# (Formerly Satori Resources Inc.)

## Condensed Interim Consolidated Financial Statements

## Three and Nine Months Ended September 30, 2023 and 2022

## (Expressed in Canadian Dollars)

## (Unaudited)

## NOTICE TO READER

Responsibility for Financial Statements:

The accompanying unaudited condensed interim consolidated financial statements of Canadian Gold Corp. (the "Company") for the three and nine months ended September 30, 2023 and 2022 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see note 3 to the unaudited condensed interim consolidated financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited financial statements, management is satisfied that these unaudited interim condensed financial statements have been fairly presented.

Auditors Involvement:

The external auditors of Canadian Gold Corp. have not audited or performed a review of the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2023 and 2022.

# Canadian Gold Corp.

## (Formerly Satori Resources Inc.)

### MANAGEMENT'S RESPONSIBILITY FOR QUARTERLY FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Canadian Gold Corp. are the responsibility of the management and Board of Directors of the Company.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Peter Shippen"
Chairman

"Julio DiGirolamo"
Chief Financial Officer

# Canadian Gold Corp. (Formerly Satori Resources Inc.)

**Condensed Interim Consolidated Statements of Financial Position (unaudited)**

***(Expressed in Canadian dollars)***

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash | **$ 805,192** | $ 910,075 |
| Other receivables | **37,018** | 14,464 |
| Prepaid expenses and advances | **35,411** | 17,681 |
| | **877,621** | 942,220 |
| **Non-Current Assets** | | |
| Mineral properties, deferred exploration and development expenditures *(note 5)* | **8,303,753** | 6,247,656 |
| Property and equipment *(note 5)* | **48,971** | --- |
| **TOTAL ASSETS** | **$ 9,230,346** | $ 7,189,876 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | **$ 284,003** | $ 268,219 |
| | **284,003** | 268,219 |
| **Non-Current Liabilities** | | |
| Site restoration provision *(note 7)* | **1,147,108** | 1,129,988 |
| **TOTAL LIABILITIES** | **1,431,111** | 1,398,207 |
| **Equity** | | |
| Share capital *(note 8)* | **11,929,017** | 9,514,017 |
| Contributed surplus *(note 8)* | **6,211,973** | 6,208,638 |
| Deficit | **(10,341,755)** | (9,930,986) |
| **TOTAL EQUTY** | **7,799,235** | 5,791,669 |
| **TOTAL LIABILITIES AND EQUITY** | **$ 9,230,346** | $ 7,189,876 |

**Going Concern** *(note 2)*

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*

Approved by the Board
Signed:

| | |
|---|---|
| *"Jennifer Boyle"* | *"Peter Shippen"* |
| Director | Director |

# Canadian Gold Corp. (Formerly Satori Resources Inc.)

**Condensed Interim Consolidated Statements of Operations and Comprehensive Loss (unaudited)**

**For the three and nine-month periods ended September 30, 2023 and 2022**

***(Expressed in Canadian dollars)***

| | Three Months | | Nine Months | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Management fees | **$ 31,500** | **$ 43,500** | **$86,500** | **$145,500** |
| Investor relations, advertising and promotion | **15,680** | **23,558** | **82,080** | **210,431** |
| Directors fees | **26,893** | **20,000** | **70,983** | **60,000** |
| Filing and transfer agent fees | **11,573** | **5,922** | **53,603** | **29,225** |
| Insurance | **11,335** | **8,599** | **30,030** | **26,620** |
| Salaries, wages and benefits | **4,890** | **6,132** | **20,236** | **22,869** |
| Accretion *(note 7)* | **5,706** | **5,593** | **17,119** | **16,780** |
| Office and miscellaneous | **(1,229)** | **2,833** | **14,571** | **9,866** |
| Consulting fees | **5,360** | **4,250** | **14,484** | **13,836** |
| Amortization | **2,283** | **---** | **5,409** | **---** |
| Travel | **---** | **---** | **5,354** | **8,880** |
| Professional fees | **---** | **---** | **4,638** | **12,325** |
| Stock-based compensation *(note 9)* | **---** | **8,205** | **3,335** | **82,296** |
| Legal and paralegal | **2,202** | **345** | **2,247** | **1,673** |
| **Loss before interest income and tax recovery** | **$ 116,193** | **$ 128,937** | **$ 410,769** | **$ 640,301** |
| Interest income | **---** | **---** | **---** | **---** |
| Flow-through premium | **---** | **(76,058)** | **---** | **(321,075)** |
| **Net loss and comprehensive loss for the period** | **$ 116,193** | **$ 52,879** | **$ 410,769** | **$ 319,226** |
| **Net loss per share** *(note 10)* | **$ (0.00)** | **$ (0.00)** | **$ (0.00)** | **$ (0.00)** |

