



**(Formerly Satori Resources Inc.)**

**Consolidated Financial Statements**

**Years Ended December 31, 2023 and 2022**

**(Expressed in Canadian Dollars)**

To the Shareholders of Canadian Gold Corp. (formerly Satori Resources Inc.):

## Opinion

We have audited the consolidated financial statements of Canadian Gold Corp. (formerly Satori Resources Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## Basis for Opinion

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

## Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company had no source of recurring operating cash flows during the year ended December 31, 2023 and, as of that date, the Company had an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Emphasis of Matter - Restated Comparative Information

We draw attention to Note 3 of the consolidated financial statements which explains that certain comparative information presented:

- As at and for the year ended December 31, 2022 has been restated due to a change in accounting policy.
- As at January 1, 2022 has been derived from the consolidated statement of financial position as at December 31, 2021 (not presented herein).

Our opinion is not modified in respect of this matter.

## Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

Mississauga, Ontario

April 26, 2024

**MNP** LLP

Chartered Professional Accountants

Licensed Public Accountants

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

## Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	December 31, 2023	(Restated Note 3) December 31, 2022	(Restated Note 3) January 1, 2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,185,160	\$ 910,075	\$ 3,095,147
Other receivables	74,759	14,464	28,752
Prepaid expenses and advances	21,334	17,681	135,537
	<b>2,281,253</b>	942,220	3,259,436
<b>Non-Current Assets</b>			
Property and equipment (note 5)	46,689	---	---
<b>TOTAL ASSETS</b>	<b>\$ 2,327,942</b>	<b>\$ 942,220</b>	<b>\$ 3,259,436</b>
<b>LIABILITIES AND EQUITY (DEFICIT)</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities (note 11)	\$ 212,101	\$ 268,219	\$ 120,134
Flow-through premium (note 14)	228,252	---	321,075
	<b>440,353</b>	268,219	441,209
<b>Non-Current Liabilities</b>			
Site restoration provision (note 7)	1,152,814	1,129,988	1,107,615
<b>TOTAL LIABILITIES</b>	<b>1,593,167</b>	1,398,207	1,548,824
<b>Shareholders' Equity (Deficit)</b>			
Share capital (note 8)	13,802,485	9,514,017	9,514,017
Warrants reserve (note 8)	232,582	---	---
Contributed surplus (note 8)	6,173,796	6,208,638	6,122,296
Deficit	(19,474,088)	(16,178,642)	(13,925,701)
<b>TOTAL EQUITY (DEFICIT)</b>	<b>734,775</b>	(455,987)	1,710,612
<b>TOTAL LIABILITIES AND EQUITY (DEFICIT)</b>	<b>\$ 2,327,942</b>	<b>\$ 942,220</b>	<b>\$ 3,259,436</b>

Going Concern (note 2)

Commitments (note 14)

Subsequent Events (note 16)

Approved by the Board

Signed:

"Peter Shippen"

Director

"Jennifer Boyle"

Director

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

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

## Consolidated Statements of Operations and Comprehensive Loss

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars, except weighted average shares)

	2023	(Restated Note 3) 2022
Exploration and evaluation expenses (note 6)	\$ 2,859,100	\$ 1,787,036
Management fees (note 11)	186,125	189,000
Directors fees	102,227	80,000
Investor relations, advertising, and promotion	99,382	219,793
Filing and transfer agent fees	66,494	35,359
Professional fees	54,636	47,325
Insurance	40,557	35,741
Salaries, wages and benefits	34,948	29,688
Consulting fees	22,914	18,336
Accretion (note 7)	22,826	22,373
Office and miscellaneous	21,039	10,414
Amortization (note 5)	7,691	---
Travel	5,354	10,329
Legal and paralegal	4,186	2,280
Stock-based compensation (notes 9 and 11)	3,335	86,342
<b>Loss before interest income and taxes</b>	<b>3,530,814</b>	<b>2,574,016</b>
MMDF grant (note 15)	(100,000)	---
Flow-through premium (note 14)	(135,368)	(321,075)
<b>Net loss and comprehensive loss for the year</b>	<b>\$ 3,295,446</b>	<b>\$ 2,252,941</b>
<b>Net loss per share (basic and diluted) (note 10)</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of shares outstanding during the year - basic and diluted (note 10)</b>	<b>142,845,101</b>	<b>99,365,818</b>

