



ESGold Corp.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

ESGOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT SEPTEMBER 30, 2024 AND JUNE 30, 2024

	(Unaudited)	(Audited)
	September 30,	June 30,
	2024	2024
ASSETS		
Current		
Cash	608,863	137,008
Sales taxes receivable	23,382	1,222
Prepaid expenses	5,860	14,372
	<u>638,105</u>	<u>152,603</u>
Exploration and evaluation assets (Note 4)	<u>6,964,931</u>	<u>6,961,930</u>
TOTAL ASSETS	<u><u>7,603,036</u></u>	<u><u>7,114,533</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	1,189,556	1,003,610
Loan payable (Note 9)	161,250	161,250
	<u>1,350,806</u>	<u>1,164,860</u>
Long term		
Provision for indemnity (Note 7)	2,082,000	2,082,000
Asset retirement obligation (Note 8)	400,000	400,000
Long term loan payable (Note 9)	40,000	40,000
	<u>2,522,000</u>	<u>2,522,000</u>
Total liabilities	<u>3,872,806</u>	<u>3,686,860</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	35,017,185	34,303,231
Reserves (Note 5)	1,757,632	1,757,632
Deficit	(33,044,586)	(32,633,190)
	<u>3,730,230</u>	<u>3,427,673</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>7,603,036</u></u>	<u><u>7,114,533</u></u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on November 12, 2024.

<u>“Andre Gauthier”</u>	Director	<u>“Paul Mastantuono”</u>	Director
Andre Gauthier		Paul Mastantuono	

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

ESGOLD CORP.**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

	September 30, 2024	September 30, 2023
EXPENSES		
Consulting (Note 6)	205,693	130,337
Exploration expenses	-	-
Filing fees and transfer agent	4,040	7,296
Interest expense	4,956	3,158
Investor relations	8,500	-
Marketing expenses	108,800	2,114
Meals and entertainment	2,532	1,510
Office and sundry	28,990	4,495
Insurance	10,304	9,430
Professional fees	32,694	15,315
Share-based payments	-	75,661
Travel	3,831	764
	<u>(410,339)</u>	<u>(250,079)</u>
OTHER		
Indemnity and Part XII.6 tax on flow-through	-	-
Amortization of flow-through premium liability	-	-
Foreign exchange loss	(1,057)	-
	<u>(411,396)</u>	<u>(250,079)</u>
Loss and Comprehensive loss for the period	<u>(411,396)</u>	<u>(250,079)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>40,107,281</u>	<u>25,454,433</u>

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

ESGOLD CORP.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

	September 30, 2024	September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(411,396)	(250,079)
Items not affecting cash:		
Share based payments	-	75,662
Shares issued for services	104,750	-
Non-cash working capital item changes:		
Sales taxes receivable	(22,159)	2,086
Prepaid expenses	8,512	4,466
Accounts payables and accrued liabilities	188,111	102,980
Loan payable	-	150,000
Net cash provided by (used in) operating activities	(132,183)	85,115
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral properties	(5,166)	(128,690)
Net cash used in investing activities	(5,166)	(128,690)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuances	610,901	-
Share issuance costs	(1,698)	(1,357)
Net cash provided by financing activities	609,204	(1,357)
Change in cash for the period	471,854	(44,933)
Cash, beginning of period	137,008	80,349
Cash, end of period	608,863	35,416
Supplemental cash flow information:		
Shares issued for mineral property settlement	-	185,242
Flow-through premium liability	-	-
Shares issued for settlement of accounts payable and loans payable	104,750	328,250
Broker warrants issued as share issuance costs	-	-
Mineral property expenditures included in accounts payable and accrued liabilities	292,056	294,220

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

ESGOLD CORP.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)
AS AT SEPTEMBER 30, 2024 AND JUNE 30, 2024

