



# **Evergold Corp.**

## **Financial Statements**

*For the 3 months ended March 31, 2020 and 2019*

**Evergold Corp.**  
**Statement of Financial Position**

(Expressed in Canadian dollars)  
(unaudited)

	As at March 31 2020 \$	As at December 31 2019 \$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	1,866,455	2,247,406
HST receivable	113,133	93,410
Prepaid expenses and deposits	40,095	19,660
Total current assets	2,019,683	2,360,476
Reclamation bond (note 4)	57,000	57,000
<b>Total assets</b>	<b>2,076,683</b>	<b>2,417,476</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 10)	78,840	87,595
<b>Shareholders' equity</b>		
Share capital (note 6)	3,482,197	3,477,632
Warrants (note 6)	882,009	883,304
Contributed surplus (note 6)	156,465	123,231
Retained deficit	(2,522,828)	(2,154,286)
Total shareholders' equity	1,997,843	2,329,881
<b>Total liabilities and shareholders' equity</b>	<b>2,076,683</b>	<b>2,417,476</b>

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

Approved by the Board of Directors and authorized for issue on May 28, 2020.

(signed) Kevin M. Keough  
Director

(signed) Rosie Moore  
Director

Going concern (note 1)  
Commitments and contingencies (note 12)  
Subsequent events (note 13)

**Evergold Corp.**  
**Statement of Loss and Comprehensive Loss**

(Expressed in Canadian dollars)  
(unaudited)

	3 months ended March 31	
	2020	2019
	\$	\$
<b>Operating expenses</b>		
Exploration expenditures (note 5)	76,544	29,686
Management and consulting fees (note 10)	51,000	31,000
Directors' fees	6,500	-
Share-based compensation (note 6)	33,234	-
Professional fees	17,872	3,750
General and administrative	183,392	11,252
	<b>368,542</b>	<b>75,688</b>
<b>Loss from operations</b>	<b>(368,542)</b>	<b>(75,688)</b>
Interest income	-	-
<b>Income before taxes</b>	<b>(368,542)</b>	<b>(75,688)</b>
Tax expense	-	-
<b>Loss and comprehensive loss for the period</b>	<b>(368,542)</b>	<b>(75,688)</b>
Loss per share – basic and diluted	(0.01)	(0.01)
Weighted average number of shares – basic and diluted	<b>27,631,165</b>	<b>10,371,467</b>

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

## Evergold Corp. Statement of Changes in Shareholders' Equity

(Expressed in Canadian dollars)  
(unaudited)

	Number of Shares	Share Capital Amount \$	Warrants Reserve \$	Contributed Surplus \$	Deficit \$	Total \$
<b>Balance at December 31, 2019</b>	27,621,467	3,477,632	883,304	123,231	(2,154,286)	2,329,881
Issuance of shares pursuant to the exercise of warrants	16,347	3,270	-	-	-	3,270
Exercise of warrants	-	1,295	(1,295)	-	-	-
Share-based compensation	-	-	-	33,234	-	33,234
Net loss	-	-	-	-	(368,542)	(368,542)
<b>Balance, March 31, 2020</b>	<b>27,637,814</b>	<b>3,482,197</b>	<b>882,009</b>	<b>156,465</b>	<b>(2,522,828)</b>	<b>1,997,843</b>
<b>Balance at December 31, 2018</b>	10,371,467	982,532	254,873	-	(951,020)	286,385
Net loss	-	-	-	-	(75,688)	(75,688)
<b>Balance, March 31, 2019</b>	<b>10,371,467</b>	<b>982,532</b>	<b>254,873</b>	<b>-</b>	<b>(1,026,708)</b>	<b>210,697</b>

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

**Evergold Corp.**  
**Statement of Cash Flows**

(Expressed in Canadian dollars)  
(unaudited)

	3 months ended March 31	
	2020	2019
	\$	\$
<b>Cash provided by (used in) operating activities</b>		
Loss for the quarter	(368,542)	(75,688)
Items not affecting cash		
Share-based compensation	33,235	-
Changes in non-cash working capital:		
HST receivable	(19,724)	-
Prepaid expenses and deposits	(20,435)	-
Accounts payable and accrued liabilities	(8,755)	10,884
<b>Net cash used in operating activities</b>	<b>(384,221)</b>	<b>(64,804)</b>
<b>Financing activities</b>		
Proceeds from the exercise of warrants	3,270	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(380,951)</b>	<b>(64,804)</b>
<b>Cash and cash equivalents, beginning of quarter</b>	<b>2,247,406</b>	<b>176,394</b>
<b>Cash and cash equivalents, end of quarter</b>	<b>1,866,455</b>	<b>111,590</b>

