



Evergold Corp.

Condensed Financial Statements

For the 6 months ended June 30, 2020 and 2019

Evergold Corp.
Condensed Statements of Financial Position

(Expressed in Canadian dollars)
(unaudited)

	As at June 30 2020 \$	As at December 31 2019 \$
Assets		
Current		
Cash	2,917,195	2,247,406
HST receivable	51,351	93,410
Prepaid expenses and deposits	295,820	19,660
Total current assets	3,264,366	2,360,476
Reclamation bond (note 4)	57,000	57,000
Total assets	3,321,366	2,417,476
Liabilities		
Current		
Accounts payable and accrued liabilities (note 10)	370,216	87,595
Shareholders' equity		
Share capital (note 6)	5,361,455	3,477,632
Warrants (note 6)	717,047	883,304
Contributed surplus (note 6)	403,881	123,231
Retained deficit	(3,531,233)	(2,154,286)
Total shareholders' equity	2,951,150	2,329,881
Total liabilities and shareholders' equity	3,321,366	2,417,476

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

Approved by the Board of Directors and authorized for issue on August 27, 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.
Condensed Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)
(unaudited)

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
Operating expenses				
Exploration expenditures (note 5)	546,154	75,958	622,698	105,644
Management and consulting fees (note 10)	51,000	51,000	102,000	82,000
Directors' fees	6,500	-	13,000	-
Share-based compensation (note 6)	251,563	-	284,797	-
Professional fees	6,839	30,672	24,712	34,422
General and administrative	146,349	23,583	329,740	34,835
	1,008,405	181,213	1,376,947	256,901
Loss from operations	(1,008,405)	(181,213)	(1,376,947)	(256,901)
Loss and comprehensive loss for the period	(1,008,405)	(181,213)	(1,376,947)	(256,901)
Loss per share	(0.03)	(0.02)	(0.05)	(0.02)
Weighted average number of shares – basic and fully diluted	29,802,756	10,371,467	28,725,134	10,371,467

The accompanying notes are an integral part of these financial statements

Evergold Corp.
Condensed Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)
(unaudited)

	Number of Shares	Share Capital Amount \$	Warrants Reserve \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, December 31, 2019	27,621,467	3,477,632	883,304	123,231	(2,154,286)	2,329,881
Issuance of shares in private placement	1,757,388	1,177,450	-	-	-	1,177,450
Issuance of warrants	-	(12,290)	12,290	-	-	-
Share issuance costs	-	(56,466)	-	-	-	(56,466)
Issuance of shares pursuant to exercise of warrants	2,480,300	585,435	-	-	-	585,435
Exercise of warrants	-	178,547	(178,547)	-	-	-
Exercise of options	35,000	7,000	-	-	-	7,000
Exercise of options	-	4,147	-	(4,147)	-	-
Share-based compensation	-	-	-	284,797	-	284,797
Net loss	-	-	-	-	(1,376,947)	(1,376,947)
Balance, June 30, 2020	31,894,155	5,361,455	717,047	403,881	(3,531,233)	2,951,150

	Number of Shares	Share Capital Amount \$	Warrants Reserve \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, December 31, 2018	10,371,467	982,532	254,873	-	(951,020)	286,385
Net loss	-	-	-	-	(256,901)	(256,901)
Balance, June 30, 2019	10,371,467	982,532	254,873	-	(1,207,921)	29,484

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

Evergold Corp. Condensed Statements of Cash Flows

(Expressed in Canadian dollars)

(unaudited)

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Loss for the period	(1,008,405)	(181,213)	(1,376,947)	(256,901)
Items not affecting cash	-	-	-	-
Share-based compensation	251,563	-	284,797	-
Changes in non-cash working capital:	-	-	-	-
HST receivable	61,783	(36,434)	42,060	(23,798)
Prepaid expenses and deposits	(255,725)	(37,500)	(276,160)	(37,500)
Accounts payable and accrued liabilities	291,374	43,527	282,620	41,775
Net cash used in operating activities	(659,410)	(211,620)	(1,043,630)	(276,424)
Financing activities				
Repayment of loan receivable	-	150,000	-	150,000
Proceeds from the issuance of shares	1,177,450	-	1,177,450	-
Share issuance costs	(56,466)	-	(56,466)	-
Proceeds from the exercise of warrants	582,166	-	585,435	-
Proceeds from the exercise of options	7,000	-	7,000	-
Net cash from financing activities	1,710,150	150,000	1,713,419	150,000
Investing activities				
Purchase of reclamation deposit	-	(25,000)	-	(25,000)
Net increase (decrease) in cash and cash equivalents	1,050,740	(86,620)	669,789	(151,424)
Cash and cash equivalents, beginning of period	1,866,455	111,590	2,247,406	176,394
Cash and cash equivalents, end of period	2,917,195	24,970	2,917,195	24,970