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

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

### Consolidated Statements of Changes in Equity For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars, except for number of shares)

	Number of Shares	Share Capital	Warrant Reserve	Contributed Surplus	Deficit	Total
<b>Balance, December 31, 2021</b>	<b>99,365,818</b>	<b>\$ 9,514,017</b>	<b>\$ ---</b>	<b>\$ 6,122,296</b>	<b>\$ (13,925,701)</b>	<b>\$ 1,710,612</b>
Net loss for the year	---	---	---	---	(2,252,941)	(2,252,941)
Vesting of stock-based compensation (note 9)	---	---	---	86,342	---	86,342
<b>Balance, December 31, 2022</b>	<b>99,365,818</b>	<b>\$ 9,514,017</b>	<b>\$ ---</b>	<b>\$ 6,208,638</b>	<b>\$ (16,178,642)</b>	<b>\$ (455,987)</b>
Exercise of stock options (note 8)	725,000	90,677	---	(38,177)	---	52,500
Shares issued for asset acquisition (note 6)	60,000,000	2,400,000	---	---	---	2,400,000
Shares issued on private placement (note 8)	14,121,061	1,797,791	232,582	---	---	2,030,373
Vesting of stock-based compensation (note 9)	---	---	---	3,335	---	3,335
Net loss for the year	---	---	---	---	(3,295,446)	(3,295,446)
<b>Balance, December 31, 2023</b>	<b>174,211,879</b>	<b>\$ 13,802,485</b>	<b>\$232,582</b>	<b>\$6,173,796</b>	<b>\$ (19,474,088)</b>	<b>\$ 734,775</b>

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



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

## Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

	2023	(Restated Note 3) 2022
<b>Cash flows from operating activities</b>		
Net loss for the year	\$ (3,295,446)	\$ (2,252,941)
Items not affecting cash		
Accretion (note 7)	22,826	22,373
Amortization (note 5)	7,691	---
Stock-based compensation (notes 9 and 11)	3,335	86,342
Flow-through premium (note 14)	(135,368)	(321,075)
Mineral properties acquired in asset acquisition (note 6)	894,141	---
Changes in non-cash items relating to operating activities		
Other receivables	(60,295)	14,288
Prepaid expenses	(3,653)	117,856
Accounts payable and accrued liabilities	(56,118)	148,085
	<b>(2,622,887)</b>	<b>(2,185,072)</b>
<b>Cash flows from investing activities</b>		
Fixed assets (note 5)	(54,380)	---
Cash received on asset acquisition, net (note 6)	1,505,859	---
	<b>(1,451,479)</b>	<b>---</b>
<b>Cash flows from financing activities</b>		
Share subscriptions net of share issue costs (note 8)	2,393,993	---
Stock option exercise (note 8)	52,500	---
	<b>2,446,493</b>	<b>---</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>1,275,085</b>	<b>(2,185,072)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>910,075</b>	<b>3,095,147</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 2,185,160</b>	<b>\$ 910,075</b>

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

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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### 1. Incorporation

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 consolidated financial statements were approved by the Board of Directors on April 26, 2024.

