CANAGOLD

CANAGOLD RESOURCES LTD.

First Quarter Report

Condensed Consolidated Interim Financial Statements

(expressed in United States dollars)

Three Months ended March 31, 2024

(Unaudited – Prepared by Management)

Notice of No Auditor Review of

Unaudited Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2024

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Canagold Resources Ltd. (the "Company") for the three months ended March 31, 2024 (the "Financial Statements") have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors. The Financial Statements are stated in terms of United States dollars, unless otherwise indicated, and are prepared in accordance with International Accounting Standards 34 ("IAS 34") and International Financial Reporting Standards ("IFRS").

CANAGOLD RESOURCES LTD.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Prepared by Management)

(expressed in thousands of United States dollars)

	Notes	**March 31, 2024**	December 31, 2023
ASSETS			
CURRENT ASSETS			
Cash		**$ 4,951**	$ 2,811
Marketable securities	6	**1,748**	1,534
Receivables and prepaids	15(d)	**898**	924
Total Current Assets		**7,597**	5,269
NON-CURRENT ASSETS			
Mineral property interests	7	**27,294**	27,508
Mineral property deposits		**148**	152
Equipment	8	**270**	297
Total Non-Current Assets		**27,711**	27,957
Total Assets		**$ 35,308**	$ 33,226
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	12	**$ 452**	$ 652
Flow through premium liability	9(a)	**260**	-
Lease liability, current	9(c)	**62**	62
Total Current Liabilities		**774**	714
LONG TERM LIABILITIES		-	
Deferred compensation liability		**272**	244
Lease Liability, Long term	9(c)	**135**	153
Deferred income tax liability	15	**1,344**	1,377
Total Long Term Liabilities		**1,751**	1,774
Total Liabilities		**2,525**	2,488
SHAREHOLDERS' EQUITY			
Share capital	10(b)	**91,539**	88,768
Reserve for share-based payments		**683**	656
Accumulated other comprehensive loss		**(3,859)**	(3,170)
Deficit		**(55,580)**	(55,516)
Total Shareholders' Equity		**32,782**	30,738
Total Liabilities and Shareholders' Equity		**$ 35,308**	$ 33,226

Nature of operations and going concern (Note 1)
Commitments (Note 14)

Refer to the accompanying notes to the condensed consolidated interim financial statements.

Approved on behalf of the Board:

/s/ Sofia Bianchi
Director

/s/ Andrew Trow
Director

CANAGOLD RESOURCES LTD.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(Unaudited – Prepared by Management)
(expressed in thousands of United States dollars, except per share amounts)

	Notes		Three Months ended March 31, 2024		2023
Expenses:					
Amortization	8	**$**	**20**	$	20
Corporate development	12		**45**		73
Employee and director remuneration	12		**144**		147
General and administrative	11 and 12		**96**		116
Share-based payments	10(c) and 12		**61**		-
Operating loss			**(366)**		(356)
Interest income			**22**		10
Change in fair value of marketable securities	6		**252**		61
Interest and finance charges	9(b), (c) and (d)		**(3)**		(5)
Foreign exchange gain			**32**		38
Net loss before income tax			**(64)**		(252)
Net loss for the period			**(64)**		(252)
Other comprehensive income (loss):					
Items that will not be reclassified into profit or loss:					
Foreign currency translation adjustment			**(689)**		80
Comprehensive income (loss) for the period		**$**	**(753)**	$	(172)
Basic and diluted loss per share		**$**	**-**	$	-
Weighted average number of shares outstanding			**158,579,504**		136,889,394

Refer to the accompanying notes to the condensed consolidated interim financial statements.

CANAGOLD RESOURCES LTD.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited – Prepared by Management)

(expressed in thousands of United States dollars, except per share amounts)

	Share Capital		Reserve for	Accumulated Other		
	Number of Shares	Amount	Share-Based Payments	Comprehensive Income (Loss)	Deficit	Total
Balance, December 31, 2022	136,889,394	$ 85,465	$ 815	$ (3,990)	$ (52,777)	$ 29,513
Private placement	21,000,000	3,315	-	-	-	3,315
Share issue expenses	-	(12)	-	-	-	(12)
Reserve for share-based payments	-	-	152	-	-	152
Cancellation and expiration of stock options	-	-	(311)	-	311	-
Comprehensive loss for the year	-	-	-	820	(3,050)	(2,230)
Balance, December 31, 2023	157,889,394	88,768	656	(3,170)	(55,516)	30,738
Private placement	15,700,000	2,781	-	-	-	2,781
Share issue expenses	-	(10)	-	-	-	(10)
Reserve for share-based payments	-	-	27	-	-	27
Comprehensive income (loss) for the period	-	-	-	(689)	(64)	(753)
Balance, March 31, 2024	173,589,394	$ 91,539	$ 683	$ (3,859)	$ (55,580)	$ 32,782
Balance, December 31, 2022	82,509,596	$ 77,753	$ 1,676	$ (2,049)	$ (51,087)	$ 26,293
Private placement	4,050,000	1,264	-	-	-	1,264
Share issue expenses	-	(26)	-	-	-	(26)
Share-based payments	-	-	84	-	-	84
Comprehensive income (loss) for the period	-	-	-	354	(249)	105
Balance, March 31, 2023	86,559,596	$ 78,991	$ 1,760	$ (1,695)	$ (51,336)	$ 27,720

Refer to the accompanying notes to the condensed consolidated interim financial statements.

CANAGOLD RESOURCES LTD.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

(expressed in thousands of United States dollars)

	Three Months ended March 31, 2024	2023
Cash provided from (used by):		
Operations:		
Loss for the period	**$ (64)**	$ (252)
Items not involving cash:		
Accrued interest	**3**	4
Amortization	**20**	20
Share-based payments	**61**	-
Change in fair value of marketable securities	**(252)**	61
	(231)	(167)
Changes in non-cash working capital items:		
Receivables and prepaids	**26**	(43)
Accounts payable and accrued liabilities	**(200)**	(451)
Cash used by operating activities	**(405)**	(661)
Financing:		
Issuance of common shares, net of share issuance costs	**3,031**	-
Lease payments	**(62)**	(16)
Cash provided from (used by) financing activities	**2,969**	(16)
Investing:		
Proceeds from disposition of marketable securities	**-**	123
Mineral property interests, net of recoveries	**(418)**	(877)
Cash used by investing activities	**(418)**	(754)
Unrealized foreign exchange gain (loss) on cash	**(6)**	2
Decrease in cash	**2,140**	(1,429)
Cash, beginning of period	**2,811**	3,825
Cash, end of period	**$ 4,951**	$ 2,396
Income tax paid	$ -	-
Interest paid	$ -	-

Refer to the accompanying notes to the condensed consolidated interim financial statements.

1. Nature of Operations and Going Concern

Canagold Resources Ltd. (the "Company"), a company incorporated under the laws of British Columbia on January 22, 1987, is in the mineral exploration business and has not yet determined whether its mineral property interests contain reserves. The recoverability of amounts capitalized for mineral property interests is dependent upon the existence of reserves in its mineral property interests, the ability of the Company to arrange appropriate financing and receive necessary permitting for the exploration and development of its mineral property interests, and upon future profitable production or proceeds from the disposition thereof. The address of the Company's registered office is #1500 – 1055 West Georgia Street, Vancouver, BC, Canada, V6E 4N7 and its principal place of business is #1250 – 625 Howe Street, Vancouver, BC, Canada, V6C 2T6.

The Company has no operating revenues, has incurred a significant net loss of $64,000 for the three months ended March 31, 2024 (March 31, 2023 - $252,000) and has a deficit of $55.6 million as at March 31, 2024 (December 31, 2023 - $55.5 million). In addition, the Company has negative cash flows from operations. These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the realization of assets and repayment of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise debt or equity financings, and the attainment of profitable operations. Management continues to find opportunities to raise the necessary capital to meet its planned business objectives and continues to seek financing opportunities. There can be no assurance that management's plans will be successful. These matters indicate the existence of material uncertainties that cast substantial doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. Basis of Presentation

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the interpretations of the International Financial Reporting Standards Interpretations Committee. These unaudited condensed consolidated interim financial statements do not include all of the information and disclosures required for full and complete annual financial statements, and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. The Company has consistently applied the same accounting policies for all periods as presented. Certain of the prior periods' comparative figures may have been reclassified to conform to the presentation adopted in the current period.

(b) Approval of condensed consolidated interim financial statements:

These condensed consolidated interim financial statements were approved by the Company's Board of Directors on May 13, 2024.

2. Basis of Presentation (continued)

(c) Basis of presentation:

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as disclosed in Note 5. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(d) Functional currency and presentation currency:

The functional currency of the Company and its subsidiaries is the Canadian dollar, and accounts denominated in currencies other than the Canadian dollar have been translated as follows:

- Monetary assets and liabilities at the exchange rate at the condensed consolidated interim statement of financial position date;
- Non-monetary assets and liabilities at the historical exchange rates, unless such items are carried at fair value, in which case they are translated at the date when the fair value was determined;
- Shareholders' equity items at historical exchange rates; and
- Revenue and expense items at the rate of exchange on the transaction date.

The Company's presentation currency is the United States dollar. For presentation purposes, all amounts are translated from the Canadian dollar functional currency to the United States dollar presentation currency for each period. Statement of financial position accounts, with the exception of equity, are translated using the exchange rate at the end of each reporting period, transactions on the statement of comprehensive income (loss) are recorded at the average rate of exchange during the period, and equity accounts are translated using historical actual exchange rates.

Exchange gains and losses arising from translation to the Company's presentation currency are recorded as cumulative translation adjustment, which is included in accumulated other comprehensive income (loss).

(e) Critical accounting estimates and judgements:

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements along with the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates and, as such, estimates and judgements and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management estimates relate to determining the recoverability of mineral property interests and receivables; valuation of certain marketable securities; accrued site remediation; amount of flow-through obligations; recognition of deferred income tax liability; the variables used in the determination of the fair value of stock options granted and finder's fees warrants issued or modified; and the recoverability of deferred tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

2. Basis of Presentation (continued)

(e) Critical accounting estimates and judgements: (continued)

The Company applies judgement in assessing the functional currency of each entity consolidated in these condensed consolidated interim financial statements. The functional currency of the Company and its subsidiaries is determined using the currency of the primary economic environment in which that entity operates.

