



Canary Gold Issues Shares in Connection with Rio Madeira Property Option Agreement

Vancouver, British Columbia, December 4, 2024 – Canary Gold Corp. (CSE: BRAZ) (the “Company” or “Canary Gold”) announces issuance of shares in connection with Rio Madeira Property Option Agreement.

In connection with the amended and restated option agreement (the “Option Agreement”) dated April 1, 2024 between the Company and New Frontiers Gold Mineração Ltda. (“New Frontiers”), the Company has issued 465,116 common shares from its share capital to New Frontiers as partial payment under the First Installment (as defined below).

Pursuant to the Option Agreement, the Company has an option to acquire up to a 70% undivided interest in the Rio Madeira Property, which consists of an aggregate of eight exploration license applications covering an area of 68,445 hectares in Rondônia State, Brazil, by taking the following actions:

First Instalment

To acquire an initial 49% undivided interest in and to the Rio Madeira Property (the “**First Instalment**”), the Company must:

- (a) on the execution of the original option agreement, pay \$25,000 in cash and issue 500,000 common shares to New Frontiers (which is completed);
- (b) no later than within ten (10) business days of the completion of the Company’s initial public offering:
 - (i) pay \$125,000 to New Frontiers;
 - (ii) issue that number of common shares to New Frontiers equal to an aggregate deemed value of \$100,000 (465,116 common shares were issued on December 4, 2024, representing a price per share of \$0.215);
- (c) on or before April 1, 2026:
 - (i) pay an additional \$200,000 to New Frontiers;
 - (ii) issue an additional number of common shares to New Frontiers that is equal to an aggregate deemed value of \$200,000; and
 - (iii) incur \$2,500,000 in exploration expenditures;
- (d) on or before April 1, 2027:
 - (i) pay an additional \$500,000 to New Frontiers;
 - (ii) issue an additional number of common shares to New Frontiers that is equal to an aggregate deemed value of \$500,000;
 - (iii) incur an additional \$2,500,000 in exploration expenditures; and

- (iv) provide a technical report prepared in accordance with NI 43-101 that includes a mineral resource estimate in respect of the Rio Madeira Property.

Second Instalment

To acquire an additional 21% indirect undivided interest (the “**Second Instalment**”), the Company must fund (or reimburse New Frontiers) 100% of the costs associated with a development program required to deliver a “preliminary economic assessment” (as such term is defined in NI 43-101 - *Standards of Disclosure for Mineral Projects*) in respect of the Rio Madeira Property within two years of completing the First Instalment.

For compliance purposes with the Brazil Frontiers Zone Law, the Company acknowledges that it will be limited to a 49% direct equity participation in the Rio Madeira Property, however, it will be entitled to a 70% indirect equity participation under a separate agreement. Alternatively, the Company and New Frontiers may agree to a contractual structure whereby (i) the Company will be capped at a 49% direct equity participation (representing a 70% indirect equity participation under a separate agreement) in the Border Zone Claims (as defined in the Option Agreement), and (ii) a 70% direct equity participation in the Outside the Border Zone Claims (as defined in the Option Agreement). The definitive contractual structure will be defined in meetings between New Frontiers and the Brazilian Mining Agency, which result will be subject to the final approval of Brazil’s National Defense Council as far as the Border Zone Claims are concerned.

The Company may, in its sole discretion, accelerate the exercise of the First Instalment and/or the Second Instalment by issuing the applicable common shares pursuant to the First Instalment and incurring the requisite exploration expenditures set forth above, respectively, prior to the respective due date.

All securities issued in connection with the Option Agreement are subject to a statutory hold period expiring four months and one day after the date of issuance.

About Canary Gold Corp.

Canary Gold Corp. is a mineral exploration company whose principal business is the acquisition and exploration of gold mineral exploration properties, with a focus in Rondônia, Brazil. The Company may acquire up to a 70% undivided right, title and interest in one gold mineral property in Brazil, the Rio Madeira Property. The Rio Madeira Property consists of an aggregate of eight applications for exploration licenses covering an area of 68,445 hectares in Rondônia, Brazil.

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Disclaimer Regarding Forward-Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipates”, “expects”, “believes”, and similar expressions or the negative of these words or other comparable terminology. All statements, other than statements of historical fact, included in this release, including, without limitation, statements regarding the receipt of shareholder and Canadian Securities Exchange approval of the grant of stock options, payment by the Company of the First Installment or the Second Installment, the

Company's acquisition of an interest in the Rio Madeira Property, and the Company's planned exploration programs and drill programs and potential significance of results, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include but are not limited to the risks detailed in the Company's Prospectus and in the continuous disclosure filings made by the Company with securities regulations from time to time. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements only as expressly required by applicable law.

No securities exchange or commission has reviewed or accepts responsibility for the adequacy or accuracy of this release.