294                      | 9,410            | 106,260                  | 60,984             |
| General and administrative                        | 59,425                      | 59,994           | 256,002                  | 420,240            |
| <b>Loss from operations</b>                       | <b>(912,143)</b>            | <b>(844,284)</b> | <b>(1,619,459)</b>       | <b>(2,326,744)</b> |
| Interest income                                   | -                           | -                | -                        | -                  |
| <b>Income before taxes</b>                        | <b>(912,143)</b>            | <b>(844,284)</b> | <b>(1,619,459)</b>       | <b>(2,326,744)</b> |
| Tax expense (recovery)                            | (37,350)                    | (157,060)        | (37,350)                 | (270,561)          |
| <b>Loss and comprehensive loss for the period</b> | <b>(874,793)</b>            | <b>(687,224)</b> | <b>(1,582,109)</b>       | <b>(2,056,183)</b> |

## Results of Operations

Total operating expenses and net loss were \$1,619,459 and \$1,582,109 for the year ended December 31, 2023, compared to \$2,326,744 and \$2,056,183 in 2022, a decrease of \$742,621 and \$509,410 respectively. The decrease in net loss was the result of markedly lower operating expenses partially offset by the recovery of income taxes related to the issuance of flow-through shares in February, 2021 and September 2023.

Lower operating expenses were largely due to a sharp decline in exploration activities on all of the Company's properties, with the notable exception of the newly acquired DEM property, in consequence of which exploration expenses totaled just \$965,129 for the year ended December 31, 2023, compared to \$1,614,520 in 2022. Exploration expenditures on the DEM property, acquired in August, 2023, totaled \$631,620 for the year ended December 31, 2023, including \$130,000 in acquisition costs, versus nil in the



prior year. Exploration expenditures on the Company's Snoball property totaled \$8,938 for the year ended December 31, 2023, compared to \$26,957 spent in 2022. Expenditures on the Golden Lion property totaled just \$16,021, much less than the \$193,737 spent during 2022, when the Company was still paying for legacy costs from the prior year 2021 drilling program. Similarly, exploration outlays on the Company's Holy Cross property were \$34,293 in 2023, again much lower than the \$944,115 spent in 2022, when the Company carried out a 1,556 metre drill program on the property.

In relation to the Company's U.S. operations, expenditures on the Rockland, Nevada property decreased in 2023 to \$266,257 (2022 - \$449,461), as the Company continued to advance exploration and permitting on the property, and included acquisition costs of \$171,853 (2022 - \$56,644), reflecting escalating vendor cash payments under the terms of the February 11, 2021 property option agreement, \$30,880 (2022 - \$72,063) on geological services (principally evaluation of datasets), \$3,816 (2022 - \$218,146) on remaining expenses from the prior year's geophysical surveys, and \$52,661 (2022 - \$50,593) on permitting.

Management and consulting fees remained stable in 2023 with the prior year (\$231,000 in both 2023 and 2022); higher amounts were spent on professional fees (\$106,260 in 2023 versus \$60,984 in 2022) primarily due to an increase in legal expenses relating to the DEM property option agreement and related financing, special meeting of shareholders, and TSX Venture Exchange approvals (2023 - \$27,361 versus 2022 - \$3,784) and significantly less (\$256,002 in 2023 versus \$420,260 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.

| <b>Calendar Year</b>                     | <b>2023</b>        | <b>2023</b>         | <b>2023</b>    | <b>2023</b>     |
|--|--------------------|---------------------|----------------|-----------------|
| <b>Quarter</b>                           | <b>December 31</b> | <b>September 30</b> | <b>June 30</b> | <b>March 31</b> |
| Revenue                                  | \$nil              | \$nil               | \$nil          | \$nil           |
| Working capital                          | 228,533            | 1,057,129           | 123,757        | 325,716         |
| Operating expenses                       | 912,143            | 189,604             | 228,959        | 288,753         |
| <b>Net loss</b>                          | 874,793            | 189,604             | 228,959        | 288,753         |
| <b>Net loss per share <sup>(1)</sup></b> | 0.01               | 0.00                | 0.01           | 0.00            |