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*

# Canadian Gold Corp. (Formerly Satori Resources Inc.)
## Condensed Interim Consolidated Statements of Changes in Equity (unaudited)
## For the nine-month periods ended September 30, 2023 and 2022
***(Expressed in Canadian dollars)***

| | Number of Shares | Share Capital | Contributed Surplus | Deficit | Total |
|---|---|---|---|---|---|
| **Balance, December 31, 2021** | **99,365,818** | **$ 9,514,017** | **$ 6,122,296** | **$ (9,465,081)** | **$ 6,171,232** |
| Net loss for the period | --- | --- | --- | (319,226) | (319,226) |
| Vesting of stock-based compensation | --- | --- | 82,296 | --- | 82,296 |
| **Balance, September 30, 2022** | **99,365,818** | **$ 9,514,017** | **$ 6,204,592** | **$ (9,784,307)** | **$ 5,934,302** |
| **Balance, December 31, 2022** | **99,365,818** | **$ 9,514,017** | **$ 6,208,638** | **$ (9,930,986)** | **$ 5,791,669** |
| Exercise of stock options *(note 8)* | 100,000 | 15,000 | --- | --- | 15,000 |
| Shares issued for RTO | 60,000,000 | 2,400,000 | --- | --- | 2,400,000 |
| Vesting of stock-based compensation | --- | --- | 3,335 | --- | 3,335 |
| Net loss for the period | --- | --- | --- | (410,769) | (410,769) |
| **Balance, September 30, 2023** | **159,465,818** | **$ 11,929,017** | **$ 6,211,973** | **$ (10,341,755)** | **$ 7,799,235** |

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*

# Canadian Gold Corp. (Formerly Satori Resources Inc.)

**Condensed Interim Consolidated Statements of Cash Flows (unaudited)**
**For the nine-month periods ended September 30, 2023 and 2022**
**(Expressed in Canadian dollars)**

| | 2023 | 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net loss for the period | $ (410,769) | $ (319,226) |
| Items not affecting cash | | |
| Accretion | 17,119 | 16,780 |
| Stock-based compensation | 3,335 | 82,296 |
| Amortization | 5,409 | --- |
| Flow-through premium | --- | (321,075) |
| | (384,906) | (541,225) |
| Changes in non-cash items relating to operating activities | | |
| Other receivables | (21,753) | 916 |
| Prepaid expenses | (17,730) | 97,034 |
| Accounts payable and accrued liabilities | 151,258 | 183,115 |
| | (413,131) | (260,160) |
| **Cash flows from investing activities** | | |
| Mineral properties expenditures | (1,161,956) | (1,695,412) |
| Property and equipment | (54,380) | --- |
| | (1,216,336) | (1,695,412) |
| **Cash flows from financing activities** | | |
| Exercise of stock options | 15,000 | --- |
| Cash received on RTO, net | 1,509,584 | --- |
| | 1,524,584 | --- |
| **Decrease in cash** | (104,883) | (1,955,572) |
| **Cash, beginning of the period** | 910,075 | 3,095,147 |
| **Cash, end of the period** | $ 805,192 | $ 1,139,575 |

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*

## 1. Incorporation and Basis of Presentation

Canadian Gold Corp. formerly known as Satori Resources Inc., ("Canadian Gold" or the "Company") was incorporated on October 24, 2011 as 0923423 B.C. Ltd. under the Business Corporations Act (British Columbia) and subsequently changed its name to Satori Resources Inc. on December 5, 2011. On April 24, 2023, the Company completed the acquisition of Apollo Exploration Inc. and, on April 26, 2023, changed its name to Canadian Gold Corp. The Company is involved in mineral exploration and development near Tartan Lake in the Province of Manitoba (the "Tartan Lake Gold Mine Project" or "Tartan Lake").

The Company's head office is located at 401 Bay Street, Suite 2702, Toronto, Ontario. Canadian Gold's shares are listed on the TSX Venture Exchange and trade under the symbol "CGC".

These financial statements were approved by the Board of Directors on November 26, 2023.

## 2. Nature of Operations and Going concern

Canadian Gold is in the process of exploring its mineral property interests and has not yet determined whether the mineral properties contain mineral reserves that are economically recoverable. Canadian Gold's continuing operations and the underlying value and recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of Canadian Gold to obtain the necessary financing to complete the exploration and development of its mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interests.