### 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.

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 consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. As at December 31, 2023, Canadian Gold had \$2,185,160 in cash (December 31, 2022 - \$910,075). As at December 31, 2023, the Company had no source of recurring operating cash flows, has an accumulated deficit of \$19,474,088 (2022 – \$16,178,642), and working capital of \$1,840,900 (2022 - \$674,001). In the absence of additional financing or strategic alternatives, these factors indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if Canadian Gold 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. Material Accounting Policies

#### Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

#### Basis of presentation

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

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### Basis of consolidation

These Consolidated Financial Statements include the accounts of Canadian Gold and its wholly-owned subsidiary, Apollo Exploration Inc. The results of subsidiaries acquired or disposed of during the years presented are included in these consolidated statements of loss and comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. An investor controls an investee if the investor has the power over the investee, has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

#### Material accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated 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 and judgments:

- inputs used to account for the value of the site restoration provision, including the future costs, the inflation rate, the risk-free interest rate, and the estimated life of the property (note 7).
- Given that the fair value of Apollo could not be easily determined, the fair value of the Canadian Gold shares issued for this acquisition were used to determine the fair value of the Apollo net assets acquired.
- Significant judgment is involved in the determination of useful lives and residual values for the computation of amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.
- the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time.
- Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Expenditure deductions for income tax purposes related to exploratory activities funded by flow-through equity instruments are renounced to investors in accordance with income tax legislation. The difference between the value ascribed to flow-through shares issued and the value that would have been received for common shares at the date of issuance of the flow-through shares is initially recognized as a liability on the consolidated statement of financial position. The liability is reversed when tax benefits are renounced and a deferred tax liability is recognized at that time. Income tax expense is the difference between the amount of the deferred tax liability and the liability recognized on issuance.

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### Financial instruments

Financial instruments measured at amortized cost are initially recognized at fair value, plus adjustments for transaction costs, and then subsequently measured at amortized cost using the effective interest rate method, with gains and losses recorded as a charge against earnings.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Canadian Gold derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, Canadian Gold has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset and that the estimated future cash flow of that asset can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

The following table summarizes the classification of Canadian Gold's financial assets and liabilities:

	<b>Classification</b>
<b>Financial assets:</b>	
Cash and cash equivalents	Amortized cost
<b>Financial liabilities:</b>	
Accounts payable and accrued liabilities	Amortized cost

#### Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short-term investments deposited at Canadian chartered banks.

#### Mineral properties and deferred exploration and development expenditures

The Company charges to operations all mineral property acquisition costs and exploration and evaluation expenses incurred prior to the determination of economically recoverable reserve. These costs would also include periodic fees such as license and maintenance fees. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice 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 or transfers and title may be affected by undetected defects.

#### Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### Income taxes (cont'd)

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, 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

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the year by the weighted average number of common shares outstanding in the year. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares using the treasury method.

#### Accounting for flow-through shares

Expenditure deductions for income tax purposes related to exploratory activities funded by flow-through equity instruments are renounced to investors in accordance with income tax legislation. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the flow-through shares. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in the consolidated statements of operations and comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

#### Stock-based compensation

Stock options awarded to employees are accounted for using the fair value-based method. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of options granted is calculated using the Black-Scholes model and is recorded as stock-based compensation expense over the vesting period of the options. Consideration paid on the exercise of stock options is credited to share capital. The contributed surplus associated with the options is transferred to share capital upon exercise. The fair value of options issued to non-employees is measured based on the fair value of the goods or services exchanged.

#### Site restoration provision

An obligation to incur restoration, rehabilitation, and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate, for changes to the current market-based discount rate, and amount or timing of the underlying cash flows needed to settle the obligation.

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### Changes in Accounting Policies

During the year ended December 31, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. It is more relevant and reliable because this policy eliminates the use of estimates and judgments regarding the valuation of exploration and evaluation assets and aligns the analysis to when the mineral property is considered economically and commercially viable. The cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts. The consolidated financial statements for the year ended December 31, 2022 and as of January 1, 2022 have been restated to reflect adjustments made as a result of this change in accounting policy.

The following is a reconciliation of the Company's consolidated financial statements as at December 31, 2022 and January 1, 2022.