The accompanying notes are an integral part of these financial statements

Notes to the Condensed 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 August 27, 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 June 30, 2020, the Company had a deficit of \$3,531,233 (December 31, 2019 - \$2,154,286) and working capital of \$2,894,149 (December 31, 2019 - \$2,272,881). Subsequent to June 30, 2020, the Company's working capital declined to \$135,725. 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. These matters represent material uncertainties that cast significant doubt on the ability of the company to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance:

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 six months ended June 30, 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 June 30, 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 and six months ended June 30, 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 June 30, 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 loss 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions:

General

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

Rehabilitation provision

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

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

The Company does not currently have any such significant legal or constructive obligations and therefore no decommissioning liabilities have been recorded as at June 30, 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 adopted:

On January 1, 2020, the Company adopted certain new IFRS, 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.

In connection with the issuance of flow-through shares in 2020, the Company adopted the following policy:

Flow-Through Shares:

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditure is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss.

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 June 30, 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 to the property vendors 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 to the property vendors 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 to the property vendors 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 to the property vendors on any future production from the Spanish Lake property. There is no buy-back option on the NSR.

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

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

Expense Category	Snoball \$	Golden Lion \$	Holy Cross \$	Spanish Lake \$	Total \$
Assaying	4,660	81,171	-	-	85,831
Camp	81,736	95,559	-	-	177,295
Drilling	32,526	5,373	-	-	37,899
Environmental	10,825	44,515	-	-	55,340
Fuel	25,170	1,278	-	-	26,448
Geological	33,331	31,178	-	2,163	66,672
Miscellaneous	18,575	87,128	678	3,412	109,793
Surveys	-	63,107	313	-	63,420
Total	206,823	409,309	991	5,575	622,698

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

Expense Category	Snoball \$	Golden Lion \$	Holy Cross \$	Spanish Lake \$	Total \$
Assaying	5,741	8,141	-	-	13,882
Camp	1,055	2,031	1,094	-	4,180
Drilling	-	375	-	-	375
Environmental	2,146	2,530	-	-	4,676
Geological	13,619	50,587	1,000	2,475	67,681
Miscellaneous	619	7,057	345	150	8,171
Surveys	317	6,362	-	-	6,679
Total	23,497	77,083	2,439	2,625	105,644

6. CAPITAL STOCK, OPTIONS AND WARRANTS

(a) Authorized

Unlimited number of common shares, without par value.

(b) Issued

31,894,155 common shares

Summary of changes in capital stock:

	Shares #	Amount \$
Balance, December 31, 2018	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)
Balance, December 31, 2019	27,621,467	3,477,632
Issuance of common shares in private placement	1,757,388	1,177,450
Issuance of warrants	-	(12,290)
Share issuance costs	-	(56,466)
Issuance of shares pursuant to the exercise of warrants	2,480,300	763,982
Issuance of shares pursuant to the exercise of options	35,000	11,147
Balance, June 30, 2020	31,894,155	5,361,455

On May 21, 2020, the Company completed a private placement financing of 1,757,388 flow-through (FT) common shares at a price of \$0.67 per FT share, for gross proceeds of \$1,177,450. In connection with the offering, the Company paid to the agents a finder's fee of \$40,000 and issued to the agents 35,147 finder's warrants entitling the agents to purchase one common share at a price of \$0.67 until May 21, 2022. The Company calculated the flow-through share premium as \$nil by comparing the issue price to the market price at the date of the financing.

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 "TSXV") requires that the exercise price of the options must be equal to or greater than the Discounted Market Price (as defined in the policies of the TSXV). The exercise price of options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any options granted under the Option Plan at the time of grant subject to the policies of the TSXV.

6. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

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 Company.

On June 16, 2020, the Company granted 820,000 options to directors, officers, and consultants, exercisable at \$0.66 per common share until June 16, 2025. Of this total, 50% vest on the date of grant, and 50% vest on December 16, 2020. In addition, the Company issued 20,000 options to Peak Investor Marketing Corp. exercisable at \$0.66 per share, and vesting at a rate of 25% on the date of grant, then 25% on each of the three, six, and nine-month anniversaries of grant, and expiring 30 days following the conclusion of Peak's agreement with the Company.

Exercise price	Options outstanding	Options exercisable	Expiry date
\$0.20	824,997	774,997	October 4, 2024
\$0.25	760,000	-	October 4, 2025
\$0.30	760,003	-	October 4, 2026
\$0.66	840,000	415,000	June 16, 2025
Total	3,185,000	1,189,997	

The weighted average remaining contractual life of options outstanding is 5.11 years.