| <b>Calendar Year</b>                     | <b>2022</b>        | <b>2022</b>         | <b>2022</b>    | <b>2022</b>     |
|--|--------------------|---------------------|----------------|-----------------|
| <b>Quarter</b>                           | <b>December 31</b> | <b>September 30</b> | <b>June 30</b> | <b>March 31</b> |
| Revenue                                  | \$nil              | \$nil               | \$nil          | \$nil           |
| Working capital                          | 638,994            | 1,326,218           | 1,715,190      | 2,121,937       |
| Operating expenses                       | 844,284            | 449,396             | 441,297        | 591,764         |
| <b>Net loss</b>                          | 687,224            | 388,972             | 406,747        | 573,240         |
| <b>Net loss per share <sup>(1)</sup></b> | 0.01               | 0.01                | 0.01           | 0.01            |

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:

| Related Party   | For the years ended |                | Amount payable as at |              |
|---|---------------------|----------------|----------------------|--------------|
|   | December 31,        |                | December 31,         |              |
|   | 2023                | 2022           | 2023                 | 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, 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> |

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

Notes:

- (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 original 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.
- (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, on August 2, 2023, a \$5,000 signing payment was made to the vendors, split equally between the two. In addition, on October 11, 2023, a \$125,000 payment was made to the vendors upon drill start at the DEM1 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) of the Company.

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.

## 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.

Although the Company’s anticipated near and medium-term capital requirements continue to be met with the proceeds of the September 29, 2023 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 December 31, 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 December 31, 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, a \$38,479 reclamation bond covering work on the Holy Cross property, and a \$22,872 bond covering work on the DEM property, for a combined total of \$120,351 (December 31, 2022 - \$97,949). On the Rockland, Nevada property, it is anticipated that a reclamation bond totaling an estimated \$US93,700 will need to be posted to the relevant U.S. authorities in relation to the now permitted Rockland East project. In addition, a reclamation bond totaling an estimated \$US50,000 will need to be posted in relation to the now permitted Rockland Mine (a.k.a. "Keane") 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 goal in 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 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.

### **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 – of 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 (i.e. those that have the hallmarks of potential mines in the making) on the other.

The Company's five 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, such as the newly acquired DEM1 prospect, that management believes offer high discovery potential, and that can be drill tested at relatively low cost, because in the current very challenging junior resource market conditions it appears to be 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 on selected properties where resulting news flow from such activities, even if expected to be positive and to add value to those 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. 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.



## Disclosure of Outstanding Share Data (as at April 23, 2024)

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

**October 4, 2019:** the Company completed an initial public offering of 17,250,000 units of the Company 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 Corporation and one half of one common share purchase warrant. Each whole warrant entitled the holder to purchase one common share for a period of 24 months from closing at a price of \$0.25 per common share.

**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.

**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.

**February 23, 2021:** the Corporation closed a bought deal brokered private placement financing for gross proceeds of \$8 million. Under the offering a total of 17,500,000 hard dollar units were sold at a price of \$0.20 per hard dollar unit for gross proceeds of \$3,500,000 and 20,454,546 flow-through units were sold at a price of \$0.22 per flow-through unit for gross proceeds of \$4,500,000. Each hard dollar unit consisted of one common share and one warrant. Each flow-through unit comprised one common share and one-half of one common share purchase warrant. Each warrant entitled 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.

**September 29, 2023:** the Company completed a non-brokered private placement financing for aggregate gross proceeds of \$1,242,200 through the issuance of 12,078,334 flow-through units at a price of \$0.06 per flow-through unit and 9,409,091 hard-dollar units at a price of \$0.055 per hard dollar unit. Each flow-through unit was comprised of one common share and one common share purchase warrant exercisable at \$0.08 for 2 years. Each hard dollar unit was comprised of one common share and one warrant exercisable at \$0.08 for 2 years. Insiders of the Company subscribed to the offering for an aggregate of 1,409,091 hard dollar units and 458,334 flow-through units. In connection with the offering, the Company also paid a finder's fee of \$42,990 and issued 725,000 broker's warrants entitling the finder to purchase one common

share at a price of \$0.055 until September 29, 2025.