For right of use assets and lease liability, the Company applies judgement in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

The Company applies judgement in assessing whether material uncertainties exist that would cast substantial doubt as to whether the Company could continue as a going concern.

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. Differences in judgement between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgement is required in determining whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore; expected renewals of exploration rights; whether substantive expenditures on further exploration and evaluation of resource properties are budgeted or planned; and results of exploration and evaluation activities on the exploration and evaluation assets.

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

Basis of consolidation:

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries including New Polaris Gold Mines Ltd. (Canada), AIM U.S Holdings Corporation (USA), American Innovative Minerals LLC ("AIM") (USA), Fondaway LLC ("USA"), and Canarc (Barbados) Mining Ltd (inactive) (Barbados). The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All significant intercompany transactions and balances are eliminated on consolidation.

Control is achieved when the Company 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.

4. Management of Capital

The Company is an exploration stage company and this involves a high degree of risk. The Company has not determined whether its mineral property interests contain reserves of ore and currently has not earned any revenues from its mineral property interests and, therefore, does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital and proceeds from debt. The Company has generated cash inflows from the disposition of marketable securities. The Company is not subject to any externally imposed capital requirements.

The Company defines its capital as debt and share capital. Capital requirements are driven by the Company's exploration activities on its mineral property interests. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. The Company will continue to rely on debt and equity financings to meet its commitments as they become due, to continue exploration work on its mineral property interests, and to meet its administrative overhead costs for the coming periods.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2024.

5. Management of Financial Risk

The Company has classified its financial instruments under IFRS 9 *Financial Instruments* ("IFRS 9") as follows:

	IFRS 9
Financial Assets	
Cash	Amortized Cost
Marketable securities	FVTPL
Receivables	Amortized cost
Financial Liability	
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

5. Management of Financial Risk (continued)

The fair values of the Company's receivables and accounts payable and accrued liabilities approximate their carrying values due to the short terms to maturity. Cash and certain marketable securities are measured at fair values using Level 1 inputs. Other marketable securities are measured using Level 3 of the fair value hierarchy. Deferred royalty and lease liabilities are measured using Level 2 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks, including credit risk, liquidity risk and market risk which includes foreign currency risk, interest rate risk and other price risk. The types of risk exposure and the way in which such exposure is managed are provided as follows.

(a) Credit risk:

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality Canadian financial institutions.

To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable, which may include amounts receivable from certain related parties, and records an expected credit loss based on its best estimate of potentially uncollectible amounts. Management believes that the credit risk with respect to these financial instruments is remote.

The financial instruments that potentially subject the Company to credit risk comprise investments, cash and cash equivalents and certain amounts receivable, the carrying value of which represents the Company's maximum exposure to credit risk.

(b) Liquidity risk (Note 1):

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and its ability to raise equity financings. As at March 31, 2024, the Company had a working capital (current assets less current liabilities) of $6.8 million (December 31, 2023 – $4.6 million). The Company has sufficient funding to meet its short-term liabilities and administrative overhead costs, and to maintain its mineral property interests in 2024.

5. Management of Financial Risk (continued)

(b) Liquidity risk (Note 1): (continued)

The following schedule provides the contractual obligations related to the lease liability payments (Notes 9 (b) and (c)) as at March 31, 2024:

	Payments due by Period (CAD$000)				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Basic office lease	$ 299	$ 85	$ 177	$ 37	$ -
Total, March 31, 2024	$ 299	$ 85	$ 177	$ 37	$ -

Accounts payable and accrued liabilities are due in less than 90 days.

(c) Market risk:

The significant market risk exposures to which the Company is exposed are foreign currency risk, interest rate risk and other price risk.

(i) Foreign currency risk:

Certain of the Company's mineral property interests and operations are in Canada. Most of its operating expenses are incurred in Canadian dollars. Fluctuations in the Canadian dollar would affect the Company's condensed consolidated interim statements of comprehensive income (loss) as its functional currency is the Canadian dollar, and fluctuations in the U.S. dollar would impact its cumulative translation adjustment as its condensed consolidated interim financial statements are presented in U.S. dollars.

The Company is exposed to currency risk for its U.S. dollar equivalent of assets and liabilities denominated in currencies other than U.S. dollars as follows:

	Stated in U.S. Dollars (Held in Canadian Dollars)	
	March 31, 2024	December 31, 2023
Cash	$ 4,951	$ 2,811
Marketable securities	1,748	1,534
Receivables and prepaids	898	924
Accounts payable and accrued liabilities	(452)	(652)
Deferred compensation liability	(272)	(244)
Lease liability	(197)	(215)
Net financial assets (liabilities)	$ 6,676	$ 4,158

Based upon the above net exposure as at March 31, 2024 and assuming all other variables remain constant, a 10% (December 31, 2023 – 10%) depreciation or appreciation of the U.S. dollar relative to the Canadian dollar could result in a decrease (increase) of approximately $668,000 (December 31, 2023 - $416,000) in the cumulative translation adjustment in the Company's shareholders' equity.

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

5. Management of Financial Risk (continued)

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

(c) Market risk: (continued)

(ii) Interest rate risk:

In respect of financial assets, the Company's policy is to invest excess cash at floating rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. Fluctuations in interest rates impact on the value of cash equivalents. The Company's investments in guaranteed investment certificates bear a fixed rate and are cashable at any time prior to maturity date. Interest rate risk is not significant to the Company as it has no interest bearing debt at period-end.

(iii) Other price risk:

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

The Company's other price risk includes equity price risk, whereby investment in marketable securities are held for trading financial assets with fluctuations in quoted market prices recorded at FVTPL. There is no separately quoted market value for the Company's investments in the shares of certain strategic investments.

As certain of the Company's marketable securities are carried at market value and are directly affected by fluctuations in value of the underlying securities, the Company considers its financial performance and cash flows could be materially affected by such changes in the future value of the Company's marketable securities. Based upon the net exposure as at March 31, 2024 and assuming all other variables remain constant, a net increase or decrease of 10% (December 31, 2023 - 10%) in the market prices of the underlying securities would increase or decrease respectively net (loss) income by $175,000 (December 31, 2023 - $153,000).

6. Marketable Securities

	March 31, 2024	December 31, 2023
Balance, begin of period	$ 1,534	$ 855
Fair value of marketable securities received from options on mineral property interests	-	1,192
Proceeds from disposition of marketable securities at fair value	-	(159)
Change in fair value of marketable securities	252	(364)
Foreign currency translation adjustment	(38)	10
Balance, end of period	$ 1,748	$ 1,534

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

7. Mineral Property Interests

	Canada		USA		
	British Columbia		Nevada		
	New Polaris (Note 7(a)(i))	Windfall Hills (Note 7(a)(ii))	Fondaway Canyon (Notes 7(b)(i))	Corral Canyon (Note 7(b)(ii))	Total
Acquisition Costs:					
Balance, December 31, 2023	$ 3,927	$ -	$ -	$ -	$ 3,927
Additions	12	-	-	-	$ 12
Foreign currency translation adjustment	(5)	-	-	-	$ (5)
Balance, March 31, 2024	3,934	-	-	-	3,934
Deferred Exploration Expenditures:					
Balance, December 31, 2023	23,581	-	-	-	23,581
Additions:					
Exploration:					
Assays and sampling	2	-	-	-	2
Community and social	40	-	-	-	40
Environmental	66	-	-	-	66
Feasibility	132	-	-	-	132
General, administrative, sundry	6	-	-	-	6
Machinery and equipment	4	-	-	-	4
Metallurgy	17	-	-	-	17
Rental and storage	8	-	-	-	8
Royalties	1	-	-	-	1
Salaries	109	-	-	-	109
Transportation	20	-	-	-	20
Foreign currency translation adjustment	(627)	-	-	-	(627)
Balance, March 31, 2024	23,360	-	-	-	23,360
Mineral property interests:					
Balance, March 31, 2024	$ 27,294	$ -	$ -	$ -	$ 27,294

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

7. Mineral Property Interests (continued)

	Canada		USA		
	British Columbia		Nevada		
	New Polaris (Note 7(a)(i))	Windfall Hills Note 7(a)(ii))	Fondaway Canyon (Notes 7(b)(i))	Corral Canyon (Note 7(b)(ii))	Total
Acquisition Costs:					
Balance, December 31, 2022	$ 3,910	$ 348	$ 655	$ 23	$ 4,936
Acquisition	12	-	-	-	12
Recoveries	-	-	-	-	-
Sale of investment	-	-	(655)	-	(655)
Foreign currency translation adjustmen	5	-	-	-	5
Write off	-	(348)	-	(23)	(371)
Balance, December 31, 2023	3,927	-	-	-	3,927
Deferred Exploration Expenditures:					
Balance, December 31, 2022	18,453	997	1,361	530	21,341
Additions:					
Exploration:					
Assays and sampling	22	-	-	-	22
Community and social	233	-	-	-	233
Drilling	9	-	-	-	9
Environmental	586	-	-	-	586
Feasibility	2,470	-	-	-	2,470
Field, camp, supplies	57	-	-	-	57
General, administrative, sundry	37	-	4	-	41
Legal	38	-	-	-	38
Local labour	16	-	-	-	16
Machinery and equipment	7	-	-	-	7
Metallurgy	318	-	-	-	318
Reclamation	1	-	-	-	1
Rental and storage	22	-	23	1	46
Royalties	11	-	35	-	46
Salaries	428	-	-	-	428
Surface taxes	-	-	-	17	17
Sustainability	16	-	-	-	16
Transportation	254	-	-	-	254
Utilities	5	-	3	-	8
Recoveries	-	-	(65)	(18)	(83)
Sale of investment	-	-	(1,361)	-	(1,361)
Impairment	-	(997)	-	(530)	(1,527)
Foreign currency translation adjustmen	598	-	-	-	598
Balance December 31, 2023	23,581	-	-	-	23,581
Mineral property interests:					
Balance, December 31, 2023	$ 27,508	$ -	$ -	$ -	$ 27,508

7. Mineral Property Interests (continued)

(a) Canada:

(i) New Polaris (British Columbia):

The New Polaris property, which is located in the Atlin Mining Division, British Columbia, is 100% owned by the Company subject to a 15% net profit interest which may be reduced to a 10% net profit interest within one year of commercial production by issuing 150,000 common shares to Rembrandt Gold Mines Ltd. Acquisition costs at March 31, 2024 include a reclamation bond for CAD$300,500 (December 31, 2023 – CAD$300,500).

