

# **CANARY GOLD CORP.**

**Condensed Interim Consolidated Financial Statements**

**For the three months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Financial Statements for the Three Months Ended September 30, 2024 and 2023**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Canary Gold Corp. for the interim periods ended September 30, 2024 and 2023, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility management.

The independent auditors, MNP LLP, have not performed a review of these condensed interim financial statements.

November 26, 2024

**CANARY GOLD CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	Note	September 30, 2024	June 30, 2024
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		273	4,983
GST/HST receivable		7,405	12,908
Prepaid expenses	5	293,436	293,436
		<b>301,114</b>	<b>311,327</b>
Exploration and evaluation asset	6	100,000	100,000
<b>Total assets</b>		<b>401,114</b>	<b>411,327</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	553,954	502,657
Subscription liability	8	10,000	10,000
<b>Total liabilities</b>		<b>563,954</b>	<b>512,657</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Share capital	7(b)	1,661,115	1,661,115
Reserves		19,014	19,014
Accumulated other comprehensive income		1,814	2,996
Deficit		(1,844,783)	(1,784,455)
<b>Total shareholders' deficiency</b>		<b>(162,840)</b>	<b>(101,330)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>401,114</b>	<b>411,327</b>

Nature of operations and going concern (Note 1)

Subsequent event (Note 11)

Approved and authorized for issue on behalf of the Board of Directors.

*/s/ Andrew Lee Smith*

Director

*/s/ Al Kanji*

Director

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

**CANARY GOLD CORP.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended September 30,	
		2024	2023
		\$	\$
<b>Operating expenses</b>			
Corporate development		22,500	-
Director and management fees	8	30,000	52,500
Exploration and evaluation	6,8	11,078	76,793
Filing fees		150	5,000
General and administrative		10,233	9,438
Insurance		8,469	-
Marketing fees		21,000	5,000
Professional fees	8	103,898	63,086
Travel and meals		-	12,031
		<b>(207,328)</b>	<b>(223,848)</b>
Foreign exchange loss		-	(3,422)
Gain on debt forgiveness	8	147,000	-
<b>Net loss</b>		<b>(60,328)</b>	<b>(227,270)</b>
Translation of foreign operations to presentation currency		<b>(1,182)</b>	-
<b>Comprehensive loss</b>		<b>(61,510)</b>	<b>(227,270)</b>
<b>Net loss per share:</b>			
Basic and diluted		<b>(0.00)</b>	(0.01)
<b>Weighted average number of common shares:</b>			
Basic and diluted		<b>30,288,502</b>	26,360,582

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

**CANARY GOLD CORP.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30,	
	2024	2023
	\$	\$
<b>Operating activities:</b>		
Net loss for the period	<b>(60,328)</b>	(227,270)
Changes in non-cash working capital:		
GST/HST receivable	<b>5,503</b>	(7,697)
Prepaid expenses	-	(293,101)
Accounts payable and accrued liabilities	<b>51,297</b>	58,946
<b>Cash used in operating activities</b>	<b>(3,528)</b>	(469,122)
<b>Financing activities:</b>		
Proceeds from common shares issued in private placements	-	150,000
Shares issuance costs	-	(9,000)
<b>Cash provided by financing activities</b>	-	141,000
Effect of exchange rate on changes in cash	<b>(1,182)</b>	-
Net change in cash	<b>(3,528)</b>	(328,122)
Cash, beginning of period	<b>4,983</b>	399,348
<b>Cash, end of period</b>	<b>273</b>	71,226
<b>Supplemental cash flow information:</b>		
Cash interest paid	-	-
Cash income tax paid	-	-