At September 30, 2023, Canadian Gold had $805,192 in cash (December 31, 2022 - $910,075). Canadian Gold has raised and expects to raise additional equity financing to support future investing and operating activities at Tartan Lake, or for such other new projects or assets that Canadian Gold may acquire. There can be no assurance as to the availability or terms upon which such financing might be available.

These unaudited interim condensed financial statements have been prepared on a going concern basis, which assumes that Canadian Gold will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. As at September 30, 2023, Canadian Gold has no source of recurring operating cash flows, has an accumulated deficit of $10,341,755 (December 31, 2022 – $9,930,986) and working capital of $593,618 (December 31, 2022 - $674,001). In the absence of additional financing or strategic alternatives, these factors cast significant doubt regarding the Company's ability to continue as a going concern.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to continue as a going concern and was required to realize its assets or discharge its obligations in anything other than the ordinary course of operations.

## 3. Significant Accounting Policies

### Statement of Compliance

These unaudited interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

### Basis of presentation

These unaudited interim condensed financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value.

## 3. Significant Accounting Policies (Cont'd)

**Property and equipment**

**(i) Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes any expenditure that is directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within other income in the consolidated statement of operations and comprehensive income (loss).

**(ii) Depreciation**

Depreciation is calculated as a function of the depreciable amount, which is the cost of the asset, or other amount substituted for cost, less residual value. Depreciation commences when the assets are available for use. Depreciation is recognized through operations as follows over the estimated useful lives of each part of an item of property and equipment.

The estimated depreciation rate of useful lives for the current and comparative periods are as follows:

| Item | Method |
|---|---|
| Truck | Straight-line over 6 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

**Significant accounting estimates and judgments**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Estimates:

- the recoverability of the deferred exploration and development expenditures recorded in the statements of financial position; and
- inputs used to account for the value of the asset retirement obligation, including the inflation rate, the risk-free interest rate and the estimated life of the property.

## 3. Significant Accounting Policies (Cont'd)

### Recent Accounting Pronouncements

Amendments to IAS 12

On May 7, 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments narrow the scope of the initial recognition exemption ("IRE") so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The adoption of the new standard did not impact the financial statements of the Company.

Amendments to IAS 8

In February 2021, the IASB issued Definition of Accounting Estimates, which amended IAS 8. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments to IAS 8 are effective for annual periods beginning on or after January 1, 2023. The adoption of the new standard did not impact the financial statements of the Company.

Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements

On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies. The amendments help companies provide useful accounting policy disclosures. The adoption of the new standard did not impact the financial statements of the Company.

## 4. Capital Management

The capital of Canadian Gold consists of shareholders' equity. The Company's objectives when managing capital are to safeguard Canadian Gold's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain optimal returns to shareholders and benefits for other stakeholders.

Canadian Gold manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, Canadian Gold may attempt to issue new shares or debt or dispose of assets. There can be no assurance that Canadian Gold will be able to obtain debt or equity capital in the case of operating cash deficits *(note 2)*.

In order to facilitate management of its capital requirements, Canadian Gold prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, Canadian Gold does not pay out dividends. Canadian Gold is not subject to externally imposed capital requirements.

## 5. Mineral Properties, Deferred Exploration and Development Expenditures and Property and Equipment

In order to facilitate management of its capital requirements, Canadian Gold prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, Canadian Gold does not pay out dividends. Canadian Gold is not subject to externally imposed capital requirements.

*Expressed in Canadian dollars unless otherwise indicated*

## 5. Mineral Properties, Deferred Exploration and Development Expenditures and Property and Equipment (Cont'd)

| | Tartan Lake | Apollo Properties | Property and Equipment |
|---|---|---|---|
| **At December 31, 2021** | **$ 4,460,620** | **$ ---** | **$ ---** |
| Additions | 1,787,036 | --- | --- |
| **At December 31, 2022** | **$ 6,247,656** | **$ ---** | **$ ---** |
| Additions | 1,161,956 | 894,141 | 54,380 |
| Amortization | --- | --- | 5,409 |
| **At September 30, 2023** | **$ 7,409,612** | **$ 894,141** | **$ 48,479** |

***Tartan Lake, Manitoba***

Canadian Gold assumed ownership of Tartan Lake on February 2, 2012. The property carries a net smelter return royalty ("NSR") of 2%. The NSR can be repurchased at any time by Canadian Gold for $1,000,000 for each 1%. During the year ended December 31, 2022, the Company expended $1,787,036 on exploration activities (Year ended December 31, 2021 - $2,107,323).

***Apollo Properties, Ontario***

See Note 6, below.