(ii) Windfall Hills (British Columbia):

The Company owns 100% undivided interests in two adjacent gold properties (Uduk Lake and Dunn properties) located in British Columbia. The Uduk Lake properties are subject to a 1.5% NSR production royalty that can be purchased for CAD$1 million and another 3% NSR production royalty. The Dunn properties are subject to a 2% NSR royalty which can be reduced to 1% NSR royalty for $500,000. During the year ended December 31, 2023, the Company impaired the property to $Nil as the Company currently does not have any planned or budgeted expenditures for the property.

(iii) Princeton (British Columbia):

In December 2018 and then as amended in June 2019, the Company entered into a property option agreement jointly with Universal Copper Ltd. (formerly, Tasca Resources Ltd.) (“Universal”) and an individual. In October 2020, the Company assigned its interest in the property option agreement for the Princeton property to Damara Gold Corp. (“Damara”). Pursuant to the assignment, Damara issued 9.9% of its outstanding common shares to the Company on closing of the assignment at a fair value of $228,500. After reducing the carrying value of the property to $Nil by recording a $228,000 recovery to the mineral property, the Company recorded mineral property option income of $500 for the year ended December 31, 2020. Subject to the exercise of the option by December 31, 2021, the Company’s aggregate ownership in the capital of Damara shall increase to 19.9% which Damara did exercise by the issuance of 9.8 million Damara shares to the Company at a fair value of $588,800 which was recorded as mineral property option income for the year ended December 31, 2021.

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

7. Mineral Property Interests (continued)

(b) United States:

(i) Fondaway Canyon (Nevada):

On March 20, 2017, the Company closed the Membership Interest Purchase Agreement with AIM (the "Membership Agreement") whereby the Company acquired 100% legal and beneficial interests in mineral properties located in Nevada, Idaho and Utah (USA) for a total cash purchase price of $2 million in cash and honouring pre-existing NSRs. Certain of the mineral properties are subject to royalties. For the Fondaway Canyon project, it bears both a 3% NSR and a 2% NSR. The 3% NSR has a buyout provision for an original amount of $600,000 which is subject to advance royalty payments of $35,000 per year by July 15th of each year until a gross total of $600,000 has been paid at which time the NSR is bought out. A balance of $425,000 with a fair value of $183,000 was outstanding upon the closing of the Membership Agreement; a balance of $Nil remains payable as at Dec 31, 2023. The 2% NSR has a buyout provision of either $2 million in cash or 19.99% interest of a public entity which owns AIM if AIM were to close an initial public offering of at least $5 million.

On October 16, 2019, the Company signed a binding Letter Agreement with Getchell Gold Corp. ("Getchell") which was later superseded by the Option Agreement for the Acquisition of Fondaway Canyon and Dixie Comstock Properties on January 3, 2020, whereby Getchell has an option for 4 years to acquire 100% of the Fondaway Canyon and Dixie Comstock properties located in Churchill County, Nevada (both subject to a 2% NSR) for $4 million in total compensation to the Company, comprised of $2 million in cash and $2 million in shares of Getchell. Payment terms by Getchell are as follows:

	Cash		US$ equivalent in Getchell Shares	
At signing of agreement	$100	(received in 2020)	$100	(received in 2020 with fair value of $104,600)
1st anniversary	100	(received in 2020)	200	(received in 2020 with fair value of $208,400)
2nd anniversary	100	(received in 2021)	300	(received in 2021 with fair value of $259,000)
3rd anniversary	100	(received in 2022)	400	(received in 2022 with fair value of $376,000)
4th anniversary	1,600	(received in 2023)	1,000	(received in 2023 with fair value of $1,192,000)
	$2,000		$2,000	

The option includes minimum annual work commitments of $1.45 million on the properties. Getchell must also honor the pre-existing NSR and advance royalty commitments related to the properties, and grant the Company a 2% NSR on the Fondaway Canyon and Dixie Comstock properties of which half (1%) can be bought for $1 million per property.

On December 29, 2023, Getchell exercised the option to acquire the Fondaway Cannyon and Dixie Comstock. The Company recorded a gain of $738,000 in the 2023 Consolidated statement of comprehensive loss.

7. Mineral Property Interests (continued)

(b) United States: (continued)

(ii) Corral Canyon (Nevada):

In 2018, the Company staked various mining claims in Nevada, USA. During the year ended December 31, 2023, the Company impaired the property to $Nil as the Company currently does not have any planned or budgeted expenditures for the property.

(iii) Silver King (Nevada):

In October 2018, the Company entered into a property option agreement for its Silver King property with Brownstone Ventures (US) Inc. (“Brownstone”) whereby Brownstone has an option to earn a 100% undivided interest by paying $240,000 in cash over a 10 year period with early option exercise payment of $120,000. The Company will retain a 2% NSR of which a 1% NSR can be acquired by Brownstone for $1 million. The Company received $12,000 cash in 2023 (2022 - $12,000) which was recognized as mineral property option income.

(iv) Lightning Tree (Idaho):

On September 10, 2020, the Company entered into an option agreement in the form of a definitive mineral property purchase agreement for its Lightning Tree property located in Lemhi County, Idaho, with Ophir Gold Corp. (“Ophir”), whereby Ophir shall acquire a 100% undivided interest in the property. In order to acquire the property, over a three-year period, Ophir shall pay to the Company a total of CAD$137,500 in cash over a three-year period and issue 2.5 million common shares and 2.5 million warrants over a two-year period, and shall incur aggregate exploration expenditures of at least $4 million over a three-year period. The Company will retain a 2.5% NSR of which a 1% NSR can be acquired by Ophir for CAD$1 million. If Ophir fails to file a NI 43-101 compliant resource on the Lightning Tree property within three years, the property will not be conveyed to Ophir. In August 2022, the Company received CAD$50,000 cash (2021 - CAD$25,000). In 2021 the Company received 1.25 million shares with a fair value of $159,600 and 1.25 million warrants with a fair value of $5,000, all of which were recognized as mineral property option income. In Q3 2023, the Company and Ophir mutually agreed to terminate the September 10, 2020 agreement, and the property was returned to the Company.

(v) Hot Springs Point (Nevada):

In July 2022, the Company entered into a Real Estate Purchase and Sale Agreement for the Hot Springs Point property located in Eureka County, Nevada, with a third party (the “Purchaser”), whereby the Purchaser acquired a 100% interest for $480,000 (received). The Purchaser also grants a 3% NSR to the Company. The entire amount received was recognized in mineral property option income as a gain as Hot Springs book value on acquisition day by the Company was $Nil; Hot Springs being incidental to the Fondaway Canyon property when they were acquired together.

7. Mineral Property Interests (continued)

(c) Expenditure options:

As at March 31, 2024, to maintain the Company's interest and/or to fully exercise the options under various property agreements covering its properties, the Company must make payments as follows:

	Cash Payments (CADS$000)	Cash Payments (US$000)	Annual Payments (US$000)	Number of Shares
New Polaris (Note 7(a)(i)):				
Net profit interest reduction or buydown	$ -	$ -	$ -	150,000
Windfall Hills (Note 7(a)(ii)):				
Buyout provision for net smelter return of 1.5%	1,000	-	-	-
Reduction of net smelter return of 2% to 1%	-	500	-	-
	$ 1,000	$ 500	$ -	150,000

These amounts may be reduced in the future as the Company determines which mineral property interests to continue to explore and which to abandon.

(d) Title to mineral property interests:

The Company has diligently investigated rights of ownership of all of its mineral property interests/concessions and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, all properties and concessions may be subject to prior claims, agreements or transfers, and rights of ownership may be affected by undetected defects.

(e) Realization of assets:

The Company's investment in and expenditures on its mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent on establishing legal ownership of the mineral properties, on the attainment of successful commercial production or from the proceeds of their disposal. The recoverability of the amounts shown for mineral property interests is dependent upon the existence of reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production or proceeds from the disposition thereof.

(f) Environmental:

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation of the Company's operation may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its current properties and former properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former mineral property interests that may result in material liability to the Company.

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

8. Equipment

	Leasehold Improvements	Office Furnishings and Equipment	Right of Use Asset	Total
Cost:				
Balance, December 31, 2022	$ 116	$ 61	$ 271	$ 448
Acquisitions	-	5	-	5
Foreign currency translation adjustment	3	1	10	14
Balance, December 31, 2023	119	67	281	467
Acquisitions	-	-	-	-
Foreign currency translation adjustment	(3)	(1)	(9)	(13)
Balance, March 31, 2024	116	66	272	454
Accumulated amortization:				
Balance, December 31, 2022	8	47	19	74
Amortization	23	11	55	89
Foreign currency translation adjustment	1	3	3	7
Balance, December 31, 2023	32	61	77	170
Amortization	6	1	13	20
Foreign currency translation adjustment	(1)	(2)	(3)	(6)
Balance, March 31, 2024	37	60	87	184
Net book value:				
Balance, December 31, 2023	$ 87	$ 6	$ 204	$ 297
Balance, March 31, 2024	$ 79	$ 6	$ 185	$ 270

The Company has a lease agreement for its headquarter office space in Vancouver, British Columbia.

9. Liabilities

(a) Flow Through Premium Liability

On October 28, 2021, the Company closed a private placement for 10.6 million flow through common shares at CAD$0.50 per share for gross proceeds of CAD$5.3 million. The fair value of the shares was CAD$0.46 per share, resulting in the recognition of a flow through premium liability of CAD$0.04 per share for a total of CAD$425,700.

On December 30, 2021, the Company closed a private placement for 560,000 flow through common shares at CAD$0.50 per share for gross proceeds of CAD$280,000. The fair value of the shares was CAD$0.37 per share, resulting in the recognition of a flow through premium liability of CAD$0.13 per share for a total of CAD$72,800.

On January 19, 2022, the Company closed a private placement for 4.05 million flow through common shares at CAD$0.50 per share for gross proceeds of CAD$2.03 million. The fair value of the shares was CAD$0.39 per share, resulting in the recognition of a flow through premium liability of CAD$0.11 per share for a total of CAD$445,500.

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

9. Liabilities (continued)

(a) Flow Through Premium Liability (continued)

On October 19, 2022, the Company closed a private placement for 4.7 million flow through common shares at CAD$0.32 per share for gross proceeds of CAD$1.5 million. The fair value of the shares was CAD$0.26 per share, resulting in the recognition of a flow through premium liability of CAD$0.06 per share for a total of CAD$282,000.