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

*Subsequent events (note 13)*

## Notes to the Financial Statements

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

Evergold Corp. (the "Company" or "Evergold") was formed on October 30, 2015. The Company's registered and records office is located at 18 King Street East, Suite 902, Toronto, Ontario M5C 1C4. The Company is a reporting issuer listed on the TSX Venture Exchange ("TSXV").

These financial statements were approved by the Board of Directors on May 28, 2020.

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

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

As at March 31, 2020, the Company had a deficit of \$2,522,828 (December 31, 2019 - \$2,154,286) and working capital of \$1,940,842 (December 31, 2019 - \$2,272,881). The Company's ability to continue operations and fund its future exploration property expenditures is dependent on management's ability to secure additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

### 2. BASIS OF PREPARATION

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

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

#### **Basis of measurement:**

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

#### **Basis of preparation:**

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

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied in preparing the financial statements for the three months ended March 31, 2020 and 2019.

#### **Functional and presentation currency:**

The Company's presentation and functional currency is the Canadian dollar. The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statements of loss.

#### **Cash and cash equivalents:**

Cash includes cash on hand and balances with banks. Cash equivalents include investments with original maturities of ninety days or less. The Company has not held cash equivalents to March 31, 2020.

#### **Income taxes:**

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income. Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years. Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in the statements of loss or in equity depending on the item to which the adjustment relates.

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

#### **Loss per share:**

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. In the Company's case, diluted loss per share is the same as basic loss per share for the periods presented as any warrants or options issued were determined to be anti-dilutive for the three months ended March 31, 2020 and 2019.

#### **Financial instruments:**

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are measured at fair value through profit or loss ("FVTPL"). These instruments are measured at fair value with subsequent changes in fair value recognized in the statements of loss. The Company's cash equivalents and short-term investments are classified as FVTPL.

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

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

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

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). At March 31, 2020 and December 31, 2019, no financial instruments were carried at fair value.

**Impairment of financial assets:**

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

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

**Impairment of non-financial assets:**

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

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

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



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

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

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

**Share-based payments:**

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

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

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

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

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

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

**Equipment:**

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

**Provisions:***General*

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event, and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of loss, net of any reimbursement. If the effect of the

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

time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

*Rehabilitation provision*

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

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

The Company does not currently have any such significant legal or constructive obligations and therefore no decommissioning liabilities have been recorded as at March 31, 2020 and December 31, 2019.

**Critical judgements and estimation uncertainties:**

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

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

*Estimation of decommissioning and restoration costs and the timing of expenditure*

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

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

*Income, value added, withholding and other taxes*

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

*Share-based payments and warrants*

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

**New IFRS standards adopted:**

On January 1, 2020, the Company adopted certain new IFRS standards, amendments and interpretations to existing standards. There was no impact to the financial statements as a result of the adoption of these new standards.

*IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics.*

**4. RECLAMATION BONDS**

The Company posts reclamation bonds with the B.C. Ministry of Energy, Mines and Petroleum Resources as security toward planned exploration work and the related future potential cost of reclamation of the Company's land and unproven mineral interests. Once reclamation of the properties is complete, the bond funds will be returned to the Company. As at March 31, 2020, the Company has posted a \$25,000 reclamation bond covering anticipated work on the Snoball property, a \$27,000 reclamation bond covering anticipated work on the Golden Lion property, and a \$5,000 reclamation bond covering anticipated work on the Holy Cross property, for a combined total of \$57,000 (December 31, 2019 - \$57,000).

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

Snoball Property

The Snoball property is located in the Liard Mining Division of northwestern British Columbia. The Company acquired a 100% ownership interest in the property effective April 5, 2016, further to a Mineral Property Acquisition Agreement (the "Agreement"), covering four mineral properties. The Agreement includes a 0.5% Net Smelter Returns ("NSR") royalty payable on any future production from the Snoball property. There is no buy-back option on the NSR.