	Share Capital		Subscriptions receivable	Commitment to issue shares	Reserves	Deficit	Total
	Number	Amount					
Balance as at June 30, 2023	30,589,768	\$ 33,097,779	\$ -	\$ -	\$ 1,559,412	\$ (28,945,687)	\$ 5,711,504
Private placement - common shares	2,428,074	306,250	-	-	-	-	306,250
Share issuance costs	-	(3,540)	-	-	-	-	(3,540)
Shares issued for restricted share unit plan	1,775,000	239,250	-	-	-	-	239,250
Shares issued for settlement of accounts payable	2,550,000	328,250	-	-	-	-	328,250
Shares issued for services	1,000,000	150,000	-	-	-	-	150,000
Shares issued to finalize claims acquisition	926,210	185,242	-	-	-	-	185,242
Share-based payments	-	-	-	-	198,220	-	198,220
Comprehensive loss for the year	-	-	-	-	-	(3,687,503)	(3,687,503)
Balance as at June 30, 2024	39,269,052	34,303,231	\$ -	\$ -	\$ 1,757,632	\$ (32,633,190)	\$ 3,427,673
Private placement - common shares	-	610,901	-	-	-	-	610,901
Share issuance costs	-	(1,698)	-	-	-	-	(1,698)
Private placement - flow through shares	-	-	-	-	-	-	-
Shares cancelled	-	-	-	-	-	-	-
Shares issued for restricted share unit plan	-	-	-	-	-	-	-
Shares issued for settlement of accounts payable	-	104,750	-	-	-	-	104,750
Shares issued to purchase mining claims	-	-	-	-	-	-	-
Shares issued to finalize claims acquisition	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Comprehensive loss for the year	-	-	-	-	-	(411,396)	(411,396)
Balance as at September 30, 2024	39,269,052	35,017,185	\$ -	\$ -	\$ 1,757,632	\$ (33,044,586)	\$ 3,730,230

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

ESGOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

1. NATURE AND CONTINUANCE OF OPERATIONS

ESGold Corp. (the “Company”) is an exploration stage company incorporated under the Canada Business Corporations Act on October 22, 2004. On November 29, 2021, the Company was continued to the governing jurisdiction of British Columbia and on July 14, 2022, it changed its name from Secova Metals Corp. to ESGold Corp.

The Company’s head office and registered office is 488 - 1090 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3V7. The Company’s records office is Royal Centre, 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada.

The Company is in the process of acquiring and evaluating potential exploration projects in Canada. The recoverability of amounts for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

During the year ended June 30, 2024, the Company completed a share consolidation of ten (10) old common shares for one new common share. All common share and per share amounts have been retroactively restated to present the share consolidation.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern. There are many external factors that can adversely affect general workforces, economies and financial markets globally. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company’s business or ability to raise capital.

The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION**Statement of Compliance**

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors on November 11, 2024.

Use of Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Actual results could differ from these estimates.

ESGOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Significant assumptions about the future and other sources of estimation and judgement uncertainty 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:

The Company uses significant judgement in assessing for signs of impairment on the exploration and evaluation assets. Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the good or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

The determination of deferred tax assets and liabilities is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence, and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The Company utilizes significant judgement in assessing its compliance with relevant flow through financing tax requirements including the determination of qualified eligible expenditures to reduce flow through spending obligations.

ESGOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION**Basis of consolidation**

These consolidated financial statements include the financial statements of the Company and the wholly-owned entities controlled by the Company, including 1084409 B.C. Ltd, 1106632 B.C. Ltd, 1095252 B.C. Ltd, 1107136 B.C. Ltd. and 1106541 B.C. Ltd. which are all inactive. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Financial instruments**Financial assets**

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and receivables are measured at amortized cost with subsequent impairments recognized in profit or loss.

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

ESGOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities and loan payable are measured at amortized cost and carried on the statement of financial position at amortized cost.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants, and similar instruments is computed using the treasury stock method. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. Upon expiry or forfeiture, the recorded value is transferred to deficit.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

ESGOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Restricted share units

The Company offers a restricted share units (RSU) plan to its directors, officers, employees or consultant as part of their long-term compensation package, entitling them to receive a payment in the form of common shares of the Company, or cash, or a combination of cash and common shares, at the discretion of the Company. The fair value of the RSU granted to be settled in common shares is measured on the grant date and is recognized over the vesting period under contributed surplus with a corresponding charge to share-based compensation. A liability for the RSU to be settled in cash is measured at fair value on the grant date and is subsequently adjusted at each balance sheet date for changes in fair value. The liability is recognized over the vesting period with a corresponding charge to share-based compensation.