On March 28, 2024, the Company closed a private placement for 15.7 million flow through common shares at CAD$0.2625 per share for gross proceeds of CAD$4.1 million. The fair value of the shares on March 28, 2024 was CAD$0.24 per share, resulting in the recognition of a flow through premium liability of CAD$0.0225 per share for a total of CAD$353,250.

Balance, December 31, 2022	$32
Less:	
Income tax recovery	$(32)
Balance, December 31, 2023	-
Add:	
Excess of subscription price over fair value of flow through common shares	$260
Balance, March 31, 2024	$260

(b) Deferred Royalty Liability

The 3% NSR for the Fondaway Canyon project (Note 7(b)(i)) has a buyout provision for an original amount of $600,000. The buyout amount is subject to advance royalty payments of $35,000 per year by July 15th of each year until the full gross total of $600,000 has been paid. The remaining balance was $425,000 at the closing of the Membership Agreement in March 2017. The $425,000 was discounted to a fair value of $183,000 in 2017 using a discount rate of 18%. The liability is being accreted over time as follows:

Balance, December 31, 2021	$	142
Add:		
Accretion		24
Less:		
Advance royalty payment		(35)
Balance, December 31, 2022		131
Add:		
Accretion		22
Less:		
Advance royalty payment		(35)
Sale of investment (1)		(118)
Balance, December 31, 2023	$	-
Current portion	$	-
Long term portion		-
Balance, December 31, 2023	$	-

(1) Getchell exercised the option to acquire the Fondaway Canyon property on December 29, 2023. As such, the Company derecognized the deferred royalty liability from its books.

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

9. Liabilities (continued)

(c) Lease Liability

The continuity of the lease liability for the three months ended March 31, 2024 is as follows:

Balance, December 31, 2022	$	257
Add:		
Interest		16
Foreign currency translation		4
Less:		
Payments		(62)
Balance, December 31, 2023		215
Add:		
Interest		3
Less:		
Payments		(21)
Balance, March 31, 2024	$	197
Current portion	$	62
Long term portion		135
Balance, March 31, 2024	$	197

(d) Loans Payable

On June 28, 2022, the Company arranged a loan for CAD$25,000 from a company controlled by a former director. The loan bore interest at a rate of 9% per annum, and the entire loan amount of CAD$25,000 was fully repaid on July 14, 2022 along with interest of CAD$99.

On August 15, 2022, the Company entered into a Bridge Loan Agreement with Sun Valley Investments AG ("Sun Valley"), which is currently a 40.06% control person of the Company for CAD$2.5 million bearing an interest rate of 5.5% per annum. The bridge loan was applied as an advance payment for the standby guaranty for the rights offering (Note 10(b)(i)) and extinguished in December 2022 when Sun Valley purchased 20,352,577 common shares. The Company paid Sun Valley a total of CAD$46,336 in interest and a total of CAD$178,085 in fees (accounted as share issuance expense part of the Shareholder Equity) pursuant to the Standby Guaranty Agreement.

10. Share Capital

(a) Authorized:
The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

(b) Issued:

(i) On March 28, 2024, the Company closed a private placement for 15.7 million flow through common shares at CAD$0.2625 per share for gross proceeds of CAD$4.1 million.

(ii) On July 28, 2023, the Company closed a financing consisting of 21,000,000 shares at CAD $0.21 per share for aggregate gross proceeds of CAD $4.4 million.

(iii) In November 2022, the Company proceeded with a rights offering whereby shareholders of the Company received one right for each common share held. Each two rights entitled holders to subscribe for one common share at a price of CAD$0.175. The Company closed the offering on December 16, 2022 and issued 25.3M common share for total gross proceeds of CAD$4.4 million. The Company also entered into a standby guaranty agreement with Sun Valley whereby Sun Valley shall purchase common shares issuable under the rights offering which remain unsubscribed under the basic subscription privilege and the additional subscription privilege. In August 2022, the Company obtained a bridge loan of CAD$2.5 million from Sun Valley as an advance payment for the standby guaranty (Note 9(d)). Pursuant to the standby guaranty agreement, Canagold issued 20.4M common shares to Sun Valley. From the CAD$3.6 million gross proceeds received from Sun Valley, the Company deducted a total of CAD$2.5 million to pay back and terminate the $2.5M loan provided by Sun Valley in August 2022 plus accrued interest of CAD$46,336, and a total of CAD$178,085 in fees pursuant to the standby guaranty agreement.

(iv) On October 19, 2022, the Company closed a private placement for 4.7 million flow through common shares at a price of CAD$0.32 per share for gross proceeds of CAD$1.5 million..

(v) In December 2021 and January 2022, the Company closed a private placement in two tranches totalling 4.61 million flow through common shares at a price of CAD$0.50 per share for gross proceeds of CAD$2.3 million. On December 30, 2021, the Company closed the first tranche for 560,000 flow through shares for gross proceeds of CAD$280,000. On January 18, 2022, the Company closed the second tranche for 4.05 million flow through shares for gross proceeds of CAD$2.03 million.

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

10. Share Capital (continued)

(c) Omnibus incentive plan:

i) Stock Options: (continued)

The Company has an omnibus incentive compensation plan. Pursuant to the omnibus plan, at December 31, 2023, the Company currently has 5,788,939 shares listed and reserved under the plan for stock option activities, 6,500,000 shares for restricted share units grants, 2,500,000 shares for deferred share units grants and 1,000,000 Shares for performance share units grants. The Plan, together with all security-based compensation arrangements of the Company, has an aggregate maximum number of shares that can be reserved for issuance equal to 10% of the number of shares issued and outstanding, from time to time.

The continuity of outstanding stock options for three months ended March 31, 2024 is as follows:

	March 31, 2024	
	Number of Shares	Weighted average exercise price (CAD$)
Outstanding balance, December 31, 2022	2,235,000	$0.49
Cancelled and expired during 2023	(1,335,000)	$0.49
Outstanding balance, at December 31, 2023 and March 31, 202	900,000	$0.50
Exercise price range		$0.30 - $0.52

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

10. Share Capital (continued)

(c) i) Stock option plan: (continued)

The following table summarizes information about stock options exercisable and outstanding at March 31, 2024:

	Options Outstanding			Options Exercisable		
Exercise Prices (CAD$)	Number Outstanding at Mar 31, 2024	Weighted Average Remaining Contractual Life (Number of Years)	Weighted Average Exercise Prices (CAD$)	Number Exercisable at Mar 31, 2024	Weighted Average Remaining Contractual Life (Number of Years)	Weighted Average Exercise Prices (CAD$)
$0.30	40,000	0.49	$0.30	40,000	0.49	$0.30
$0.50	60,000	1.50	$0.50	60,000	1.50	$0.50
$0.50	300,000	2.48	$0.50	300,000	2.48	$0.50
$0.52	500,000	2.53	$0.52	500,000	2.53	$0.52
	900,000	2.11	$0.50	900,000	2.11	$0.50

No stock options were granted during 2023 and 2024.

ii) Performance share units

No performance share units (PSUs) were granted as of March 31, 2024. Total PSUs available for granting are 1,000,000.

iii) Restricted share units

From the available 6,500,000 restricted share units (“RSUs”) under the Omnibus plan, 1,600,000 RSUs were granted to the officers of the Company during the year ended December 31, 2023. These RSUs vest over a period of two years. For accounting purposes, the Company amortizes the share-based compensation expense over the vesting period. The Company recognized a share based compensation expense of $152,069 for the year ended December 31, 2023 (the share price on grant date was $CAD 0.230). For the RSUs vested during the period ended March 31, 2024, the Company recognized a share based compensation expense of $26,857 (based on share price of $CAD0.240). During the three months ended March 31, 2024, a number of 238,776 RSU were cancelled. As of March 31, 2024, there are 1,361,224 outstanding RSUs and 5,138,776 RSUs available for granting. No RSUs were granted during the three months ended March 31, 2024.

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

10. Share Capital (continued)

iv) Deferred share units

From the available 2,500,000 deferred share units ("DSUs") under the Omnibus plan, 1,537,255 DSUs were granted to the directors of the Company during the year ended December 31, 2023. These granted DSUs vested immediately, the Company accounted initially, based on the share price (CAD$ 0.23) of the Company on the grant date, for a share-based compensation expense of $263,000 and a corresponding share-based compensation liability. At year end December 31, 2023, the share-based compensation expense and share-based compensation liability were revalued to $244,000 based on the market value of the Company's share (CAD$ 0.210). At March 31, 2024, the share-based compensation expense and share-based compensation liability were revalued to $272,000 based on the market value of the Company's share (CAD$ 0.240) As of March 31, 2024, there are 1,527,255 outstanding DSUs and 926,745 DSUs available for granting. No DSUs were granted during the three months ended March 31, 2024.

(d) Warrants:

At March 31, 2024, the Company had outstanding warrants as follows:

Exercise Prices (CAD$)	Expiry Dates	Outstanding at December 31, 2022	Issued	Exercised	Expired	Outstanding at December 31, 2023 and March 31, 2024
$0.75	October 28, 2023	638,510	-	-	638,510	-
		638,510	-	-	638,510	-

11. General and Administrative

	Three months ended March 31, 2024	2023
General and Administrative:		
Audit	$ 20	$ 14
Legal	7	12
Office and sundry	36	53
Regulatory	17	21
Rent	16	16
	$ 96	$ 116

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

12. Related Party Transactions

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management is disclosed in the table below.

Except as disclosed elsewhere in the condensed consolidated interim financial statements, the Company had the following general and administrative costs with related parties during the three months ended March 31, 2024 and 2023:

	Three months ended March 31,		Net balance payable	
			March 31,	December 31,
	2024	2023	2024	2023
Key management compensation:				
Executive salaries and remuneration [1]	$ 206	$ 173	$ 13	$ -
Directors fees	22	21	22	1
Share-based payments	61	-	-	-
	$ 289	$ 194	$ 35	$ 1

(1) Includes key management compensation which is included in employee and director remuneration, mineral property interests, and corporate development.

The above transactions are incurred in the normal course of business.

13. Segment Disclosures

The Company has one operating segment, being mineral exploration, with assets located in Canada and the United States, as follows:

	March 31, 2024			December 31, 2023		
	Canada	USA	Total	Canada	USA	Total
Mineral property interests	$ 27,294	$ -	$ 27,294	$ 27,508	$ -	$ 27,508
Mineral property deposits	$ 148			$ 152		$ 152
Leasehold improvements and equipment	270	-	270	297	-	297

14. Commitments

In February 2017, the Company entered into an office lease arrangement for a term of five years with a commencement date of August 1, 2017 which ended on July 31, 2022.