Golden Lion Property

The Golden Lion property is located in the Toodoggone region of northcentral British Columbia, Canada. The Company acquired a 100% ownership interest in the property effective April 5, 2016, further to a Mineral Property Acquisition Agreement (the "Agreement"). The Agreement includes a 0.5% NSR royalty payable on any future production from the Golden Lion property. There is no buy-back option on the NSR.

Holy Cross Property

The Holy Cross property is located in central British Columbia, Canada. The Company acquired a 100% ownership interest in the property effective April 5, 2016, further to a Mineral Property Acquisition Agreement (the "Agreement"). The Agreement includes a 0.5% NSR royalty payable on any future production from the Holy Cross property. There is no buy-back option on the NSR.

Spanish Lake Property

The Spanish Lake property is located in the Cariboo Mining District of central British Columbia, Canada. The Company acquired a 100% ownership interest in the property effective April 5, 2016, further to a Mineral Property Acquisition Agreement (the "Agreement"). The Agreement includes a 0.5% NSR royalty payable on any future production from the Spanish Lake property. There is no buy-back option on the NSR.

The following is a summary of exploration expenditures by property during the first quarter of 2020:

<b>Expense Category</b>	<b>Snoball \$</b>	<b>Golden Lion \$</b>	<b>Holy Cross \$</b>	<b>Spanish Lake \$</b>	<b>Total \$</b>
Geochemical	-	-	-	-	-
Geological	-	-	-	-	-
Environmental	-	500	-	-	500
Camp	313	664	-	-	977
Aircraft	78	-	-	-	78
Permitting	-	300	625	3,359	4,285
Drilling	578	625	-	-	1,203
Mineralogy	-	156	-	-	156
First Nations	5,083	8,770	-	-	13,853
Courses, training	2,587	2,587	-	-	5,174
Roads & bridges	-	50,000	-	-	50,000
Miscellaneous	106	106	53	53	318
<b>Total</b>	<b>8,745</b>	<b>63,708</b>	<b>678</b>	<b>3,413</b>	<b>76,544</b>

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

The following is a summary of exploration expenditures by property during the first quarter of 2019:

Expense Category	Snoball \$	Golden Lion \$	Holy Cross \$	Spanish Lake \$	Total \$
Geochemical	5,455	-	-	-	5,455
Geological	7,481	10,910	-	75	18,466
Aircraft	-	-	-	-	-
Miscellaneous	-	5,765	-	-	5,765
<b>Total</b>	<b>12,936</b>	<b>16,675</b>	<b>-</b>	<b>75</b>	<b>29,686</b>

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

**(a) Authorized**

Unlimited number of common shares, without par value.

**(b) Issued**

27,637,814 common shares

**Summary of changes in capital stock:**

	Shares #	Amount \$
<b>Balance, December 31, 2018</b>	10,371,467	982,532
Issuance of common share units pursuant to initial public offering	17,250,000	3,450,000
Issuance of unit warrants pursuant to initial public offering	-	(607,000)
Issuance of compensation options pursuant to initial public offering	-	(78,845)
Share issuance costs	-	(269,055)
<b>Balance, December 31, 2019</b>	27,621,467	3,477,632
Issuance of shares pursuant to the exercise of warrants	16,347	4,565
<b>Balance, March 31, 2020</b>	27,637,814	3,482,197

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

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

**Stock options**

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

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

Of the total 2,380,000 options granted on October 4, 2019, 2,280,000 are exercisable and vesting in thirds, at 20, 25 and 30 cents respectively, with the vesting commencing on the date of grant (October 4, 2019) and the subsequent first (October 4, 2020) and second anniversaries (October 4, 2021) thereof, and ending 5 years thereafter, respectively. The residual of 100,000 options, granted to Peak Investor Marketing Corp. also on October 4, 2019, are all exercisable at 20 cents a share, vest at a rate of 25% on each of the three, six, nine, and twelve-month anniversaries of grant, and expire 30 days following the conclusion of Peak's agreement with the Corporation.

<b>Exercise price</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Expiry date</b>
\$0.20	859,997	759,997	October 4, 2024
\$0.25	760,000	-	October 4, 2025
\$0.30	760,003	-	October 4, 2026
<b>Total</b>	<b>2,380,000</b>	<b>759,997</b>	

The weighted average remaining contractual life of options outstanding is 5.48 years.