Provisions*a) Environmental rehabilitation provisions*

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated.

Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the statement of loss and comprehensive loss.

b) Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

ESGOLD CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Income taxes

Income tax on the profit or loss for the periods presented 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 shareholders' equity (deficiency), in which case it is recognized in shareholders' equity (deficiency). Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Government assistance and tax credits

Government assistance is recorded as either a reduction of the cost of the applicable asset or credit in the statement of operations and comprehensive loss as determined by the terms and conditions of the agreement under which the assistance is provided to the Company.

Tax credits are recorded as either a reduction of the cost of applicable assets or credited in the statement of operations and comprehensive loss depending on the nature of the expenditures which gave rise to the credits. Claims for tax credits are accrued upon the Company attaining reasonable assurance of collections from the applicable government agency.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operations and has been determined for each entity within the Company. The functional currency for all entities within the company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

Flow-through shares

The Company may from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. When the resource property expenditures are incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders.

ESGOLD CORP.

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(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

The premium is recognized as other income and the related deferred tax is recognized as a tax provision. To the extent that the Company has available tax pools for which the benefit has not been previously recognized as being realizable, the premium is recognized in profit or loss as a deferred income tax recovery to recognize the deferred tax asset offsetting the liability as eligible expenditures are incurred.

Amendments to existing standards and new amendments not yet effective

The Company adopted the following amendments to accounting standards, which are effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The amendment was applied effective July 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at September 30, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on the consolidated financial statements of the Company.

ESGOLD CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

4. EXPLORATION AND EVALUATION ASSETS

	Ottawa River	Montauban	Eagle River	Total
Balance, June 30, 2023	\$ -	\$ 6,702,534	\$ 2,257,025	\$ 8,959,559
Acquisition of project	-	195,527	-	195,527
Acquisition of claims	-	-	-	-
Asset retirement obligation	-	(115,000)	-	115,000
	-	80,527	-	80,527
Exploration and evaluation expenditures				
Project management and travel	-	43,498	-	43,498
Acquisition of equipment	-	-	-	-
Legal	-	222	-	222
Engineering	-	-	-	-
Exploration	-	85,148	-	85,148
	-	128,869	-	128,869
Write-down of Eagle River project	-	-	(2,207,025)	(2,207,025)
Balance, June 30, 2024	\$ -	\$ 6,911,930	\$ 50,000	\$ 6,961,930
Acquisition of project	-	-	-	-
Acquisition of claims	-	-	-	-
Asset retirement obligation	-	-	-	-
	-	-	-	-
Exploration and evaluation expenditures				
Project management and travel	-	3,002	-	3,002
Acquisition of equipment	-	-	-	-
Legal	-	-	-	-
Engineering	-	-	-	-
Exploration	-	-	-	-
	-	3,002	-	3,002
Balance, September 30, 2024	\$ -	\$ 6,914,931	\$ 50,000	\$ 6,964,931

ESGOLD CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Eagle River Property, Quebec

During the year ended June 30, 2017, the Company acquired 1084409 B.C. Ltd., 1106632 B.C. Ltd., 1107136 B.C. Ltd., and 1106541 B.C. Ltd. which owns the Eagle River project located in the Windfall Lake gold district, Quebec.

In October 2021, the Company entered into a purchase agreement with 9093-6725 Quebec Inc. and Randon Ferderber to acquire a 100% interest in 10 claims totalling 565.3 hectares for cash consideration of \$25,000 and a 2% net smelter return. The Company may buy back 1% of the net smelter return for \$1,000,000 and the remaining 1% net smelter return for \$2,000,000. The claims are adjacent to the Company's current Eagle River property holdings and would form part of the Company's Eagle River Property.

On June 30, 2024, the Company determined that the Eagle River property value was impaired and, as a result, was written down to its fair value of \$50,000. A write-off of \$2, 207,025 was taken on the property at June 30, 2024.

Montauban and Chavigny Townships, Quebec

On December 12, 2019, the Company and DNA Canada Inc. ("DNA") entered into a purchase agreement whereby the Company has agreed to acquire mining claims and concessions located in the Montauban and Chavigny townships, in the county of Portneuf, in the province of Quebec, as well as buildings, immovables, and other assets and operating permits located on, or with respect to, the property.