In January 2022, the Company entered into an office lease arrangement for a term of five years with a commencement date of September 1, 2022. The basic rent per year is CAD$84,700 for years 1 to 2, CAD$87,300 for years 3 to 4, and CAD$89,900 for year 5. As at March 31, 2024, the Company is committed to the following payments for base rent at its corporate head office in Vancouver, BC, as follows:

	Amount (CAD$000)
Year:	
2024	$ 64
2025	$ 87
2026	$ 88
2027	$ 60
	$ 299

15. Taxes

Company is corporate income taxes and other provincial and federal mining and sales taxes. The $898,000 receivables amount reported on the Statement of Financial Position of the Company is comprised of taxes receivable (approximately $800,000) from the Canadian tax authorities (federal GST credits and British Columbia mineral tax credits). Although the Company has been successful in the past with applications for these credits, there is a risk that the tax claims may be denied or reduced by the tax authorities. As of March 31, 2024, the Company has a deferred tax liability of $1.3 million, resulted mainly from timing difference between the accounting and tax values of the mineral properties expenditures (see note 15 of the 2023 Audited Financial Statements for more details).

(tabular dollar amounts expressed in thousands of United States dollars, except per share amounts)

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DIRECTORS	Sofia Bianchi Carmen Letton Andrew Trow Kadri Dagdelen Michael Doyle	
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REGISTRAR AND TRANSFER AGENT	Computershare Investor Services Inc. 3rd Floor, 510 Burrard Street Vancouver, BC, Canada, V6C 3B9	
AUDITORS	Davidson & Company 1200-609 Granville Street Vancouver, BC, Canada, V7Y 1G6	
SOLICITORS AND REGISTERED OFFICE	McMillan LLP #1500 – 1055 West Georgia Street Vancouver, BC, Canada, V6E 4N7	
SHARES LISTED	Trading Symbols	
	TSX:	CCM
	OTC-QB:	CRCUF
	DBFrankfurt:	CAN

CANAGOLD RESOURCES LTD.

First Quarter Report

Management Discussion and Analysis

(expressed in United States dollars)

Three Months ended March 31, 2024

CANAGOLD RESOURCES LTD.
(the “**Company**”)

Fourth Quarter Report

Management’s Discussion and Analysis
For the Three Months Ended March 31, 2024
(expressed in United States dollars)

CAUTION – FORWARD LOOKING STATEMENTS

Certain statements contained herein regarding the Company and its operations constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements that are not historical facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations of future performance, are “forward-looking statements”. We caution you that such “forward looking statements” involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Such risks and uncertainties include fluctuations in precious metal prices, unpredictable results of exploration activities, uncertainties inherent in the estimation of mineral reserves and resources, if any, fluctuations in the costs of goods and services, problems associated with exploration and mining operations, changes in legal, social or political conditions in the jurisdictions where the Company operates, lack of appropriate funding and other risk factors, as discussed in the Company’s filings with Canadian and American Securities regulatory agencies. The Company expressly disclaims any obligation to update any forward-looking statements, other than as may be specifically required by applicable securities laws and regulations.

1.0 Preliminary Information

The following Management’s Discussion and Analysis (“MD&A”) of Canagold Resources Ltd. (the “Company”) should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024, and the audited consolidated financial statements as at December 31, 2023 and 2022 and for the years then ended, all of which are available at the SEDAR+ website at www.sedarplus.ca.

Financial information in this MD&A is prepared in accordance with International Financial Reporting Standards 34 Interim Finnacial Reporting (“IAS 34”) based upon the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

All dollar amounts in the MD&A are expressed in United States dollars unless otherwise indicated.

All information contained in the MD&A is effective as of May 13, 2024 unless otherwise indicated.

1.1 Background

The Company was incorporated under the laws of British Columbia, and was engaged in the acquisition, exploration, development and exploitation of precious metal properties.

As the Company is focused on its mineral exploration activities, there is no mineral production, sales or inventory in the conventional sense. The recoverability of amounts capitalized for mineral property interests is dependent upon the existence of reserves in its mineral property interests, the ability of the Company to arrange appropriate financing and receive necessary permitting for the exploration and development of its property interests, confirmation of the Company’s interest in certain properties, and upon future profitable production or proceeds from the disposition thereof. Such exploration and development activities normally take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty at this time. Many of the key factors are outside of the Company’s control. As the carrying value and amortization of mineral property interests and capital assets are, in part, related to the Company’s mineral reserves and resources, if any, the estimation of such reserves and resources is significant to the Company’s financial position and results of operations.

1.2 Overall Performance

The Company currently owns a direct interest in the precious metal properties, known as the New Polaris property (British Columbia), the Windfall Hills property (British Columbia), and the Corral Canyon property (Nevada) as well as a portfolio of smaller exploration properties in Nevada, Idaho and Montana.

1.2.1 New Polaris property (British Columbia, Canada)

The Company owns a 100% interest in the New Polaris property, located in the Atlin Mining Division, British Columbia, which is subject to a 15% net profit interest and may be reduced to a 10% net profit interest within one year of commercial production by issuing 150,000 common shares to Rembrandt Gold Mines Ltd.

On April 17, 2019, the Company filed on SEDAR its updated NI 43-101 report on The New Polaris Gold Project, British Columbia, Canada 2019 Preliminary Economic Assessment (the "Preliminary Economic Assessment") by Moose Mountain Technical Services ("Moose Mountain"), using flotation/bio-oxidation and CIL leaching process.

The Preliminary Economic Assessment is based upon building and operating a 750 tonne per day gold mine using bio-oxidation followed by a leaching process to produce 80,000 ounces gold per year in doré bars at site. The updated parameters in the base case economic model includes a gold price of US$1,300 per oz, CAD$/US$ foreign exchange rate of 0.77, and cash costs of US$433 per oz and all in sustaining cost US$510 per oz. The Preliminary Economic Assessment for the New Polaris project results in an estimated after-tax net present value of CAD$280 million using a discount rate of 5%, an estimated after-tax internal rate of return of 38%, and an estimated after tax pay-back period of 2.7 years. The Preliminary Economic Assessment is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Given the inherent uncertainties of resources, especially inferred resources compared to reserves, the New Polaris gold mine project cannot yet be considered to have proven economic viability and there is no certainty that the results of the Preliminary Economic Assessment will be realized.

A detailed discussion of the Preliminary Economic Assessment is provided in the report itself, and select information can be found under "Extract of Selected Sections of the New Polaris Preliminary Economic Assessment Report" on pages 13-32 of the Annual Information Form dated March 28, 2022 and filed on SEDAR on March 29, 2022.

Readers are cautioned that the effective date of Preliminary Economic Assessment for New Polaris is February 28, 2019 (the "Effective Date"). Accordingly, the economic analysis contained in the Preliminary Economic Assessment is based on commodity prices, costs, sales, revenue, and other assumptions and projections that may significantly change from the Effective Date, including a gold price of US$1,300 per oz, CAD$/US$ foreign exchange rate of 0.77, and cash costs of US$433 per oz. Readers should not place undue reliance on the economic analysis contained in the Preliminary Economic Assessment because the Company cannot give any assurance that the assumptions underlying the report remain current.

The Qualified Person ("QP") pursuant to NI 43-101 for the New Polaris Preliminary Economic Assessment is Marc Schulte, P. Eng.

In September 2020, the Company was granted a Multi Year Area Based Notice of Work Mineral and Coal Exploration Activities and Reclamation Permit by the BC Ministry of Energy, Mines and Low Carbon Innovation to conduct exploration work on the property. Site preparation and refurbishment was completed to facilitate environmental baseline study and infill drilling to advance to a feasibility study. In late 2020, the Company had initiated environmental baseline studies which are required for an Environmental Assessment Certificate application and which is a critical first step in advancing the project through the BC major mine permitting process. The environmental baseline study is continuing.

In 2021, the Company completed its 47-hole, 24,000 meter (m) infill drilling program designed to upgrade the Inferred Resources of the CWM vein system to an Indicated Resource category for inclusion in a future feasibility study. The infill drill holes range in depth from 300 to 650 m and are designed to provide greater density of drill intercepts (20 – 25 m spacing) in areas of Inferred Resources between 150 and 600 m below surface. The drill program was extended with an additional 6,000 m and 7 drill holes completed by the end of February 2022. The infill drill holes intercepted gold grades over widths throughout the CWM vein system that support the current resource at depth as predicted by the geological model and defined in the Preliminary Economic Assessment. Additionally, the infill drill program has defined new areas of significant gold mineralization such as the C-9 and C-10 veins that have potential to add resource to the deposit. By mid July 2022, assay results were received for all 54 holes of the drill program.

In August 2022, the Company mobilized an 8,000 m drilling program targeting the shallower high-grade Y-vein system which consists of two parallel, steeply dipping veins striking north–south and located just north of the C-West Main vein. This target provides an opportunity to define high grade resources at a shallow depth that could be accessed early in the mine life. High grade intercepts from previous drill holes in this area included 30.6 grams per tonne ("gpt") gold ("Au") over 3.2 m, 13.0 gpt Au over 6.8 m and 22.7 gpt Au over 8.0 m. The drilling program was designed to upgrade the Y-vein resources from Inferred to Indicated category for inclusion in the feasibility study and to explore this vein system for extensions at depth. By late January 2023 assay results were received for all 25 drill holes of the Y vein drill program.

In October 2022, the Company retained Ausenco Engineering Canada Inc. to complete a feasibility study for the New Polaris gold project. Key objectives for the feasibility study include:

- Resource model update (to include nearly 40,000 metres of additional drilling completed)
- Mining reserves calculation and detailed underground mine plan development
- Engineer and design all surface infrastructure and processing facilities to include among others: flotation, bio-oxidation, leaching and gold doré bar production
- Engineer and design surface dry stack tailings and waste rock disposal facility (with no long-term adverse impact on the environment)
- Evaluate all renewable power alternatives that may be feasible for New Polaris
- Complete detailed capital and operating cost estimates, including a detailed financial model for the life of the project

The feasibility study is expected to conclude in 2024.