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

**CANARY GOLD CORP.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	<b>Common shares</b>	<b>Share capital</b>	<b>Reserves</b>	<b>Accumulated other comprehensive income</b>	<b>Deficit</b>	<b>Total shareholders' equity (deficiency)</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, June 30, 2023	26,186,669	1,099,970	-	-	(548,586)	551,384
Shares issued for cash	1,000,000	150,000	-	-	-	150,000
Share issuance costs	-	(13,884)	4,884	-	-	(9,000)
Net loss for the period	-	-	-	-	(227,270)	(227,270)
Balance, September 30, 2023	27,186,669	1,236,086	4,884	-	(775,856)	465,114
Common shares issued in private placements	3,101,833	465,275	-	-	-	465,275
Share issuance costs	-	(40,246)	14,130	-	-	(26,116)
Translation of foreign operations to presentation currency	-	-	-	2,996	-	2,996
Net loss for the period	-	-	-	-	(1,008,599)	(1,008,599)
Balance, June 30, 2024	30,288,502	1,661,115	19,014	2,996	(1,784,455)	(101,330)
Translation of foreign operations to presentation currency	-	-	-	(1,182)	-	(1,182)
Net loss for the period	-	-	-	-	(60,328)	(60,328)
<b>Balance, September 30, 2024</b>	<b>30,288,502</b>	<b>1,661,115</b>	<b>19,014</b>	<b>1,814</b>	<b>(1,844,783)</b>	<b>(162,840)</b>

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

## **CANARY GOLD CORP.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

#### **For the three months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

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

Canary Gold Corp. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on May 9, 2022. The Company is a junior mineral exploration company engaged in the acquisition, exploration, and evaluation of natural resource properties in Brazil. The Company currently has an option agreement on the New Frontiers Project located in the Madeira River valley, Rondônia, Brazil. The Company's registered and records office is located at 200-551 Howe St., Vancouver, British Columbia, Canada, V6C 2C2.

On November 15, 2024, the Company completed its initial public offering (the "Offering"). The Offering consisted of 12,951,556 units of the Company at a price of \$0.17 per unit for gross proceeds of \$2,201,765. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.25 and will expire on November 15, 2025. The Company's common shares began trading on the Canadian Securities Exchange (the "CSE") at the market opening on November 18, 2024, under the symbol "BRAZ".

These unaudited condensed interim consolidated financial statements for the three months ended September 30, 2024 and 2023 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company has incurred losses since inception and at September 30, 2024 had an accumulated deficit of \$1,844,783 (June 30, 2024 - \$1,784,455). As at September 30, 2024, the Company had cash of \$273 (June 30, 2024 - \$4,983) and a working capital deficiency of \$262,840 (June 30, 2024 - \$201,330). The Company may require additional financing, either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative obligations and to continue to explore and develop its exploration and evaluation assets. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

These financial statements were approved by the Board of Directors and authorized for issue on November 26, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the year ended June 30, 2024 and the period from incorporation on May 9, 2022 to June 30, 2023 (the "Annual Financial Statements").

### **b) Basis of presentation**

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below.

## **CANARY GOLD CORP.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

#### **For the three months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

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## **2. BASIS OF PREPARATION (continued)**

### **c) Functional and presentation currency**

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary is the Brazilian real. The financial statements are presented in Canadian dollars, except as otherwise noted. References to "CAD" are to Canadian dollars, references to "BRL" are to Brazilian reals.

### **d) Basis of consolidation**

Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. All intercompany balances, transactions and expenses have been eliminated on consolidation.

These financial statements include the accounts of the Company and its wholly owned subsidiary Canary Gold Mineracao Ltda from its incorporation date in Brazil on July 11, 2023.

## **3. MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements, except for the following pronouncements which became effective for periods beginning on or after July 1, 2024.

### Classification of liabilities as current or non-current - amendments to IAS 1

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Company's liabilities

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

## **4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed its Annual Financial Statements.



**CANARY GOLD CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**5. PREPAID EXPENSES**

A summary of the Company's prepaid expenses is as follows:

	<b>September 30, 2024</b>	June 30, 2024
	<b>\$</b>	<b>\$</b>
Exploration and evaluation	<b>278,436</b>	278,436
General and administrative	<b>15,000</b>	15,000
	<b>293,436</b>	293,436

**6. EXPLORATION AND EVALUATION**

As at September 30, 2024, June 30, 2024 and June 30, 2023 the carrying value of the Company's exploration and evaluation asset was \$100,000 representing a \$25,000 cash payment made on October 19, 2022 and \$75,000 fair value of 500,000 common shares issued by the Company on March 7, 2023.