The consideration to be paid to DNA will consist of the issuance of common shares of the Company (the "Shares") in three tranches:

- (i) 1,500,000 shares to be issued four months and one day following the closing;
- (ii) 1,500,000 shares to be issued eight months following the closing; and
- (iii) 2,000,000 shares to be issued one year following the closing of the acquisition.

The 5,000,000 shares were ultimately issued to DNA Canada Inc. in their entirety on May 24, 2023.

As part of the purchase agreement, the Company acquired some equipment and assumed liabilities totalling \$208,290, which were settled in cash.

Completion of the acquisition was conditional upon, among other things, receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange. The Company submitted the acquisition to the TSX Venture Exchange and the Company received approval on November 23, 2020. The transaction was completed during the month of September 2021.

On March 8, 2023, the Company acquired an undivided one hundred percent interest in 25 mining claims totalling 2,360 hectares located in Notre-Dame-de-Montauban, Quebec, augmenting its holdings in the Montauban Project. The Company acquired twenty mining claims in exchange for 20,000 common shares and additionally staked 5 mining claims of open ground adjacent to its main mining claim block.

On July 24, 2023, an additional 926,210 common shares were issued for debt related to the acquisition of Montauban, valued at \$0.20 per share, for a total debt amount assumed of \$185,242.

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Ottawa River Project, Ontario

On May 30, 2022, the Company signed an option agreement with Nepean Bay Joint Venture Inc. ("NBJV"). Under the option agreement, NBJV grants the Company the right to earn 50% interests in the Ottawa River Project. NBJV is the legal and beneficial owner of the land use permit of 2.6 hectares within the bed of the Ottawa River and the owner of any salable residuals from the land use permit. The Company is required to pay \$50,000 to NBJV upon signing of the option agreement, which it made in June 2022. In order to maintain in force the Option granted, and to exercise the Option, the Company must incur any and all approved expenditures for two years to achieve commercial production (defined as when a minimum of 500 ounces of gold has been smelted in a Dore bar) and pay to NBJV \$100,000 during each twelve month period from the date of the option agreement for two years or until commercial production has been achieved. The parties agreed that the Company will be the operator of the Ottawa River Project.

On July 27, 2023, the Company announced it had elected to terminate the earn-in Joint Venture Agreement with Nepean Bay Joint Venture signed on May 30, 2022 for the purpose of jointly exploring and developing the Ottawa River Gold Project. As a result of the agreement termination, Nepean Bay Joint Venture will retain 100% ownership of its Ottawa River Gold property interests. Previously capitalized costs associated with the joint venture were written off at June 30, 2023, amounting to a total of \$241,923.

5. SHARE CAPITAL AND RESERVES**a) Authorized share capital**

The authorized share capital of the Company is an unlimited number of common shares without par value.

b) Issued share capital

At September 30, 2024, there were 46,188,065 (2023: 31,515,978) shares issued and outstanding.

During the year ended June 30, 2024, the Company completed a share consolidation of ten (10) old common shares for one new common share. All common share, option, warrant and per share amounts amounts have been retroactively restated to present the share consolidation.

On July 15, 2022 and July 20, 2022, the Company completed a non-brokered private placement of 3,000,000 units of the Company's securities (the "Units") at a price of \$0.50 per Unit for total consideration of \$1,500,000 (the "Offering"). Each Unit consists of one (1) Share and one-half (1/2) Share purchase warrant (the "Warrants"). Each Warrant will entitle the holder thereof to purchase one additional Share (the "Warrant Shares") at a price of \$1.00 per Warrant Share for twelve (12) months following the closing date of the Offering (the "Closing Date").

On September 13, 2022, the Company granted 54,690 restricted share units of the Company to certain consultants and a new director of the Company and on the same date issued 54,690 common shares for these restricted share units granted, valued at \$0.80 per share for a total value of \$43,750 recorded in stock based compensation.

In October 2022, the Company entered into a settlement agreement with a vendor whereby the Company paid cash of \$100,000 and issued 120,000 common shares in the capital of the Company valued at \$48,000.