## 6. Acquisition of Apollo Exploration

On April 24, 2023, the Company completed the acquisition of Apollo Exploration Inc. ("Apollo"), a private company wholly owned by Mr. Rob McEwen, in consideration for the issuance of 60,000,000 common shares of the Company, giving Mr. McEwen approximately 37% of the issued and outstanding shares of the Company (the "Transaction"). Apollo, now a wholly owned subsidiary of the Company, holds interests in key exploration projects in the vicinity of Canada's largest gold mines and development projects, namely: (i) the Malartic South Project located near the Canadian Malartic Mine in Quebec; (ii) the HEES Project located near Barrick Gold's Hemlo Mine in Ontario; and (iii) and the Hammond Reef North & South Projects located due south of Agnico Eagle's Hammond Reef Gold Project in Ontario. Additionally, provided only that Mr. Rob McEwen holds not less than a 20% interest in the Company (i) the Company shall not sell or otherwise dispose of any interest in a royalty or metals streaming financing offered by a bona fide third party, without first offering same to Mr. Rob McEwen; and (ii) with the exception of a rights offering, Mr. Rob McEwen shall have the right, but not an obligation, to participate in equity financings in order to maintain his pro rata interest in the Company.

After evaluating all the facts surrounding this Transaction, Management determined that IFRS 3, *Business Combinations*, is not applicable and that the Transaction was accounted for as an asset acquisition with Canadian Gold as the acquirer for accounting purposes. These consolidated financial statements are a continuation of Canadian Gold's historical disclosures, combining Apollo' assets and liabilities and including Apollo transactions that flow through the Consolidated Statements of Loss and Comprehensive Loss from April 24, 2023 onwards.

The following table summarizes the fair value of the total consideration transferred to Canadian Gold shareholders and the fair value of identified assets acquired, and liabilities assumed, based on estimates of fair value.

*Expressed in Canadian dollars unless otherwise indicated*

## 6. Acquisition of Apollo Exploration (Cont'd)

| | |
|---|---|
| **Purchase Price:** | |
| Fair value of 60,000,000 Canadian Gold shares issued ($0.04) | $ 2,400,000 |
| Acquisition costs | 25,559 |
| **Total purchase price** | **$ 2,425,559** |

| | |
|---|---|
| **Net Assets Acquired:** | |
| Current assets | $ 1,535,943 |
| Current liabilities | (4,525) |
| Exploration properties | 894,141 |
| **Net assets acquired** | **$ 2,425,559** |

## 7. Site Restoration Provision

Canadian Gold's site restoration provision of $1,147,108 (December 31, 2022 - $1,129,988) is based on management's best estimate of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred.

Canadian Gold's asset retirement obligation was determined based on an undiscounted future liability of approximately $1,248,820 adjusted for estimated inflation of 1.88% and discounted at 2.02%, with reclamation occurring in 2027. During the three and nine months ended September, 2023, accretion expense of $5,706 and $17,119, respectively (three and nine months ended September 30, 2022 - $5,593 and $16,780, respectively) was recorded.

## 8. Share Capital

***Common shares***

**Authorized**:

Unlimited number of common shares without par value.

**Issued and outstanding:**

At September 30, 2023, the Company had 159,465,818 shares outstanding (December 31, 2022 – 99,365,818). See Note 13.

In March 2023, stock options were exercised resulting in the issuance of 100,000 shares for proceeds of $15,000.

On April 24, 2023, the Company completed the acquisition of Apollo and issued 60,000,000 common shares of the Company (see Note 6).

***Warrants***

At September 30, 2023 and December 31, 2022, Canadian Gold did not have any warrants outstanding. See Note 13.

***Contributed Surplus***

The following is a summary of changes in contributed surplus from December 31, 2022 to September 30, 2023:

| | | |
|---|---|---|
| **Balance, December 31, 2022** | **$** | **6,208,638** |
| Vesting of share-based payments | | 3,335 |
| **Balance, September 30, 2023** | **$** | **6,211,973** |

*Expressed in Canadian dollars unless otherwise indicated*

## 9. Stock Options and Stock-Based Compensation

Canadian Gold established a stock option plan which provides for granting of incentive stock options up to a maximum of 10% of the Company's issued and outstanding common shares. The Company has issued options to directors, officers and consultants. Terms of the options granted are subject to the determination and approval by the Board of Directors. All options granted are subject to a four-month hold period from the date of grant as required by the TSX Venture Exchange.