In October 2022, the Company signed the Hà Khustìyxh / "Our Way" agreement that establishes the framework for a cooperative and mutually respectful working relationship with the Taku River Tlingit First Nation ("TRTFN") to support Canagold's exploration and advancement activities at New Polaris while ensuring to minimize any adverse impacts of mining activity on the rights and interests of the TRTFN. The agreement also lays the foundation for negotiation of future long-term agreements as the project progresses through its permitting, construction and production phases.

In March 2023, the Company submitted its Initial Project Description (IPD) and Engagement Plan submission to the B.C. Environmental Assessment Office. The Company's IPD submission formally initiates the early engagement phase of the provincial assessment process. In the IPD, the Company provides an overview and detailed description of the Company's plans to develop, operate, and eventually decommission the New Polaris Gold Project.

In May 2023, the resource model was updated to:

- 89% increase in the Indicated category contained ounces of gold compared to the 2019 preliminary economic assessment resource due to a very successful 2021-22 infill drill program.
- 23% increase to the overall resource tonnage due to the additional veins defined by the 2021-22 infill drilling that were integrated into the new geological model
- Gold grade improvement by 8% in the indicated category to 11.61 gpt Au, up from 10.8 gpt Au in the 2019 preliminary economic assessment due to the refined geological model constrained by the additional drilling.
- The updated 2023 MRE provides the Indicated category resource required to underpin the feasibility study

announced on October 11, 2022.

- Underground mineral resource estimate 2.97 million tonnes (Mt)@ 11.6 grams per tonne gold (gpt Au) for 1.11 million ounces (Moz) contained gold indicated and 0.93 Mt @ 8.93 gpt Au for 0.27 Moz contained gold inferred.

Deepak Malhotra, Ph.D., SME-RM and Sue Bird, P.Eng, are the QPs for the mineral resource update report.

On March 28, 2024, the Company raised $CAD 4.1 million from issuance of flow through shares. The Company intends to use the proceeds for exploration activities at the Company's New Polaris project. The exploration activities will consist mainly of a drilling program in 2024 targeting an increase in the mineral resource.

Further details of the 2021 and 2022 drilling programs are provided in the Company's news releases:

- *News release dated July 6, 2021 and titled, "Canagold Announces Initial 2021 Drill Results From New Polaris Project Including 24.2 gpt Gold over 6.6 m and 15.8 gpt Gold Over 13.0 m";*
- *News release dated July 19, 2021 and titled, "Canagold Announces Additional Results From New Polaris Drill Program Including 14.3 gpt Au Over 2.7 m and 15.3 gpt Au Over 1.7 m";*
- *News release dated July 27, 2021 and titled, "Canagold Drills 30.8 gpt Gold Over 3.9 Meters at New Polaris Project";*
- *News release dated September 22, 2021 and titled, "Canagold Intersects 17.1 gpt Au Over 8.4 m in Hanging-Wall C10 Vein and 25.7 gpt Au Over 2.1 m in C West Main Vein at New Polaris, BC";*
- *News release dated November 10, 2021 and titled, "Canagold Intersects 11.1 gpt Au over 17.8 m and 11 gpt over 8.9 m in 2 Separate Hanging-Wall Veins Adjacent to C West Main Vein at New Polaris Gold Project, BC";*
- *News release dated November 10, 2021 and titled, "Canagold Intersects 11.1 gpt Au over 17.8 m and 11 gpt over 8.9 m in 2 Separate Hanging-Wall Veins Adjacent to C West Main Vein at New Polaris Gold Project, BC";*
- *News release dated November 30, 2021 and titled, "Summary of High-Grade Drill Intercepts in the C-9 and C-10 Veins at the New Polaris Project in BC";*
- *News release dated January 26, 2022 and titled, "Canagold Announces High-Grade Drill Intercepts Containing Visible Gold from the C-West Main Zone at New Polaris Project, B";*
- *News release dated February 24, 2022 and titled, "Canagold Continues to Intersect High-Grade Gold Mineralization in C-West Main Vein at New Polaris Project, BC";*
- *News release dated March 2, 2022 and titled, "Canagold Drilling Intersects Deep Extension of C-West Main Vein, and Discovers New High-Grade Parallel C-Vein at New Polaris Project, BC";*
- *News release dated March 21, 2022 and titled, "Canagold Announces Additional High-Grade Gold Drill Intercepts from the C-10 and the C-West Main Veins at New Polaris Project, BC";*
- *News release dated April 21, 2022 and titled, "Canagold Continues to Intersect High-Grade Gold Mineralization in C-West Main Vein Including 42.5 gpt Au over 2 m at New Polaris Project, BC".*
- *News release dated June 14, 2022 and titled, "Canagold Drilling Intersects New Vein Grading 7.54 gpt Gold over 18.6 m Length at New Polaris Project, BC, Additional High-Grade Mineralization Outlined in C-West Main Vein";*
- *News release dated June 28, 2022 and titled, "Canagold Drilling Reports Two Highest Grade Drill Results of 54 Hole Program Including 13.6 gpt Gold over 25.1 m Length and 34.4 gpt over 6.6 m Length at New Polaris Project, BC";*
- *News release dated July 12, 2022 and titled, "Canagold Summarizes Results of 30,000 m Infill Drill Program at New Polaris Project, BC, Highlights Include 13.6 gpt Over 25.1 m";*
- *News release dated August 18, 2022 and titled, "Canagold Mobilizes Drill Crews and Restarts Resource Expansion Drilling at the New Polaris Project";*
- *News release dated October 11, 2022 and titled, "Canagold Retains Ausenco Engineering to Complete Feasibility Study on New Polaris Project";*
- *News release dated October 27, 2022 and titled, "Canagold Drills 22.1 Grams per Tonne Gold over 4.3 Metres in Y-Vein System at New Polaris";*
- *News release dated January 25, 2023 and titled, "Canagold Announces Agreement with Taku River Tlingit*

First Nation for Flagship New Polaris Project";
- *News release dated February 6, 2023 and titled, "Canagold Confirms Near Surface High-Grade Gold, Including 53.8 gpt Au over 2.78 m and 18.0 gpt Au over 5.64 m in Y-Vein System at New Polaris"; and*
- *News release dated May 16, 2023 and titled, "Canagold Increases Indicated Gold Resource by 89% in Updated Mineral Resource Estimate for New Polaris Gold Project, BC".*

Details of the expenditures amounts incurred by the Company to advance New Polaris are included in section 1.3 of this MD&A.

1.2.2 American Innovative Minerals, LLC

1.2.2. Purchase Agreement with American Innovative Minerals, LLC

In 2017, the Company closed a Membership Interest Purchase Agreement (the "Membership Agreement") with American Innovative Minerals, LLC ("AIM") and securityholders of AIM ("the AIM Securityholders") to acquire either a direct or indirect 100% legal and beneficial interests in mineral resource properties located in Nevada, Idaho and Utah (USA) for a purchase price of $2 million in cash and honouring pre-existing NSRs.

AIM owns 8 gold properties in Nevada and one gold property in Idaho. Until December 29, 2023, the Company owned two additional gold properties in Nevada (Fondaway Canyon and Dixie Comstock). Pursuant to an agreement from January 2020, on December 29, 2023, Getchell Gold Corp ("Getchell") exercised its option to acquire the Fondaway Canyon and Dixie Comstock properties by making the final payment of $1.6 million in cash stipulated under the January 2020 agreement and issuing 10,167,000 Getchell Shares to the Company.

AIM's properties include:

1.2.2.a Silver King (Nevada, USA)

Silver King property is located in Humboldt County, Nevada on 4 patented claims in the Iron Point mining district near Golconda Summit. Previous exploration focused on low grade gold values but the property has never been explored for silver.

On October 25, 2018, the Company entered into an option agreement with Brownstone Ventures (US) Inc., a subsidiary of Casino Gold Corp., ("Brownstone Ventures") on the Company's wholly owned Silver King patented claim group located in Humboldt County, Nevada. Under the terms of the ten-year agreement, the Company will receive annual payments of $12,000 plus an option exercise payment of $120,000. Upon exercise of the option, the Company will retain a 2% NSR royalty on the property of which Brownstone Ventures will have the right to buy back one-half (1%) of the royalty for $1 million.

1.2.2.b Lightning Tree (Idaho, USA)

Lightning Tree property is located in Lemhi County, Idaho, on 4 unpatented claims near the Musgrove gold deposit.

On September 10, 2020, the Company entered into an option agreement in the form of a definitive mineral property purchase agreement for its Lightning Tree property located in Lemhi County, Idaho, with Ophir Gold Corp. ("Ophir"), whereby Ophir shall acquire a 100% undivided interest in the property. In order to acquire the property, over a three year period, Ophir shall pay to the Company a total of CAD$137,500 in cash over a three year period and issue 2.5 million common shares and 2.5 million warrants over a two year period, and shall incur aggregate exploration expenditures of at least $4 million over a three year period. In Q3 2023, the Company and Ophir mutually terminated the option agreement, and the Lightning Tree property has been returned to the Company.

1.2.3 Windfall Hills property (British Columbia, Canada)

The Windfall Hills gold project is located 65 km south of Burns Lake, readily accessible by gravel logging roads and a lake ferry crossing in the summer-time, or by charter aircraft year-round. The project consists of the Atna properties, comprised of 2 mineral claims totalling 959 hectares and the Dunn properties, comprised of 8 mineral claims totalling 2820 hectares.

In April 2013, the Company acquired 100% undivided interests in the two adjacent gold properties (Uduk Lake and Dunn properties) located in British Columbia. The Uduk Lake properties are subject to a 1.5% NSR production royalty that can be purchased for CAD$1 million and another 3% NSR production royalty. The Dunn properties are subject to a 2% NSR royalty which can be reduced to 1% NSR royalty for $500,000.

In the third quarter of 2020, the Company completed a Phase 2 diamond drill program. Six drill holes were completed for a total of 1,500 meters of core over an area of 30 hectares designed to follow up from gold-silver mineralization intersected in the 2014 Phase 1 drill holes. Further analysis of the structural and lithological controls on mineralization are needed to determine the next steps for the Windfall Hills property. The Company may seek a partner to advance the project.

Further details of the drilling program for the Windfall Hills project are provided in the Company's news release dated October 21, 2020 and titled, "*Canarc Announces Results of its Special General Meeting of Shareholders Approving Upsized Financing Totaling CAD$8.4 Million*".

1.2.4 Corral Canyon property (Nevada, USA)

Corral Canyon property lies 35 km west of the town of McDermitt in Humboldt County along the western flank of the McDermitt caldera complex, an area of volcanic rocks that hosts significant lithium and uranium mineralization in addition to gold. It contains volcanic-hosted, epithermal, disseminated and vein gold mineralization evidenced by previous drilling.