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

The following is a summary of stock option grant activity and related Black-Scholes option pricing model input factors used for the periods ended March 31, 2020 and December 31, 2019:

<b>Option grant activity and Black-Scholes option pricing model input factors</b>	<b>Three months ended March 31, 2020</b>	<b>Year ended December 31, 2019</b>
Stock options granted during the period	Nil	2,380,000
Weighted-average exercise price	Nil	\$0.20-\$0.30
Expected stock option life <sup>(1)</sup>	Nil	5-7 years
Expected volatility <sup>(2)</sup>	Nil	100%
Risk-free interest rate <sup>(3)</sup>	Nil	1.25%
Dividend yield	NA	Nil
Forfeiture rate	NA	Nil

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

During the three months ended March 31, 2020, an amount of \$29,785 (March 31, 2019 - \$nil) was recorded as share-based compensation in connection with the granting of 2,280,000 stock options to directors, officers and consultants. An amount of \$1,352 (March 31, 2019 - \$nil) was recorded as share-based compensation in connection with the granting of options to Peak Investor Marketing Corp.

**Warrants**

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

	<b>Number of warrants</b>	<b>Weighted average exercise price</b> \$
<b>Balance, December 31, 2018</b>	3,146,575	0.14
Warrants issued pursuant to initial public offering	8,625,000	0.25
Compensation options issued pursuant to initial public offering	1,207,500	0.20
<b>Balance, December 31, 2019</b>	12,979,075	0.22
Exercise of warrants	(16,347)	0.20
<b>Balance, March 31, 2020</b>	12,962,728	0.22

  

<b>Exercise price</b>	<b>Number of warrants</b>	<b>Expiry date</b>
\$0.12	2,047,075	May 1, 2022
\$0.18	1,099,500	July 12, 2021
\$0.25	8,625,000	October 4, 2021
\$0.20	1,191,153	October 4, 2021
	12,962,728	

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

The following is a summary of warrant activity and related Black-Scholes option pricing model input factors used for the periods ended March 31, 2020 and December 31, 2019:

Warrant grant activity and Black-Scholes pricing model input factors	Three months ended March 31, 2020	Year ended December 31, 2019
Warrants granted during the period	Nil	9,832,500
Weighted-average exercise price	Nil	\$0.24
Expected warrant life <sup>(1)</sup>	Nil	2 years
Expected volatility <sup>(2)</sup>	Nil	100%
Risk-free interest rate <sup>(3)</sup>	Nil	1.41%
Dividend yield	NA	Nil
Forfeiture rate	NA	Nil

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

**Contributed surplus**

	\$
Balance, December 31, 2018	-
Share-based payment expense	123,231
Balance, December 31, 2019	123,231
Share-based payment expense	33,234
Balance, March 31, 2020	156,465

**7. FINANCIAL INSTRUMENTS**

**Fair Value**

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the end of the reporting period based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

**8. CAPITAL MANAGEMENT**

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



**8. CAPITAL MANAGEMENT (CONTINUED)**

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

The Company's capital management objectives, policies and processes have remained unchanged during the periods ended March 31, 2020 and December 31, 2019.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of March 31, 2020, the Company believes it is compliant with the policies of the TSXV.

**9. FINANCIAL RISK FACTORS**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures during the periods ending March 31, 2020 and December 31, 2019.

**Credit risk**

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables included in amounts receivable, and reclamation bonds. 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. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable and prepaid expenses is remote.

**Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash on hand to meet liabilities when due. As at March 31, 2020, the Company had a cash and cash equivalents balance of \$1,866,455 (December 31, 2019 - \$2,247,406) to settle current liabilities of \$78,840 (December 31, 2019 - \$87,595). The Company's ability to continue operations and to fund its exploration expenditures well into the future is dependent upon management's ability to periodically secure additional financing. Future fund-raising activities have been facilitated by the listing of its shares, October 4, 2019, on the TSX Venture Exchange. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. Based on the scale of currently anticipated exploration programs and ability to execute, both of which may change, the Company's management believes it has sufficient resources to maintain operations for 14 months.