A summary of the Company's exploration and evaluation expenses is as follows:

	Three months ended September 30, 2024	September 30, 2023
	<b>\$</b>	<b>\$</b>
General and administrative	-	6,207
Geological consulting	<b>11,078</b>	-
Geophysics	-	16,238
Other exploration services	-	6,677
Project management	-	47,671
	<b>11,078</b>	76,793

On March 6, 2023, the Company entered into an option agreement (the "Agreement") with New Frontiers Gold Mineracao Ltda. (the "Optionor"). The Optionor is the legal and beneficial holder of certain properties located in the State of Rondonia, Brazil ("New Frontiers Project"). Pursuant to the Agreement, the Company has the option to acquire an undivided 70% interest in the New Frontiers Project.

On April 1, 2024, the Company and the Optionor amended the Agreement. Under the terms of the amended the Agreement, the Company is entitled to acquire an initial 49% undivided interest in the New Frontiers Project for the following consideration (the "First Installment"):

<b>Date</b>	<b>Option payments</b>	<b>Minimum exploration expenditures</b>
Initial payment	<ul style="list-style-type: none"> <li>• \$25,000 cash (paid on October 19, 2022)</li> <li>• issue 500,000 common shares of the Company (issued on March 6, 2023)</li> </ul>	Not applicable
No later than 10 days following the Company's initial public offering	<ul style="list-style-type: none"> <li>• \$125,000 cash</li> <li>• issue common shares of the Company with an aggregate value of \$100,000</li> </ul>	Not applicable
On or before April 1, 2026	<ul style="list-style-type: none"> <li>• \$200,000 cash</li> <li>• issue common shares of the Company with an aggregate value of \$200,000</li> </ul>	\$2,500,000
On or before April 1, 2027	<ul style="list-style-type: none"> <li>• \$500,000 cash</li> <li>• issue common shares of the Company with an aggregate value of \$500,000</li> </ul>	\$2,500,000

In addition, on or before April 1, 2027, the Company must provide a technical report prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* that includes a mineral resource estimate in respect of the New Frontiers Project.

**CANARY GOLD CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**For the three months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

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**6. EXPLORATION AND EVALUATION (continued)**

Following the completion of the First Installment shown above, the Company is entitled to acquire an additional 21% undivided interest by funding all of the costs associated with a development program required for the delivery of a “preliminary economic assessment” within two years of completing the First Installment.

**7. SHARE CAPITAL**

**a) Authorized**

The Company is authorized to issue an unlimited number of common shares without par value.

**b) Issued and outstanding**

During the three months ended September 30, 2024, the Company had no share capital transactions.

During the year ended June 30, 2024, the Company had the following share capital transactions:

- On September 15, 2023, the Company closed a private placement and issued 1,000,000 common shares at a price of \$0.15 per share for gross proceeds of \$150,000. In connection with the private placement, the Company paid cash finders' fees of \$9,000 and issued 60,000 finders' warrants with a total fair value of \$4,884. Each finders' warrant is exercisable at a price of \$0.15 and expires on September 15, 2025.
- On November 17, 2023, the Company closed a private placement and issued 1,783,333 common shares at a price of \$0.15 per share for gross proceeds of \$267,500. In connection with the private placement, the Company paid cash finders' fees of \$16,050 and issued 107,000 finders' warrants with a total fair value of \$8,693. Each finders' warrant is exercisable at a price of \$0.15 and expires on November 17, 2025.
- On December 21, 2023, the Company closed a private placement and issued 453,500 common shares at a price of \$0.15 per share for gross proceeds of \$68,025. In connection with the private placement, the Company paid cash finders' fees of \$4,081 and issued 27,210 finders' warrants with a total fair value of \$2,201. Each finders' warrant is exercisable at a price of \$0.15 and expires on December 21, 2025.
- On February 28, 2024 the Company closed a private placement and issued 665,000 common shares at a price of \$0.15 per share for gross proceeds of \$99,750. In connection with the private placement, the Company paid cash finder's fees of \$5,985 and issued 39,900 finders' warrants with a total fair value of \$3,236. Each finders' warrant is exercisable at a price of \$0.15 and expires on February 28, 2026.
- On March 8, 2024, the Company closed a private placement with the Company's directors and issued 200,000 common shares at a price of \$0.15 per share for gross proceeds of \$30,000 (Note 8).