In 2018, the Company staked 92 mining claims covering 742 hectares in Nevada, USA.

In November 2019, a five hole, 1600 meter drilling program was completed. Further details of the drilling program for the Corral Canyon project are provided in the Company's news release dated November 28, 2019 and titled, "*Canarc Completes Phase 1 Drill Program at Corral Canyon, Nevada*".

The Company is seeking a partner to drill identified targets on the property.

1.2.5 Eskay Creek property (British Columbia, Canada)

In December 2017, the Company signed an agreement with Barrick Gold Inc ("Barrick") and Skeena Resources Ltd. ("Skeena") involving the Company's 33.3% carried interest in certain mining claims adjacent to the past-producing Eskay Creek Gold mine located in northwest British Columbia, whereby the Company will retain its 33.33% carried interest. The Company and Barrick have respectively 33.33% and 66.67% interests in 6 claims and mining leases totaling 2323 hectares at Eskay Creek. Pursuant to an option agreement between Skeena and Barrick, Skeena had the right to earn Barrick's 66.67% interest in the property which right had been exercised in October 2020.

Garry Biles, PEng, President and Chief Operating Officer of the Company, was the qualified person, as defined by National Instrument 43-101, and had approved the technical information from the drilling programs for the New Polaris and Windfall Hills projects.

Other Matters

In February 2023, Philip Yee resigned as CFO and Corporate Secretary of the Company, and Mihai Draguleasa was appointed as CFO and Corporate Secretary of the Company.

In March 2023, Colm Keogh was appointed as Senior Vice President, Operations, to further progress the New Polaris project.

In May 2023, Tim Caldwell was appointed as Vice President, Sustainability, to manage the Company's permitting and stakeholders engagement efforts for the New Polaris project. Tim Caldwell resigned from his position in October 2023.

In September 2023, Troy Gill resigned as VP of Exploration of the Company.

In January 2024, Chris Pharness was appointed as as Senior Vice President Sustainability and Permitting.

In March 28, 2024, Sun Valley Investments AG ("Sun Valley") participated in a financing offering of the Company and acquired 15,700,000 shares of the Company. As of May 13, 2024, Sun Valley owns 48.41% of the outstanding shares of the Company.

1.3 Results of Operations

First Quarter of Fiscal 2023 – Three months ended March 31, 2024 compared with the tree months ended March 31, 2023

The Company has no sources of operating revenues. Operating losses were incurred for ongoing activities of the Company in acquiring and exploring its mineral property interests, advancing the New Polaris property, and pursuing mineral projects of merit. The Company incurred a net loss of $64,000 in Q1 2024, which is slightly lower than the net loss of $252,000 for the Q1 2023. Net losses were impacted by different functional expense items.

The table below (in thousands of US dollars) provides a comparison of the results of operations for the first quarter of 2024 vs. first quarter of 2023:

		Three months ended March 31,		
		2024	**2023**	**Variance**
Expenses:				
Amortization	$	**20**	20	-
Corporate development		**45**	73	(28)
Employee and director remuneration		**144**	147	(3)
General and administrative		**96**	116	(20)
Share-based payments		**61**	-	61
Operating loss		**(366)**	(356)	(10)
Interest and other income		**22**	10	12
Change in fair value of marketable securities		**252**	61	191
Interest and finance charges		**(3)**	(5)	2
Foreign exchange (loss) gain		**31**	38	(7)
Gain from other items	$	**302**	104	198
Net loss for the period	$	**(64)**	(252)	188

Overall operating losses are consistent for the two quarters, with the focus of the company, advancing the New Polaris project, being unchanged.

The change in the fair value of marketable securities is attributable to changes in the quoted market prices of the investments up to their date of disposal or to period end if continued to be held. Non-cash gains were recognized at the end of Q1 2024 and Q1 2023 because of the increase in the fair market value of investments in the Company's portfolio.

During Q1 2024, the company recognized a share based compensation expense associated with the vesting of some of the RSUs and revaluation of the DSUs granted by the Company in the second part of 2023. There was no vesting or granting of share units or stock options during Q1 2024 and Q1 2023.

As at March 31, 2024, the Company has mineral property interests which are comprised of the following (in thousands of US dollars)

	Canada		USA		
	British Columbia		Nevada		
	New Polaris (Note 7(a)(i))	Windfall Hills (Note 7(a)(ii))	Fondaway Canyon (Notes 7(b)(i))	Corral Canyon (Note 7(b)(ii))	Total
Acquisition Costs:					
Balance, December 31, 2023	$ 3,927	$ -	$ -	$ -	$ 3,927
Additions	12	-	-	-	$ 12
Foreign currency translation adjustment	(5)	-	-	-	$ (5)
Balance, March 31, 2024	3,934	-	-	-	3,934
Deferred Exploration Expenditures:					
Balance, December 31, 2023	23,581	-	-	-	23,581
Additions:					
Exploration:					
Assays and sampling	2	-	-	-	2
Community and social	40	-	-	-	40
Environmental	66	-	-	-	66
Feasibility	132	-	-	-	132
General, administrative, sundry	6	-	-	-	6
Machinery and equipment	4	-	-	-	4
Metallurgy	17	-	-	-	17
Rental and storage	8	-	-	-	8
Royalties	1	-	-	-	1
Salaries	109	-	-	-	109
Transportation	20	-	-	-	20
Foreign currency translation adjustment	(627)	-	-	-	(627)
Balance, March 31, 2024	23,360	-	-	-	23,360
Mineral property interests:					
Balance, March 31, 2024	$ 27,294	$ -	$ -	$ -	$ 27,294

In Q12024, the Company spent $418,000 on advancing New Polaris, with most of the spending being attributable to feasibility studies ($132,000), environmental studies ($66,000), community related activities ($40,00) and salaries of the Company's technical team ($109,000). The note references in the table above pertain to the Q1 2024 interim condensed consolidated financial statements of the Company.

1.4 Summary of Quarterly Results

The following table provides selected financial information of the Company for each of the last eight quarters ended at the most recently completed quarter, March 31, 2024. All dollar amounts are expressed in thousands of U.S. dollars..

(in $000s except per share amounts)	2024 Mar 31	2023 Dec 31	2023 Sep 30	2023 June 30	2023 Mar 31	2022 Dec 31	2022 Sept 30	2022 June 30
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net (loss) income:								
(i) Total	$ (64)	$ (1,462)	$ (763)	$ (575)	$ (252)	$ (1,274)	$ (48)	$ (1,134)
(ii) Basic and diluted per share	$ -	$ (0.01)	$ (0.01)	$ -	$ -	$ (0.01)	$ -	$ (0.01)
Total assets	$ 35,308	$ 33,226	$ 34,700	$ 32,036	$ 31,939	$ 32,268	$ 27,375	$ 27,062
Total long-term liabilities	$ 1,751	$ 1,774	$ 1,842	$ 1,647	$ 1,624	$ 1,690	$ 293	$ 120
Dividends per share	$ -	$ -	$ -	$ -	$ -	$ -		$ -

The Company's main focus for the past years, including the last eight quarters, was advancing the New Polaris project. The Company's accounting policy is to capitalize project related expenses. As such, the net loss of the Company does not include expenditures directly attributable to advancing New Polaris. In general, the overhead expenses of the Company are consistent, with higher regulatory fees incurred in Q2 2022 in connection with a proxy contest. Variances across quarters is generally attributable to non-cash items, such as changes in fair market values of the Company's investments, write-off of book values of mineral properties for which there is no planned activities, deferred income tax expense, and share based compensation expense recognized in connection with the stock options and share units issued under the compensation plan.

1.5 Liquidity

The Company has no operating revenues, has incurred a significant net loss of $64,000 for the three months ended March 31, 2024, and has a deficit of $55.6 million as at March 31, 2024. In addition, the Company has negative cash flows from operations. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise debt or equity financings, and the attainment of profitable operations. Management continues to find opportunities to raise the necessary capital to meet its planned business objectives and continues to seek financing opportunities. There can be no assurance that management's plans will be successful. These matters indicate the existence of material uncertainties that cast substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

The Company is in the exploration stage and has not yet determined whether its mineral property interests contain reserves. The recoverability of amounts capitalized for mineral property interests is entirely dependent upon the existence of reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production. The Company knows of no trends, demands, commitments, events or uncertainties that may result in the Company's liquidity either materially increasing or decreasing at the present time or in the foreseeable future except as disclosed in this MD&A and in its regulatory filings. Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's exploration and development programs and overall market conditions for smaller mineral exploration companies. In the past, the Company has endeavored to secure mineral property interests that in due course could be brought into production to provide the Company with cash flow which would be used to undertake work programs on other projects. To that end, the Company has expended its funds on mineral property interests that it believes have the potential to achieve cash flow within a reasonable time frame. As a result, the Company has incurred losses during each of its fiscal years since incorporation. This result is typical of smaller exploration companies and will continue unless positive cash flow is achieved.

The following table contains selected financial information of the Company's liquidity:

($000s)	March 31, 2024	December 31, 2023
Cash	$ 4,951	$ 2,811
Working capital	6,823	4,555

Ongoing operating expenses continue to reduce the Company's cash resources and working capital, as the Company has no sources of operating revenues.

During 2023, the Company generated $159,000 from disposition of marketable securities.

On July 28, 2023, the Company closed a financing consisting of 21,000,000 shares at CAD $0.21 per share for aggregate gross proceeds of CAD $4,410,000. Sun Valley subscribed for an aggregate of 13,500,000 shares and has increased its ownership in the Company from 40.06% to 43.28%.

On March 28, 2024, the Company closed a financing for 15,700,000 flow through common shares at a price of CAD$0.2625 per share for gross proceeds of CAD$4.1 million. Sun Valley subscribed for 15,700,000 shares and has increased its ownership in the Company from 43.28% to 48.41%.

The Company will continue to rely upon equity financing as its principal source of financing its projects.

1.6 Capital Resources

At March 31, 2024, to maintain its interest and/or to fully exercise the options under various property agreements covering its property interests, the Company must incur exploration expenditures on the properties and/or make payments in the form of cash and/or shares to the optionors as follows:

	Cash Payments (CAD$000)	Cash Payments (US$000)	Annual Payments (US$000)	Number of Shares
New Polaris (Note 7(a)(i)):				
Net profit interest reduction or buydown	$ -	$ -	$ -	150,000
Windfall Hills (Note 7(a)(ii)):				
Buyout provision for net smelter return of 1.5%	1,000	-	-	-
Reduction of net smelter return of 2% to 1%	-	500	-	-
	$ 1,000	$ 500	$ -	150,000

Certain amounts may be reduced in the future as the Company determines which properties to continue to explore and which to abandon.