**Interest rate risk**

The Company has cash and cash equivalents 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 and virtually all purchases are transacted in Canadian dollars. The Company is not exposed to foreign exchange risk.

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

**Price risk**

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

**10. RELATED PARTY TRANSACTIONS**

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

Evergold entered into the following transactions with related parties:

	For the 3 months ended		Amount payable as at	
	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019
	\$	\$	\$	\$
Consulting fees paid or accrued to the Company's Chief Executive Officer	37,500	25,000	14,452	14,125
Exploration expenses paid or accrued to C.J. Greig & Associates Ltd., an exploration services company controlled by a former Director or spouse of a current Director <sup>(1)</sup>	23,645	30,222	25,035	15,227
Consulting fees paid or accrued to the Company's Chief Financial Officer	13,500	6,000	5,180	5,085
<b>Totals</b>	<b>74,645</b>	<b>61,222</b>	<b>44,667</b>	<b>34,437</b>

During the period ended March 31, 2020, the Company expensed \$29,785 (March 31, 2019 - \$nil) in share-based compensation related to options granted to Officers and Directors of the Company.

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

<sup>(1)</sup> As described in Note 5, the 2016 Agreement to acquire the Company's four exploration properties was entered into with C.J. Greig Holdings Ltd., a company owned and controlled by a then-director and officer of the Company, C.J. (Charlie) Greig. Charlie Greig stepped down as a director of the Company on June 25, 2019, but continues to serve as senior technical advisor to the Company, and his spouse Bernice Greig is a Company director. C.J. Greig Holdings Ltd. continues to hold four 0.5% NSRs, one for each of the Company's four mineral properties, that resulted from the Agreement. C.J. Greig & Associates Ltd. continues to provide under contract the services of multiple geologists to the Company, including the Company's Vice President, Exploration, Andrew Mitchell.

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

The calculation of basic and diluted loss per share for the three months ended March 31, 2020 was based on the net loss attributable to common shareholders of \$368,542 (March 31, 2019 - \$75,688) and the weighted average number of common shares outstanding of 27,631,165 (March 31, 2019 - 10,371,467).

Diluted loss per share in all periods did not include the effect of 12,962,728 warrants outstanding (March 31, 2019 – 3,146,575 warrants outstanding) and 2,380,000 options outstanding (March 31, 2019 – nil options outstanding) as they are anti-dilutive.

**12. COMMITMENTS AND CONTINGENCIES****Environmental Contingencies**

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

**Management Contract**

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

**Exploration Properties**

See Note 5.

**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.

**13. SUBSEQUENT EVENTS****Novel Coronavirus ("COVID-19")**

The Company's plans and operations have been somewhat affected by the COVID-19 virus pandemic which arose during the quarter, although not, to date, in a materially negative way. Mineral exploration and development is designated an "essential service" under British Columbia's COVID-19 State of Emergency orders, and the province's pandemic curve is flattening. The Company's key suppliers are all located relatively close to its two primary exploration sites in northern and central interior B.C. and, in cooperation with these suppliers, the Company has put in place virus mitigation protocols. Nonetheless, should the economic and market disruption resulting from COVID-19 continue for an extended period, the Company may find its ability to raise additional capital and/or execute its exploration programs restricted, in part or in whole. It is also conceivable that COVID-19 may negatively impact the financial health of key vendors to the Company in ways that the Company may not anticipate, possibly causing vendor failure during execution of the Company's exploration programs.

**13. SUBSEQUENT EVENTS (CONTINUED)**

**Financing**

Since the end of the first quarter, the Company's stock price has surged, rising from approximately the \$0.27 per share level at quarter's end, to \$0.70 at the time of writing. Consequently 2,410,050 warrants have been exercised, resulting in an inflow of \$567,779 in additional funds to the treasury.

On May 21, 2020, the Company closed a private placement of 1,757,388 common shares on a flow-through basis at a price of \$0.67 per share for aggregate gross proceeds of \$1,177,450 (the "Offering"). Net proceeds of the Offering will be used for exploration, primarily drilling, of high-priority targets on the Company's Snoball and Golden Lion properties in northern British Columbia, Canada. In connection with the Offering the Company has paid cash finder's fees of \$40,000 and issued 35,147 finder warrants. All shares issued in the Offering are subject to a four-month hold period from closing.