#### Consolidated Statements of Financial Position

	December 31, 2022 as previously reported	Adjustments	December 31, 2022 as restated
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 910,075	\$ ---	\$ 910,075
Other receivables	14,464	---	14,464
Prepaid expenses and advances	17,681	---	17,681
	942,220	---	942,220
<b>Non-Current Assets</b>			
Mineral properties, deferred exploration and development expenditures	6,247,656	(6,247,656)	---
<b>TOTAL ASSETS</b>	<b>\$ 7,189,876</b>	<b>\$(6,247,656)</b>	<b>\$ 942,220</b>
<b>LIABILITIES AND EQUITY (DEFICIT)</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 268,219	\$ ---	\$ 268,219
	268,219	---	268,219
<b>Non-Current Liabilities</b>			
Site restoration provision	1,129,988	---	1,129,988
<b>TOTAL LIABILITIES</b>	<b>1,398,207</b>	<b>---</b>	<b>1,398,207</b>
<b>Shareholders' Equity (Deficit)</b>			
Share capital	9,514,017	---	9,514,017
Contributed surplus	6,208,638	---	6,208,638
Deficit	(9,930,986)	(6,247,656)	(16,178,642)
<b>TOTAL EQUITY (DEFICIT)</b>	<b>5,791,669</b>	<b>(6,247,656)</b>	<b>(455,987)</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIT)</b>	<b>\$ 7,189,876</b>	<b>\$(6,247,656)</b>	<b>\$ 942,220</b>

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### Changes in Accounting Policies (Cont'd)

#### Consolidated Statements of Financial Position

	December 31, 2021 as previously reported	Adjustments	January 1, 2022 as restated
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 3,095,147	\$ ---	\$ 3,095,147
Other receivables	28,752	---	28,752
Prepaid expenses and advances	135,537	---	135,537
	3,259,436	---	3,259,436
<b>Non-Current Assets</b>			
Mineral properties, deferred exploration and development expenditures	4,460,620	(4,460,620)	---
<b>TOTAL ASSETS</b>	<b>\$ 7,720,056</b>	<b>\$ (4,460,620)</b>	<b>\$ 3,259,436</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 120,134	\$ ---	\$ 120,134
Flow-through premium	321,075	---	321,075
	441,209	---	441,209
<b>Non-Current Liabilities</b>			
Site restoration provision	1,107,615	---	1,107,615
<b>TOTAL LIABILITIES</b>	<b>1,548,824</b>	<b>---</b>	<b>1,548,824</b>
<b>Shareholders' Equity</b>			
Share capital	9,514,017	---	9,514,017
Contributed surplus	6,122,296	---	6,122,296
Deficit	(9,465,081)	(4,460,620)	(13,925,701)
<b>TOTAL EQUITY</b>	<b>6,171,232</b>	<b>(4,460,620)</b>	<b>1,710,612</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 7,720,056</b>	<b>\$ (4,460,620)</b>	<b>\$ 3,259,436</b>

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### Changes in Accounting Policies (Cont'd)

#### Consolidated Statements of Operations and Comprehensive Loss

For the year ended:

	December 31, 2022 as previously reported	Adjustments	December 31, 2022 as restated
Investor relations, advertising, and promotion	\$ 219,793	\$ ---	\$ 219,793
Management fees	189,000	---	189,000
Stock-based compensation	86,342	---	86,342
Directors fees	80,000	---	80,000
Professional fees	47,325	---	47,325
Insurance	35,741	---	35,741
Filing and transfer agent fees	35,359	---	35,359
Salaries, wages and benefits	29,688	---	29,688
Accretion	22,373	---	22,373
Consulting fees	18,336	---	18,336
Office and miscellaneous	10,414	---	10,414
Travel	10,329	---	10,329
Legal and paralegal	2,280	---	2,280
Exploration and evaluation expenses	---	1,787,036	1,787,036
<b>Loss before interest income and taxes</b>	<b>786,980</b>	<b>1,787,036</b>	<b>2,574,016</b>
Flow-through premium	(321,075)	---	(321,075)
<b>Net loss and comprehensive loss for the year</b>	<b>\$ 465,905</b>	<b>\$ 1,787,036</b>	<b>\$ 2,252,941</b>
<b>Net loss per share (basic and diluted)</b>	<b>\$ (0.00)</b>		<b>\$ (0.02)</b>
<b>Weighted average number of shares outstanding during the year - basic and diluted</b>	<b>99,365,818</b>	<b>---</b>	<b>99,365,818</b>

#### Note:

A revised Consolidated Statement of Equity has not been included as the only changes would be in deficit and accumulated other comprehensive loss due to the changes from the consolidated statements of operations and comprehensive loss.