In January 2022, the Company entered into an office lease arrangement for a term of five years with a commencement date of September 1, 2022. The basic rent per year is CAD$84,700 for years 1 to 2, CAD$87,300 for years 3 to 4, and CAD$89,900 for year 5.

The following schedule provides the contractual obligations related to the basic office lease for its Vancouver, BC office:

	Payments due by Period (CAD$000)				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Basic office lease	$ 299	$ 85	$ 177	$ 37	$ -
Total, March 31, 2024	$ 299	$ 85	$ 177	$ 37	$ -

1.7 Off-Balance Sheet Arrangements

At the discretion of the Board, certain stock option grants provide the option holder the right to receive the number of common shares, valued at the quoted market price at the time of exercise of the stock options that represent the share appreciation since granting the stock options.

1.8 Transactions with Related Parties

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management is disclosed in the table below.

Except as disclosed elsewhere in the condensed consolidated interim financial statements, the Company had the following general and administrative costs with related parties during the three months ended March 31, 2024 and 2023 (in thousands of U.S. dollars):

	Three months ended March 31,		Net balance payable	
			March 31,	December 31,
	2024	2023	2024	2023
Key management compensation:				
Executive salaries and remuneration (1)	$ 206	$ 173	$ 13	$ -
Directors fees	22	21	22	1
Share-based payments	61	-	-	-
	$ 289	$ 194	$ 35	$ 1

(1) Includes key management compensation which is included in employee and director remuneration, mineral property interests, and corporate development.

The above transactions are incurred in the normal course of business.

1.9 Proposed Transactions

There are no proposed material asset or business acquisitions or dispositions, other than those in the ordinary course of business and other than those already disclosed in this MD&A, before the board of directors for consideration, and other than those already disclosed in its regulatory and public filings.

1.10 Critical Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements along with the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates and, as such, estimates and judgements and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management estimates relate to determining the recoverability of mineral property interests and receivables; valuation of certain marketable securities; accrued site remediation; amount of flow-through obligations; recognition of deferred income tax liability; the variables used in the determination of the fair value of stock options granted and finder's fees warrants issued or modified; and the recoverability of deferred tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company applies judgment in assessing the functional currency of each entity consolidated in the financial statements.

For right of use assets and lease liability, the Company applies judgement in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

The Company applies judgment in assessing whether material uncertainties exist that would cast substantial doubt as to whether the Company could continue as a going concern.

Acquisition costs of mineral properties and exploration and development expenditures incurred thereto are capitalized and deferred. The costs related to a property from which there is production will be amortized using the unit-of-production method. Capitalized costs are written down to their estimated recoverable amount if the property is subsequently determined to be uneconomic. The amounts shown for mineral property interests represent costs incurred to date, less recoveries and write-downs, and do not reflect present or future values.

At the end of each reporting period, the Company assesses each of its mineral properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore; expected renewals of exploration rights; whether substantive expenditures on further exploration and evaluation of resource properties are budgeted or planned; and results of exploration and evaluation activities on the exploration and evaluation assets. 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 profit or loss for the period.

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 periods. A reversal of an impairment loss is recognized immediately in profit or loss.

1.11 Changes in Accounting Policies including Initial Adoption

New Accounting Pronouncements

The Company did not early adopt any recent pronouncements.

1.12 Financial Instruments and Other Instruments

IFRS 9 *Financial Instruments*:

The Company has classified its financial instruments under IFRS 9 *Financial Instruments* ("IFRS 9") as follows:

	IFRS 9
Financial Assets	
Cash	Amortized Cost
Marketable securities	FVTPL
Receivables	Amortized cost
Financial Liability	
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

Management of Financial Risk

The Company is exposed in varying degrees to a variety of financial instrument related risks, including credit risk, liquidity risk, and market risk which includes foreign currency risk, interest rate risk and other price risk. The types of risk exposure and the way in which such exposure is managed are provided as follows.

The fair value hierarchy categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

The fair values of the Company's receivables, accounts payable and accrued liabilities, and bridge loan approximate their carrying values due to the short terms to maturity. Cash and certain marketable securities are measured at fair values using Level 1 inputs. Certain other marketable securities are measured using Level 3 of the fair value hierarchy. The fair value of deferred royalty and lease liabilities approximate their carrying values as they are at estimated market interest rates using Level 2 inputs.

(a) Credit risk:

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality Canadian financial institutions.

To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable, which may include amounts receivable from certain related parties, and records an expected credit loss based on its best estimate of potentially uncollectible amounts. Management believes that the credit risk with respect to these financial instruments is remote.

The financial instruments that potentially subject the Company to credit risk comprise investments, cash and cash equivalents and certain amounts receivable, the carrying value of which represents the Company's maximum exposure to credit risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and its ability to raise equity financings. As at March 31, 2024, the Company had a working capital (current assets less current liabilities) of $6.82 million (December 31, 2023 – working capital of $4.56 million). The Company has sufficient funding to meet its short-term liabilities, flow-through obligations and administrative overhead costs, and to maintain its mineral property interests in 2024.

(c) Market risk:

The significant market risk exposures to which the Company is exposed are foreign currency risk, interest rate risk and other price risk.

(i) Foreign currency risk:

Certain of the Company's mineral property interests and operations are in Canada. Most of its operating expenses are incurred in Canadian dollars. Fluctuations in the Canadian dollar would affect the Company's consolidated statements comprehensive income (loss) as its functional currency is the Canadian dollar, and fluctuations in the U.S. dollar would impact its cumulative translation adjustment as consolidated financial statements are presented in U.S. dollars.

The Company is exposed to currency risk for its U.S. dollar equivalent of assets and liabilities denominated in currencies other than U.S. dollars as follows:

	Stated in 000' U.S. Dollars (Held in Canadian Dollars)	
	March 31, 2024	December 31, 2023
Cash	$ 4,951	$ 2,811
Marketable securities	1,748	1,534
Receivables and prepaids	898	924
Accounts payable and accrued liabilities	(452)	(652)
Deferred compensation liability	(272)	(244)
Lease liability	(197)	(215)
Net financial assets (liabilities)	$ 6,676	$ 4,158

Based upon the above net exposure as at March 31, 2024 and assuming all other variables remain constant, a 10% (December 31, 2023 – 10%) depreciation or appreciation of the U.S. dollar relative to the Canadian dollar could result in a decrease (increase) of approximately $668,000 (December 31, 2023 - $416,000) in the cumulative translation adjustment in the Company's shareholders' equity.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

(ii) Interest rate risk:

In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. Fluctuations in interest rates impact on the value of cash equivalents. Interest rate risk is not significant to the Company as it has no interest bearing debt.

(iii) Other price risk:

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

The Company's other price risk includes equity price risk, whereby investments in marketable securities are held for trading financial assets with fluctuations in quoted market prices recorded at FVTPL. There is no separately quoted market value for the Company's investments in the shares of certain investments.

As certain of the Company's marketable securities are carried at market value and are directly affected by fluctuations in value of the underlying securities, the Company considers its financial performance and cash flows could be materially affected by such changes in the future value of the Company's marketable securities. Based upon the net exposure as at March 31, 2024 and assuming all other variables remain constant, a net increase or decrease of 10% (December 31, 2023 - 10%) in the market prices of the underlying securities would increase or decrease respectively net (loss) income by $175,000 (December 31, 2023 - $153,000).

1.13 Other MD&A Requirements

1.13.1 Other MD&A Requirements

Additional information relating to the Company are as follows:

(a) may be found on SEDAR+ at www.sedarplus.ca;

(b) may be found in the Company's annual information form; and

(c) is also provided in the Company's audited consolidated financial statements for the year ended December 31, 2023, 2022 and 2021 and the interim condensed consolidated financial statements for the quarters ended March 31, 2023 and March 31, 2024

(expressed in United States dollars)

1.13.2 Outstanding Share Data

The following table presents an updated share data as of May 13, 2024.

Common Shares:	
Common shares outstanding at March 31, 2024 and May 13, 2024	173,589,394
Stock Options	
Stock options outstanding at March 31, 2024 and May 13, 2024	900,000
Warrants:	
Warrants outstanding at March 31, 2024 and May 13, 2024	-
Deferred share units (DSUs):	
DSUs outstanding at March 31, 2024 and May 13, 2024	1,537,255
Restricted share units (RSUs):	
RSUs outstanding at March 31, 2024 and May 13, 2024	1,361,224

1.14 Outlook

The Company expects to continue to depend upon equity financings to continue exploration work on and to advance its mineral property interests, and to meet its administrative overhead costs for the 2024 fiscal year and beyond. There are no assurances that capital requirements will be met by this means of financing as inherent risks are attached therein including commodity prices, financial market conditions, and general economic factors. The Company does not expect to realize any operating revenues from its properties in the foreseeable future.

1.15 Risk Factors

Mineral exploration, development and operation involves a number of risks and uncertainties, many of which are beyond the Company's control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those identified in the Company's Annual Information Form dated March 28, 2024 for the year ended December 31, 2023 and which was filed on SEDAR + on March 29, 2024, and the Company's other disclosure documents as filed in Canada on SEDAR + at www.sedarplus.ca.

1.16 Internal Controls over Financial Reporting

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR"). Except as noted below, our ICOFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management of the Company recognizes that any controls and procedures, no matter how well conceived and operated, have inherent limitations. As a result, even those systems designed to be effective can only provide reasonable assurance, and not absolute assurance, of achieving the desired control objectives, and management necessarily was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures.

In common with many other smaller companies, the Company has insufficient resources to appropriately review increasingly complex areas of accounting such as those in relation to deferred income tax and share based compensation expenses. To remedy this deficiency in its ICOFR, the Company shall engage the services of an external accounting firm to assist in applying complex areas of accounting as and when needed.

Management performed an assessment of the Company's ICOFR as at March 31, 2024. Based upon the results of that assessment as at March 31, 2024, management concluded that its internal control over financial reporting is effective.

Changes in Internal Controls over Financial Reporting

Except as disclosed above, there have been no changes in our internal control over financial reporting during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our ICOFR.