**c) Escrowed shares**

In accordance with applicable securities rules and policies of the CSE, the Company entered into an escrow agreement (the “Escrow Agreement”) on September 23, 2024 with certain shareholders, resulting in 10,250,001 common shares (the “Escrowed Shares”), representing 33.84% of the issued and outstanding common shares of the Company prior to the completion of the initial public offering, being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrowed Shares will be released from escrow on the listing date (the “Initial Release”) and an additional 15% to be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the Initial Release. These Escrowed Shares may not be transferred, sold, pledged, or otherwise disposed of without the consent of the regulatory authorities.

As at September 30, 2024, no shares have been released from escrow and 10,250,001 common shares remain subject to escrow.

On November 15, 2024, 1,025,000 common shares were released from escrow (Note 11).

**CANARY GOLD CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended September 30, 2024 and 2023**  
(Unaudited - Expressed in Canadian dollars, except where noted)

**7. SHARE CAPITAL (continued)**

**d) Finders' warrants**

A summary of Company's finders' warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, June 30, 2023	-	-
Issued	234,110	0.15
<b>Balance, September 30, 2024 and June 30, 2024</b>	<b>234,110</b>	<b>0.15</b>

A summary of the Company's outstanding finders' warrants as at September 30, 2024, is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
September 15, 2025	60,000	0.15	0.96
November 17, 2025	107,000	0.15	1.13
December 21, 2025	27,210	0.15	1.22
February 28, 2026	39,900	0.15	1.41
	<b>234,110</b>	<b>0.15</b>	<b>1.15</b>

As at September 30, 2024, the weighted average remaining contractual life of outstanding finders' warrants is 1.15 years (June 30, 2024 - 1.40 years).

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for finders' warrants issued during the year ended June 30, 2024, is as follows:

Share price	\$0.15
Exercise price	\$0.15
Expected life	2 years
Risk-free interest rate	4.44%
Expected volatility	100.00%
Expected annual dividend yield	0.00%

**8. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's related party transactions is as follows:

	Three months ended September 30,	
	2024	2023
	\$	\$
<b>Operating expenses</b>		
Director and management fees	30,000	52,500
Exploration and evaluation	-	47,671
Professional fees	14,350	2,425
	<b>44,350</b>	<b>102,596</b>
<b>Other income</b>		
Gain on debt forgiveness	<b>(84,000)</b>	-

**CANARY GOLD CORP.****Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

**8. RELATED PARTY TRANSACTIONS (continued)**

As at September 30, 2024, \$41,914 was included in accounts payable and accrued liabilities for amounts due to companies controlled by officers (June 30, 2024 - \$78,346). The amounts due are unsecured, due on demand and are non-interest bearing.

In March 2024, the Company received \$10,000 from its directors in exchange for a future share issuance. The amount received was recorded as subscription liability on the consolidated statements of financial position.

On March 8, 2024, the Company closed a private placement with the Company's directors and issued 200,000 common shares at a price of \$0.15 per share for gross proceeds of \$30,000 (Note 7(b)).

On August 31, 2024, the Company entered into debt waiver agreements with total value of \$147,000, of which \$84,000 was owed to Iron Mask Explorations Limited ("IME"), an entity controlled by the Company's CEO. Under the agreement, IME forgave a total of \$84,000 in accounts payable related to past management services from January 1, 2024 to August 31, 2024.