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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### Changes in Accounting Policies (Cont'd)

#### Consolidated Statements of Cash Flows

	December 31, 2022 as previously reported	Adjustments	December 31, 2022 as restated
<b>Cash flows from operating activities</b>			
Net loss for the year	\$ (465,905)	\$ (1,787,036)	\$ (2,252,941)
Items not affecting cash			
Accretion	22,373	---	22,373
Stock-based compensation	86,342	---	86,342
Flow-through premium	(321,075)	---	(321,075)
Changes in non-cash items relating to operating activities			
Other receivables	14,288	---	14,288
Prepaid expenses	117,856	---	117,856
Accounts payable and accrued liabilities	148,085	---	148,085
	(398,036)	(1,787,036)	(2,185,072)
<b>Cash flows from investing activities</b>			
Mineral properties expenditures	(1,787,036)	1,787,036	---
	(1,787,036)	1,787,036	---
<b>(Decrease) Increase in cash</b>	<b>(2,185,072)</b>	<b>---</b>	<b>(2,185,072)</b>
<b>Cash, beginning of the year</b>	<b>3,095,147</b>	<b>---</b>	<b>3,095,147</b>
<b>Cash, end of the year</b>	<b>\$ 910,075</b>	<b>\$ ---</b>	<b>\$ 910,075</b>

#### Government assistance

The Company accounts for government assistance using the income approach. Under the income approach, government assistance is recognized in the consolidated statement of operations and comprehensive loss on a systematic basis over the periods in which the Company recognizes the expenses for which the government assistance is intended to compensate. The Company has elected to present deferred income related to government assistance pertaining to future project expenditures as a liability on the statement of financial position. The Company will then recognize the government assistance as income in loss and comprehensive loss on a systematic basis as expenses are incurred.

#### Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2. The amendments to IAS 1 require an entity to disclose its material accounting policies instead of the entity's significant accounting policies. The amendments include clarification on how an entity can determine material accounting policies by applying a "four-step materiality process" that is described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The Company adopted the amendments effective January 1, 2023, with no material impact to the Consolidated Financial Statements for 2023.

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

#### IASB issued amendments to IAS 12

In May 2021, the IASB issued amendments to IAS 12, Income Taxes. The amendments to IAS 12 narrow the scope of the initial recognition exemption so that it no longer applies to transactions which give rise to equal amounts of taxable and deductible temporary differences. The Company is to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition for certain transactions, including leases and reclamation provisions. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The Company adopted the amendments effective January 1, 2023, with no material impact expected to the Consolidated Financial Statements for 2023.

### 4. Capital Management

The capital of Canadian Gold consists of shareholders' equity. Canadian Gold'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, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. To maximize ongoing development efforts, Canadian Gold does not pay out dividends. The Company is not subject to externally imposed capital requirements.

### 5. Mineral Properties and Property and Equipment

#### ***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%.

#### ***Apollo Properties, Ontario***

See Note 6, below.

#### ***Property and Equipment***

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is recorded over the estimated useful life of assets on a straight-line basis using the following rates:

Truck: straight-line basis over 6 years

	<b>Balance</b>
<b>At December 31, 2021 and 2022</b>	<b>\$ ---</b>
Additions	54,380
Amortization	(7,691)
<b>At December 31, 2023</b>	<b>\$ 46,689</b>

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 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’s assets and liabilities and including Apollo transactions that flow through the Consolidated Statements of Loss and Comprehensive Loss from April 24, 2023 onwards.