| | Number of stock options outstanding and exercisable | Weighted average exercise price | Weighted average remaining contractual life (years) |
|---|---|---|---|
| **Balance, December 31, 2021** | **4,900,000** | **$0.10** | **3.05** |
| Granted | 825,000 | 0.15 | |
| Expired | (300,000) | 0.18 | |
| **Balance, December 31, 2022** | **5,425,000** | **$0.10** | **2.56** |
| Expired | (200,000) | 0.125 | |
| Exercised | (100,000) | 0.15 | |
| **Balance, September 30, 2023** | **5,125,000** | **$0.10** | **1.89** |

On April 22, 2022, the Company granted 825,000 stock options to directors, officers and consultants. The stock options have a life of five years, carry an exercise price of $0.15, and 525,000 vest immediately. For the remaining 300,000, one-third vests immediately and one-third vests on each of the 6-month and 12-month anniversary of the grant. The value ascribed to this issue was $89,678 using the Black-Scholes option pricing model under the following weighted average assumptions: share price – $0.145; risk free rate of return – 2.79%; annualized volatility – 100%; expected life – 5 years; dividend yield – 0%. The Company recognized stock-based compensation expense of $86,342 during the year ended December 31, 2022 in relation to the vesting of these options. The balance of $3,335 will be expensed over the balance of the vesting period, with $2,680 being recognized as stock-based compensation expense in the quarter ended March 31, 2023.

On January 11, 2023, 200,000 options with an exercise price of $0.125 per share expired unexercised.

On March 29, 2023, 100,000 options with an exercise price of $0.15 per share were exercised.

## 10. Loss per Common Share

The following table sets forth the calculations of basic and fully diluted loss per common share:

| | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| Numerator:<br>Loss attributable to common shareholders<br>- basic and diluted | **$(116,193)** | **$(52,879)** | **$(410,769)** | **$(319,226)** |
| Denominator<br>Weighted-average common shares outstanding<br>- basic and diluted | **159,465,818** | **99,365,818** | **134,598,785** | **99,365,818** |
| Basic and diluted loss per common share | **$ (0.00)** | **$ (0.00)** | **$ (0.00)** | **$ (0.00)** |

The options and warrants for the periods ended September 30, 2023 and 2022 were excluded from the computation of diluted loss per share as the potential effect was anti-dilutive.

*Expressed in Canadian dollars unless otherwise indicated*

## 11. Related Party Transactions and Balances

***Management compensation***

The Company incurred the following expenditures charged by companies controlled by current directors and officers of the Company:

| | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| Stock-based compensation *(note 8)* | **$ ---** | **$ ---** | **$ 82,296** | **$ 82,296** |
| Management fees | **31,500** | **43,500** | **86,500** | **145,500** |
| Director compensation | **26,893** | **20,000** | **70,983** | **60,000** |
| Director consulting fee | **---** | **---** | **10,000** | **---** |

During the nine months ended September 30, 2023, the Company paid $10,000 to a director for his work as a mining consultant.

As of September 30, 2023, $11,865 of management fees and $158,983 of directors fees (December 31, 2022 – total of $89,486) remained unpaid and is included in accounts payable and accrued liabilities on the statements of financial position.

## 12. Financial Instruments and Risk Factors

The Company's risk exposures and impact on Canadian Gold's financial instruments are summarized below:

**Credit risk**

Credit risk is the risk of loss associated with the Company's inability to collect accounts receivable and safe keep cash. The Company`s receivables consist mainly of a Harmonized Sale Tax (HST) return from the federal government, on which there is no credit risk. The Company is also exposed to credit risk on its cash, however, it has deposited its cash with reputable Canadian financial institutions, from which management believes the risk of loss is minimal.

**Liquidity risk**

The Company manages liquidity risk to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, Canadian Gold had cash of $805,192 to settle current financial liabilities of $284,003 (December 31, 2022 - $910,075 to settle current financial liabilities of $268,219). Canadian Gold has no source of recurring operating cash flows and in the absence of additional financing or strategic alternatives, the Company faces substantial liquidity risk *(note 2)*.

**Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

i) Interest rate risk - Canadian Gold is not exposed to interest rate risk as it does not have interest bearing debt.

ii) Commodity price risk - The ability of Canadian Gold to develop its mineral properties and future profitability of Canadian Gold is directly related to the market price of gold.

## 13. Subsequent Event

Subsequent to quarter-end, the Company closed all tranches of its private placement offering for aggregate gross proceeds of $2,756,750. The Company issued 9,703,883 Flow Through Shares at a price of $0.205 per Flow Through Share ($1,989,296) and 5,481,812 Units at a price of $0.14 per Unit. Each Unit enables the subscriber to acquire one additional common share for a price of $0.215 for 18 months from closing. The Company currently has 174,651,512 shares outstanding, and 5,481,812 purchase warrants ($0.215).