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In December 2022, the Company raised gross proceeds of \$559,500 by the issuance of 1,069,000 flow through common shares units (the "Flow-Through Units") at a purchase price of \$0.50 per Flow-Through Unit, and 50,000 non flow-through units (the "Non Flow-Through Units") at a purchase price of \$0.05 per Non Flow-Through Unit (the "December 2022 Offering"). Each Flow-Through Unit consists of one (1) Share and one-half (1/2) Share purchase warrant (the "Warrants") and each Non Flow-Through Units consist of one (1) Share and one Share purchase warrant. Each full Warrant will entitle the holder thereof to purchase one additional Share (the "Warrant Shares") at a price of \$0.75 per Warrant Share for twelve (12) months following the closing date of the Offering (the "Closing Date"). In connection with the closing of the December 2022 Offering, the Company paid an aggregate finders' fees of \$21,630 in cash and issued 36,260 share purchase warrants (the "Finder's Warrants") to certain arms-length finders. Each Finder's Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.75 and expires twelve months from the date of closing of the December 2022 Offering. The Company will use the proceeds from the sale of the Flow-Through Shares to incur flow-through expenditures in the province of Quebec which qualify as 100% Canadian Exploration Expense ("CEE") and renounced said flow-through expenditures to the investors for the taxation year ended December 31, 2022.

On January 13, 2023, the Company granted 760,000 restricted share units of the Company to certain consultants of the Company and on the same date issued 760,000 common shares for these restricted share units granted, valued at \$0.60 per share for a total value of \$456,000 recorded in stock based compensation.

On January 18, 2023, the Company granted 60,000 restricted share units of the Company to the directors of the Company and on the same date issued 60,000 common shares for these restricted share units granted, valued at \$0.70 per share for a total value of \$42,000 recorded in stock based compensation.

On March 2, 2023, the Company acquired an additional 25 mining claims as part of the Montauban project in exchange for 20,000 common shares, valued at \$0.50 per share for a total amount of \$10,000.

On May 24, 2023, the Company issued, after all the conditions had been met in connection with the purchase agreement, 5,000,000 common shares, valued at \$0.50 per share for a total amount of \$2,500,000, to DNA Canada Inc. to complete the transaction. The Company had already shown the shares as committed to be issued as part of shareholders' equity.

On July 24, 2023, an additional 926,210 common shares were issued for debt related to the acquisition of Montauban, valued at \$0.20 per share, for a total debt amount assumed of \$185,242.

On December 13, 2024, the Company granted 150,000 restricted share units of the Company to an officer of the Company and on the same date issued 150,000 common shares for these restricted share units granted, valued at \$0.1325 per share for a total value of \$19,875 recorded in stock based compensation.

On March 6, 2024, the Company completed a non-brokered private placement of 274,074 units of the Company at a price of \$0.135 per unit for total consideration of \$37,000. Each unit consisted of one common share and one half of one common shares purchase warrant. Each whole warrant entitles the holder to acquire one additional common shares for \$0.20 per share expiring March 6, 2025. All the proceeds of the private placement were allocated to the common shares.

On April 10, 2024, the Company granted 1,625,000 restricted share units of the Company to certain officers and directors of the Company and on the same date issued 1,625,000 common shares for these restricted share units granted, valued at \$0.135 per share for a total value of \$219,375 recorded in stock based compensation.

On June 18, 2024, the Company completed a non-brokered private placement of 2,154,000 common shares of the Company at a price of \$0.125 per unit for total consideration of \$269,250.

On May 23, 2024, the Company entered into a settlement agreement with a vendor whereby the Company issued 1,000,000 common shares of the Company valued at \$150,000.

On April 10, 2024 and June 3, 2024, the Company issued a total of 2,550,000 common shares to settle consulting

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fees payable to officers of the Company valued at \$322,926. The Company recorded a loss \$5,324 on settlement of the payable amount.

On July 8, 2024 and August 14, 2024, the Company issued 560,000 and 250,000 common shares, respectively, to suppliers and contractors for services rendered. The common shares were issued at fair value represented by the supplier and contractor invoiced amounts.