Acquisition costs are recorded in exploration expenses in the consolidated statements of operations and comprehensive loss. 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.

#### Purchase Price:

Fair value of 60,000,000 Canadian Gold shares issued (\$0.04)	\$ 2,400,000
Acquisition costs	25,559
<b>Total purchase price</b>	<b>\$ 2,425,559</b>

#### Net Assets Acquired:

Current assets	\$ 1,535,943
Current liabilities	(4,525)
Exploration properties	894,141
<b>Net assets acquired</b>	<b>\$ 2,425,559</b>

### 7. Site Restoration Provision

Canadian Gold’s site restoration provision of \$1,152,814 (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% (December 31, 2022 – 1.88%) and discounted at 2.02% (December 31, 2022 – 2.02%), with reclamation occurring in 2027 (December 31, 2022 – 2027). During the year ended December 31, 2023, accretion expense of \$22,826 (year ended December 31, 2022 - \$22,373) was recorded.

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 8. Share Capital

#### Common shares

##### Authorized

Unlimited number of common shares without par value.

##### Issued and outstanding

	Common Shares	Amount
<b>Balance, December 31, 2021 and 2022</b>	<b>99,365,818</b>	<b>\$ 9,514,017</b>
Shares issued in private placement	14,121,061	1,797,791
Shares issued for asset acquisition (note 6)	60,000,000	2,400,000
Stock option exercise – cash	725,000	52,500
Stock option exercise – book value	---	38,177
<b>Balance, December 31, 2023</b>	<b>174,211,879</b>	<b>\$ 13,802,485</b>

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

In November 2023, the Company closed all tranches of its private placement offering for aggregate gross proceeds of \$2,515,750. The Company issued 8,289,250 Flow Through Shares at a price of \$0.205 per Flow Through Share (\$1,699,296) and 5,831,812 Units at a price of \$0.14 per Unit (\$816,454) consisting of one common share and one non-transferable share purchase warrant. Each warrant enables the subscriber to acquire one additional common share for a price of \$0.215 for 18 months from closing.

On March 30, 2023, 100,000 options with an exercise price of \$0.15 per share were exercised. In November 2023 a total of 625,000 options with an average exercise price of \$0.06 per share were exercised.

See note 14 for Canadian Gold's flow-through expenditure commitment at December 31, 2023.

#### Warrant Reserve

The warrant reserve represents the fair value of outstanding warrants on the date of their issuance. The valuation is derived using a Black-Scholes option pricing model. As warrants are exercised, the fair value is transferred to share capital. Should warrants expire unexercised, the fair value is transferred as a component of contributed surplus.

#### Warrants Outstanding

At December 31, 2023, there were 5,831,812 warrants outstanding, with each warrant entitling the holder to acquire one common share of the Company at the prices noted below:

Number	Exercise Price	Remaining Contractual Life in Years	Expiry Date
3,821,450	\$0.215	1.34	May 3, 2025
1,660,362	\$0.215	1.37	May 15, 2025
350,000	\$0.215	1.41	May 29, 2025
<b>5,831,812</b>	<b>\$0.215</b>	<b>1.35</b>	

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 8. Share Capital (Cont'd)

#### Warrants Outstanding (Cont'd)

A summary of the status of the Company's outstanding warrants at December 31, 2023 and changes from December 31, 2022 to December 31, 2023 are as follows:

		Weighted average
<b>Balance, December 31, 2022</b>	---	\$ ---
Issued	<b>5,831,812</b>	<b>0.215</b>
<b>Balance, December 31, 2023</b>	<b>5,831,812</b>	<b>\$ 0.215</b>

The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model for warrants issued in 2023 are as follows:

Issue Date	Risk Free Rate	Expected Life (Years)	Expected Volatility	Estimated Share Price
November 3, 2023	4.40%	1.5	100%	\$0.17
November 15, 2023	4.52%	1.5	100%	\$0.16
November 29, 2023	4.18%	1.5	100%	\$0.17