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at September 30, 2024, the Company's financial instruments are comprised of cash, accounts payable and accrued liabilities and subscription liability which are classified as and measured at amortized cost. The carrying value of cash, accounts payable and accrued liabilities, and subscription liability approximate their respective fair values due to the short-term nature of these financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**a) Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk to be minimal.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable, accrued liabilities and subscription liability. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. At September 30, 2024, the Company had cash of \$273 (June 30, 2024 - \$4,983) and a working capital deficiency of \$262,840 (June 30, 2024 - \$201,330). The Company will require additional funding to meet its financial obligations in the near term. There is no assurance that the necessary financing will be available in a timely manner or on terms acceptable to the Company. Refer to Note 1 with respect to going concern matters.

**c) Foreign exchange risk**

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the Brazilian real. The sensitivity of the Company's profit or loss to changes in the exchange rate between the Canadian dollar to the Brazilian real would be as follows: a 1% change in the Canadian dollar exchange rate relative to the Brazilian real would change the Company's net loss by approximately \$1,355 (June 30, 2024 - \$1,072).

A summary of the Company's financial liabilities that are denominated in the Brazilian real is as follows:

	<b>September 30, 2024</b>	June 30, 2024
	\$	\$
Accounts payable and accrued liabilities	<b>135,471</b>	107,153

**CANARY GOLD CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**For the three months ended September 30, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**d) Geopolitical risk**

Geopolitical risk is the risk that the fair value of financial instruments will fluctuate if there is a sudden and rapid destabilization of global financial conditions in response to future events, as government authorities may have limited resources to respond to the current or future crisis. Future crises may be precipitated by any number of factors outside the Company's control, including another pandemic, natural disasters, geopolitical instability, supply chain constraints or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability to obtain equity or debt financing or make other suitable arrangements to operate and/or finance its projects. In the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Company's results of operations and financial condition could be adversely affected.

**10. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of its exploration and evaluation asset.

The Company obtains funding primarily through issuing common shares. The Company's capital structure consists of all components of shareholders' deficiency, which was \$162,840 as at September 30, 2024 (June 30, 2024 - \$101,330). The Company manages its capital structure and makes adjustments to it for changes in economic conditions and the risk characteristics of the underlying assets, being its exploration and evaluation asset.

In order to maintain or adjust its capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. Management reviews the Company's capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the three months ended September 30, 2024.

**11. SUBSEQUENT EVENTS**

On October 18, 2024, the Company entered into a \$44,900 loan agreement (the "Loan Amount") with the Chief Executive Officer of the Company. The loan bears a transaction fee of \$2,500 (the "Fee") and is interest-free if repaid in full, including the Fee, by November 30, 2024. If not repaid in full on time, the outstanding balance including the Loan Amount and the Fee will bear interest at 5.0% per annum accrued monthly. On November 22, 2024, the Company fully repaid the Loan Amount and the Fee.

On November 15, 2024, the Company completed its initial public offering (Note 1). The Offering consisted of 12,951,556 units of the Company at a price of \$0.17 per unit for gross proceeds of \$2,201,765. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.25 and will expire on November 15, 2025. If the closing price of the shares on the CSE is at or above \$0.50 per share for a period of 30 consecutive trading days, the Company may elect to accelerate the expiry date of the warrants to a date that is 30 calendar days from the date when written notice of the new expiry date is provided to warrant holders. In connection with the Offering, the Company paid cash \$132,106 commissions and granted non-transferrable warrants entitling the holder thereof to purchase up to 777,093 common shares of the Company at a price of \$0.17 until November 15, 2025. In addition to reimbursement of certain expenses, the Company paid a corporate finance fee of \$50,000 to a certain agent, of which \$25,000 was paid in cash and \$25,000 was paid through the issuance of 147,059 common shares at a price of \$0.17 per common share. The net proceeds of the Offering will be used by the Company to further the advancement of the New Frontiers Project and for general working capital.

On November 15, 2024, in connection with the Offering the Company issued 4,532,500 stock options to certain directors, officers and consultants of the Company. Each stock option is exercisable into one common share at an exercise price of \$0.17 and will expire on November 15, 2029.

On November 15, 2024, 1,025,000 common shares were released from escrow (Note 7c).

On November 18, 2024, the Company's common shares began trading on the CSE at the market opening, under the symbol "BRAZ".