On September 27, 2024, the Company, pursuant to a non-brokered private placement, issued 6,109,013 units at a price of \$0.10 per unit, for aggregate gross proceeds of \$610,901. Each unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at an exercise price of \$0.15 per common share for a period of twelve (12) months from the closing date, subject to an acceleration clause in the event the trading price of the shares equals or exceeds \$0.25 for a period of ten (10) consecutive days. In connection with the private placement, the Company will pay a cash finder's fee of \$28,312 and issue 283,121 finder's warrants. The finder's Warrants will be exercisable into common shares for a period of twelve (12) months at an exercise price of \$0.15 per common share.

c) Stock options

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding as at June 30, 2022	<u>1,655,000</u>	0.91
Granted, September 13, 2022	175,000	0.85
Granted, January 13, 2023	200,000	0.60
Granted, January 18, 2023	290,000	0.70
Expired/Cancelled	<u>(330,000)</u>	(1.42)
Outstanding as at June 30, 2023	<u>1,990,000</u>	0.76
Granted	560,000	0.17
Expired/Cancelled	<u>(70,000)</u>	1.50
Outstanding as at June 30, 2024 and September 30, 2024	<u>2,480,000</u>	0.60

There were 2,480,000 stock options outstanding as at September 30, 2024 (2023 – 1,970,000). A total of 2,480,000 stock options are exercisable as at September 30, 2024 (2023 – 1,825,000). The details are summarized as follows:

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Number of Options	Number of Shares		Exercise Price	Expiry Date
	Exercisable			
300,000	300,000		1.50	October 5, 2026
60,000	60,000		0.50	May 3, 2027
855,000	855,000		0.50	May 30, 2027
100,000	100,000		0.50	June 14, 2027
175,000	175,000		0.85	September 12, 2027
200,000	200,000		0.60	January 12, 2026
290,000	290,000		0.70	January 17, 2028
500,000	500,000		0.135	March 1, 2026
2,480,000	2,480,000			

d) Warrants

Warrant transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding at June 30, 2023	<u>2,204,060</u>	0.93
Granted, March 2024 - Private Placement Warrants	137,037	0.20
Expired	<u>(2,204,060)</u>	0.93
Outstanding at June 30, 2024	<u>137,037</u>	0.20
Granted, September 2024 - Private Placement Warrants	<u>6,109,013</u>	0.15
Outstanding at September 30, 2024	<u>6,246,050</u>	0.15

A total of 6,246,050 share purchase warrants were outstanding at September 30, 2024 (2023 – 620,760). 137,037 warrants were issued on March 6, 2024 as part of a private placement financing, and expire on March 6, 2025. 6,109,013 warrants were issued on September 27, 2024 as part of a non-brokered private placement financing, and expire on September 27, 2025.

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e) Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of up to 10 years with vesting determined by the board of directors.

The Company also has a restricted share unit plan which allows for certain discretionary bonuses and similar awards as an incentive and reward for selected director, employee, officer or consultant. The Company issued 1,775,000 restricted share units during year ended June 30, 2024 (2023 – 1,024,688). Under the plan the exercise price of each restricted share unit ("RSU") equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The RSUs can be granted with vesting determined by the board of directors.

The maximum aggregate number of common shares that may be reserved for issuance under the share option plan and the restricted share unit plan combined, at any point in time is 10% of the outstanding common shares at the time of the grant.

The Company recognized share-based payments expense of \$Nil during the three-month period ended September 30, 2024 (2023 - \$Nil). During the year ended June 30, 2024, the Company granted 560,000 (2023 – 665,000) stock options and 1,775,000 (2023 – 1,024,688) restricted share units. The Company recognized share-based payments expense of 437,470 during the year ended June 30, 2024 (2023 - \$1,179,408). A total of 60,000 stock options and 1,775,000 restricted share units were issued to Officers and Directors of the Company during the year ended June 30, 2024 (2023 – 390,000 stock options and 600,000 restricted share units).

The following assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the year:

	For the year ended June 30,	
	2024	2023
Risk-free interest rate	2.73% & 4.10%	3.23% to 3.88%
Expected life of options	2 to 5 years	3 to 5 years
Expected annualized volatility	150%	150%
Dividend yield	0%	0%

6. RELATED PARTY TRANSACTIONS

Key management personnel comprise of the Chief Executive Officer, the President, the Chief Financial Officer and the Directors of the Company.