The following is a summary of stock option grant activity and related Black-Scholes option pricing model input factors used for the periods ended June 30, 2020 and December 31, 2019:

Option grant activity and Black-Scholes option pricing model input factors	Six months ended June 30, 2020	Year ended December 31, 2019
Stock options granted during the period	840,000	2,380,000
Weighted-average exercise price	\$0.66	\$0.20-\$0.30
Expected stock option life ⁽¹⁾	5 years	5-7 years
Expected volatility ⁽²⁾	100%	100%
Risk-free interest rate ⁽³⁾	0.38%	1.25%
Dividend yield	Nil	Nil
Forfeiture rate	Nil	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.

6. CAPITAL STOCK, OPTIONS AND WARRANTS (CONTINUED)

During the six months ended June 30, 2020, an amount of \$204,121 (June 30, 2019 - \$nil) was recorded as share-based compensation in connection with the granting of 2,280,000 stock options to directors, officers and consultants on October 4, 2019, and 820,000 options granted to directors, officers and consultants on June 16, 2020. An amount of \$5,521 (June 30, 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:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2018	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
Balance, December 31, 2019	12,979,075	0.22
Compensation options issued pursuant to private placement	35,147	0.67
Exercise of warrants	(2,480,300)	0.24
Balance, June 30, 2020	10,533,922	0.22

Exercise price	Number of warrants	Expiry date
\$0.12	2,047,075	May 1, 2022
\$0.18	924,500	July 12, 2021
\$0.25	6,767,500	October 4, 2021
\$0.20	759,700	October 4, 2021
\$0.67	35,147	May 21, 2022
	10,533,922	

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 June 30, 2020 and December 31, 2019:

Warrant grant activity and Black-Scholes pricing model input factors	Six months ended June 30, 2020	Year ended December 31, 2019
Warrants granted during the period	35,147	9,832,500
Weighted-average exercise price	\$0.67	\$0.24
Expected warrant life ⁽¹⁾	2 years	2 years
Expected volatility ⁽²⁾	100%	100%
Risk-free interest rate ⁽³⁾	0.30%	1.41%
Dividend yield	Nil	Nil
Forfeiture rate	Nil	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
Exercise of options	(4,147)
Share-based payment expense	284,797
Balance, June 30, 2020	403,881

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.

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

8. CAPITAL MANAGEMENT (CONTINUED)

The Company's capital management objectives, policies and processes have remained unchanged during the periods ended June 30, 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 June 30, 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 June 30, 2020 and December 31, 2019.

Credit risk

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash on hand to meet liabilities when due. As at June 30, 2020, the Company had a cash and cash equivalents balance of \$2,917,195 (December 31, 2019 - \$2,247,406) to settle current liabilities of \$370,216 (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 and the completion of the May 21, 2020 private placement. The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

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.

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 6 months ended		Amount payable as at	
	June 30, 2020	June 30, 2019	June 30, 2020	December 31, 2019
	\$	\$	\$	\$
Consulting fees paid or accrued to the Company's Chief Executive Officer	75,000	62,500	14,451	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 ⁽¹⁾	140,333	86,291	66,278	15,227
Consulting fees paid or accrued to the Company's Chief Financial Officer	27,000	19,500	5,085	5,085
Totals	242,333	168,291	85,814	34,437

During the period ended June 30, 2020, the Company expensed \$204,121 (June 30, 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).

⁽¹⁾ 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 June 30, 2020 was based on the net loss attributable to common shareholders of \$1,008,405 (June 30, 2019 - \$181,213) and the weighted average number of common shares outstanding of 29,802,756 (June 30, 2019 - 10,371,467).

The calculation of basic and diluted loss per share for the six months ended June 30, 2020 was based on the net loss attributable to common shareholders of \$1,376,947 (June 30, 2019 - \$256,901) and the weighted average number of common shares outstanding of 28,725,134 (June 30, 2019 - 10,371,467).

Diluted loss per share in all periods did not include the effect of 10,533,922 warrants outstanding (June 30, 2019 – 3,138,658 warrants outstanding) and 3,185,000 options outstanding (June 30, 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.

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.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)**Novel Coronavirus (“COVID-19”)**

The Company’s plans and operations have been somewhat affected by various governments’ reactions to 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 has flattened. 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

On August 26, 2020, the Company announced a proposed non-brokered private placement for gross proceeds of up to \$3,500,000, composed of hard dollar (HD) units at a price of \$0.50 per unit and flow-through (FT) shares at a price of \$0.60 per FT Share. Each HD Unit shall be composed of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant shall entitle the holder to purchase one common share within 24 months from the date of issuance at a price of \$0.60 per common share if exercised in the first 12 months and \$0.70 per common share if exercised in the second 12 months. There can be no assurance that the proposed financing will be completed with the terms described, or at all.