#### Contributed Surplus

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

	December 31, 2023	December 31, 2022
<b>Opening balance</b>	<b>\$ 6,208,638</b>	<b>\$ 6,122,296</b>
Vesting of share-based payments	3,335	86,342
Options exercised	(38,177)	---
<b>Ending balance</b>	<b>\$ 6,173,796</b>	<b>\$ 6,208,638</b>

### 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. Canadian Gold 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)
<b>Balance, December 31, 2021</b>	<b>4,900,000</b>	<b>\$0.10</b>	<b>3.05</b>
Granted	825,000	0.15	
Expired	(300,000)	0.18	
<b>Balance, December 31, 2022</b>	<b>5,425,000</b>	<b>\$0.10</b>	<b>2.56</b>
Expired	(200,000)	0.125	
Exercised	(725,000)	0.07	
<b>Balance, December 31, 2023</b>	<b>4,500,000</b>	<b>\$0.11</b>	<b>1.78</b>

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 9. Stock Options and Stock-Based Compensation (Cont'd)

In January 2022, 300,000 options expired unexercised.

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 was expensed over the balance of the vesting period, with \$3,335 being recognized as stock-based compensation expense in the year ended December 31, 2023.

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

On March 30, 2023, 100,000 options with an exercise price of \$0.15 per share were exercised. In November 2023 a total of 625,000 options with an average exercise price of \$0.06 per share were exercised.

### 10. Loss per Common Share

The options and warrants for the years ended December 31, 2023 and 2022 were excluded from the computation of diluted loss per share as the potential effect was anti-dilutive.

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

	For the years ended December 31, 2023 (Restated, Note 3) 2022	
Numerator:		
Loss attributable to common shareholders - basic and diluted	<b>\$(3,295,446)</b>	\$(2,252,941)
Denominator:		
Weighted-average common shares outstanding - basic and diluted	<b>142,845,101</b>	99,365,818
Basic and diluted loss per common share	<b>\$ (0.02)</b>	\$ (0.02)

### 11. Related Party Transactions and Balances

#### Management compensation

Canadian Gold incurred the following expenditures with officers and directors of Canadian Gold, or with companies controlled by those individuals:

	Years Ended December 31, 2023 2022	
Stock-based compensation	<b>\$ 3,335</b>	\$ 86,342
Fees paid to Chairman, CEO and CFO	<b>77,368</b>	206,000
Other director fees	<b>82,983</b>	48,000
Consulting fees	<b>158,000</b>	22,000
Total management compensation	<b>\$ 321,686</b>	\$ 362,342

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 11. Related Party Transactions and Balances (Cont'd)

During the year ended December 31, 2023, the Company had three different persons in the role of President and CEO. Over the year ended December 31, 2023, Canadian Gold paid these individuals a total of \$52,125 for their role as an Executive Officer and \$8,576 for their role on the Board (for the year ended December 31, 2022 – one person in the role of President and CEO and paid \$72,000 for her role as an Executive Officer and \$16,000 for her role on the Board). During the year ended December 31, 2023, the Company paid its Executive Chairman a total of \$NIL for his role as an Executive Officer and \$16,000 for his role on the Board (December 31, 2022, a total of \$72,000 for his role as an Executive Officer and \$16,000 for his role on the Board). During the year ended December 31, 2023, the Company paid its CFO a total of \$30,000 (December 2022 - \$30,000).

As of December 31, 2023, \$36,321 (December 31, 2022 - \$89,486) is owed to management and directors and is included in accounts payable and accrued liabilities on the consolidated statements of financial position.

### 12. Financial Instruments and Risk Factors

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

#### Credit risk

Credit risk is the risk of loss associated with Canadian Gold's inability to safe keep cash. Canadian Gold is exposed to credit risk on its cash and cash equivalents, however, it has deposited its cash and cash equivalents with reputable Canadian financial institutions, from which management believes the risk of loss is minimal.