A total of \$97,500 was included in the financial statements as earned by the Chief Executive Officer, the President and the Chief Financial Officer during the three-month period ended September 30, 2024 (2023 - \$126,250). Amounts included in accounts payable from these officers at September 30, 2024 was \$82,917 (2023 - \$15,833).

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7. COMMITMENTS

During the year ended June 30, 2019, the Company received \$787,000 as a result of flow through share financings. To comply with Canadian tax law, the Company is required to incur these funds on Canadian eligible exploration expenditures prior to December 31, 2020. As at June 30, 2021, \$787,000 of these flow through funds remain unspent prior to December 31, 2020. As a result, pending any extension being granted, the flow-through premium liability has been reduced to \$Nil by recognizing other income of \$137,933, and the Company has recorded a provision of \$757,000 towards Part XII.6 tax and potential indemnification of tax liabilities to purchasers of the flow-through shares.

During the year ended June 30, 2022, the Company received \$2,356,923 as a result of flow through share financings. To comply with Canadian tax law, the Company is required to incur these funds on Canadian eligible exploration expenditures prior to December 31, 2022. As at June 30, 2023, \$1,554,953 of these flow through funds remain unspent prior to December 31, 2022. As a result, pending any extension being granted, the flow-through premium liability has been reduced to \$Nil by recognizing other income of \$533,813, and the Company has recorded a provision of \$1,325,000 towards Part XII.6 tax and potential indemnification of tax liabilities to purchasers of the flow-through shares.

8. ASSET RETIREMENT OBLIGATION

	June 30. 2024	June 30. 2023
Opening balance	515,000	306,100
Change in estimate	(115,000)	208,900
Closing balance	400,000	515,000

The Company's asset retirement obligation ("ARO") represents management's best estimate of the present value of costs that are expected to be incurred to dismantle the building for its Montauban project at the end of the project. Based on the current expected life of the project, these costs are not expected to begin until approximately 10 years after the start of operation of the project. For the estimate as at June 30, 2024, the Company used an inflation rate of 3.29% and a discount rate of 3.5% in calculating the present value of the obligation.

9. LOANS PAYABLE

The Company received loans of \$171,250 during the year ended June 30, 2024 from private investors. The loans are unsecured and bear interest at various interest rates ranging from 1% to 12%. A certain loan in the amount of \$150,000, at an interest rate of 12%, has a term of six months and can be renewed for an additional six months, and repayable in full at that time, and is still outstanding at June 30, 2024. A repayment of \$10,000 was made against the other loans received during the year.

The Company also received \$40,000 in the fiscal year ended June 30, 2020 under the terms of the Canadian Emergency Business Account Program ("CEBA"). This CEBA note payable does not bear interest and if repaid in full by December 31, 2023, 25% of the balance will be forgiven. If not repaid by December 31, 2023, the Company will have the option for a 2-year term extension on the unpaid balance of the note bearing interest at the rate of 5% per annum. The loan must be repaid in full by December 31, 2025. At June 30, 2024, the CEBA note payable is still outstanding

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10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate their carrying value due to the short-term nature of the instruments. The Company's marketable securities are valued under the fair value hierarchy based on level 1 quoted prices in active markets for identical assets or liabilities.

Financial risk factors

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash, receivables and advances. The Company's cash is held at a large Canadian financial institution in interest bearing accounts for which management believes the risk of loss to be minimal. Receivables consist of GST receivable from the government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is have sufficient liquidity to meet liabilities when due.

As at September 30, 2024, the Company had a working capital deficit of \$712,701 (2023 – \$893,734) and current liabilities of \$1,350,806 (2023 - \$987,622). While the Company has been successful in obtaining its required funding in the past there is no assurance that this financing will be extended or that any additional future financing will be available. The Company continues to investigate financing options, including private placements.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

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.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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c) Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies, primarily through the Company's subsidiary located in the USA. Through this, the Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in US Dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and development of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the 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 the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company did not change the ways it manages its capital during the year ended June 30, 2024.

11. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition, exploration and evaluation of mineral properties in Canada.