### **Share Issuances Under the Company's Stock Option Plan**

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 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.

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, exercisable in thirds at \$0.20, \$0.25 and \$0.30 respectively, all now 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 fully vested.

On November 24, 2023, the Company granted 3,951,000 5-year options to directors, officers and consultants, exercisable at \$0.085 per common share, and vesting in quarters on the 23<sup>rd</sup> of February, May, August and November, 2024 respectively.

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: 96,930,363 common shares.

#### **Warrants**

A summary of the Company's warrants outstanding and exercisable at April 23, 2024 is presented below:

| Exercise price | Warrants outstanding | Number of warrants remaining to be exercised at each exercise price | Expiry date        |
|----------------|----------------------|---|--------------------|
| \$0.055        | 725,000              | 725,000   | September 29, 2025 |
| \$0.08         | 21,941,970           | 21,941,970  | September 29, 2025 |
| <b>Total</b>   | <b>22,666,970</b>    | <b>22,666,970</b>   |                    |

### **Stock Options**

A summary of the Company's stock options outstanding and exercisable at April 23, 2024 is presented below:

| Exercise price | Options outstanding | Options exercisable | Expiry date       |
|----------------|---------------------|---------------------|-------------------|
| \$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>    |                   |

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

On February 10, 2021 the Corporation entered into an Agreement with vendor Enigma Resources LLC ("Enigma"), for an option to purchase 100% of the Rockland, Nevada gold-silver property. The option payments required to acquire the Rockland property are as follows:

| Milestone                       | Payment                               |
|---------------------------------|---------------------------------------|
| 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.

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

On September 29, 2023, the Company completed a non-brokered private placement financing for aggregate gross proceeds of \$1,242,200 through the issuance of 12,078,334 flow-through units at a price of \$0.06 per flow-through unit and 9,409,091 hard-dollar units at a price of \$0.055 per hard dollar unit. Each flow-through unit was comprised of one common share and one common share purchase warrant

exercisable at \$0.08 for 2 years. Each hard dollar unit was comprised of one common share and one warrant exercisable at \$0.08 for 2 years. Insiders of the Company subscribed to the offering for an aggregate of 1,409,091 hard dollar units and 458,334 flow-through units. In connection with the offering, the Company also paid a finder's fee of \$42,990 and issued 725,000 broker's warrants entitling the finder to purchase one common share at a price of \$0.055 until September 29, 2025.

There were no issuances of equity in fiscal 2022.

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

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.

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 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.

## **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, state, 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, would 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](http://www.evergoldcorp.ca) or the Company profile at [www.sedar.com](http://www.sedar.com).

## **Subsequent Events**

- Shortly after quarter's end, on January 15, 2024, the Company reported encouraging initial assays from the reconnaissance drill program executed in October-November on the DEM1 prospect, including broad intercepts of precious metals (gold, silver) encompassing, locally, narrow intercepts of high-grade precious and, notably, high-grade / high value strategic metals (molybdenum, cobalt, tungsten, rhenium). At the time of writing additional assays remain pending.
- These initial assays attracted considerable positive attention in the technical community and industry, including a shout-out as "*the property to watch*" by the B.C. government geologist at the January AMEBC Roundup conference in Vancouver.
- In follow up to the promising DEM1 drill results and an earlier (2017), limited coverage magnetic survey over only the immediate area of the DEM1 prospect, post quarter's end, in February, the Company completed a 1490 line-km, high resolution heli-borne magnetic survey over the entire 10,451-hectare breadth of the DEM property. As announced February 22, the survey revealed a large new target - designated 'DEM2' - of similar scale and geophysical character to the DEM1 prospect, centred approximately 4 kilometres to the southeast of DEM1.
- On February 23, 2024, the Company recorded the expiry of 27,727,273 warrants issued at an exercise price of \$0.30.