#### Liquidity risk

Canadian Gold manages liquidity risk to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, Canadian Gold had cash of \$2,185,160 to settle current financial liabilities of \$440,353 (December 31, 2022 - \$910,075 to settle current financial liabilities of \$268,219). The Company 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 the Company to develop its mineral properties and future profitability of Canadian Gold is directly related to the market price of gold.

### 13. Income Tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022 – 26.5%) to the effective tax rate is as follows:

	2023	2022 (Restated Note3)
	\$	\$
Net Loss before recovery of income taxes	<u>(3,295,446)</u>	<u>(2,252,941)</u>
Expected income tax (recovery)	(873,290)	(682,359)
Non-deductible and other expenses	(35,510)	(60,960)
Share issuance costs booked to equity	(93,900)	---
Renunciation of flow-through expenditures	167,640	443,850
Change in tax benefits not recognized	<u>834,700</u>	<u>299,499</u>
Income tax expense (recovery)	<u>---</u>	<u>---</u>

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

## Notes to Consolidated Financial Statements

December 31, 2023 and 2022

### 13. Income Tax (Cont'd)

#### Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2023	2022
	\$	\$
Property, plant, and equipment	47,300	39,610
Asset Retirement Obligation	1,152,810	1,129,990
Share issue costs	373,420	139,030
Operating tax losses carried forward	5,732,060	4,956,103
Investment tax credits from schedule 31	6,030	6,030
Resource pools – mineral properties	6,115,560	3,889,077
	<b>13,427,180</b>	<b>10,159,841</b>

The Canadian operating tax loss carry forwards expire as noted in the table below.

The remaining deductible temporary differences may be carried forward indefinitely.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's unrecognized Canadian operating tax losses expire as follows:

	Total
	\$
2032	493,030
2033	462,940
2034	503,700
2035	293,920
2036	186,830
2037	452,600
2038	489,190
2039	316,670
2040	375,290
2041	656,270
2042	843,210
2043	658,420
	<b>5,732,060</b>



**Canadian Gold Corp. (Formerly Satori Resources Inc.)**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023 and 2022**

**14. Commitments**

The following table summarizes the Company's flow-through expenditure requirements as at December 31, 2023:

Date of Financing	Nov 29, 2023 \$	Nov 23, 2023 \$	Nov 3, 2023 \$	Dec 30, 2021 \$	June 28, 2021 \$
Flow-through proceeds raised - 2021	---	---	---	1,359,400	1,410,750
Eligible expenditures incurred	---	---	---	(1,359,400)	(1,410,750)
<b>Expenditure commitment – Dec. 31, 2022</b>	---	---	---	---	---
Flow-through proceeds raised - 2023	109,999	1,497,547	91,750		
Eligible expenditures incurred	---	(540,864)	(91,750)	---	---
<b>Expenditure commitment – Dec. 31, 2023</b>	<b>109,999</b>	<b>956,683</b>	---	---	---

In November 2023, the Company closed all tranches of its private placement offering for aggregate gross proceeds of \$2,515,750. The Company issued 8,289,250 Flow Through Shares at a price of \$0.205 per Flow Through Share (\$1,699,296). A flow through premium liability of \$363,620 was recorded in connection with this financing. The Company satisfied \$632,614 of the \$1,699,296 flow through expenditure commitment by December 31, 2023. As such, the Company recognized \$135,368 of the flow through premium, with a remaining premium of \$228,252 as at December 31, 2023.

**15. Manitoba Mineral Development Fund Grant**

In 2023, the Company signed an agreement with MMDF Corporation, an arm of the Government of Manitoba, where the Company will receive a grant of up to \$300,000 from the Manitoba Mineral Development Fund in \$100,000 tranches, which funds are to be used for exploration activities at the Company's Tartan Lake property. As of the date of these consolidated financial statements, \$100,000 has been received to date.

**16. Subsequent Events**

In January 2024, 825,000 stock options were exercised at a price of \$0.05 per share.

On March 18, 2024, the second \$100,000 tranche of the MMDF grant (see note 15) was received.