



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended July 31, 2023

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
TDG Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of TDG Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that management estimates that its working capital as at July 31, 2023 may not provide the Company with sufficient financial resources to carry out currently planned exploration and operations throughout the next twelve months. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 8 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$6,706,716 as of July 31, 2023. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements.
- Evaluating title to ensure mineral claims underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

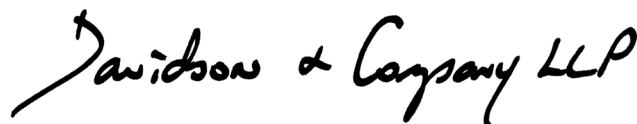
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

November 22, 2023

TDG GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	<i>Note</i>	July 31, 2023	July 31, 2022
ASSETS			
Current			
Cash	4	\$ 1,588,712	\$ 6,961,007
Receivables	5	63,733	436,671
Prepaid expenses	6	67,686	244,233
		1,720,131	7,641,911
Equipment	7	221,008	188,306
Exploration and evaluation assets	8	6,706,716	6,778,946
Reclamation deposits	9	466,245	851,426
Right-of-use asset	10	15,701	47,103
		\$ 9,129,801	\$ 15,507,692
LIABILITIES			
Current			
Trade and other payables	11	\$ 914,369	\$ 1,621,762
Lease liability	10	15,920	31,286
Flow-through premium liability	12	407,747	1,578,907
		1,338,036	3,231,955
Asset retirement obligation	13	790,517	882,368
Lease liability	10	-	15,920
		2,128,553	4,130,243
EQUITY			
Share capital	14	42,239,302	40,226,317
Reserve	14	1,677,186	1,352,328
Deficit		(36,915,240)	(30,201,196)
		7,001,248	11,377,449
		\$ 9,129,801	\$ 15,507,692
Nature of operations and going concern	1		
Subsequent events	21		

These consolidated financial statements are approved for issue by the Board of Directors of the Company on November 22, 2023.

On behalf of the Board:

_____/s/ Fletcher Morgan_____
Director

_____/s/ Stephen Quin_____
Director

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

TDG GOLD CORP.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

		Year ended July 31,	
	<i>Note</i>	2023	2022
Expenses			
Accretion	13	\$ 5,379	\$ 3,707
Depreciation	7 & 10	98,200	52,832
Director fees	16	170,300	16,139
Exploration and evaluation expenditures	8	6,943,715	9,933,865
Investor relations		325,397	361,497
Office expenses		150,532	151,676
Professional fees		230,249	292,590
Project investigation costs	15	-	1,938,668
Salaries & benefits / Consulting fees	16	452,422	361,540
Share-based compensation	14 & 16	18,745	200,577
Transfer agent and filing fees		55,438	155,372
Travel		103,875	18,052
		(8,554,252)	(13,486,515)
Flow-through premium recovery	12	1,842,522	1,938,525
Interest expense	10	(2,314)	(286)
Interest income		-	2,973
Loss and comprehensive loss for the year		\$ (6,714,044)	\$ (11,545,303)
Basic and diluted loss per share		\$ (0.07)	\$ (0.14)
Weighted average number of shares outstanding		97,921,235	80,896,402

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

TDG GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended July 31,	
	2023	2022
Operating activities		
Loss for the year	\$ (6,714,044)	\$ (11,545,303)
Items not affecting cash:		
Accretion	5,379	3,707
Depreciation	98,200	52,832
Share-based compensation	18,745	200,577
Flow-through premium recovery	(1,842,522)	(1,938,525)
Interest expense on lease liability	2,314	286
Change in non-cash working capital items:		
Receivables	372,938	(311,309)
Prepaid expenses	176,547	28,866
Trade and other payables	(707,393)	441,964
Cash used in operating activities	(8,589,836)	(13,066,905)
Investing activities		
Purchase of equipment	(99,500)	-
Exploration and evaluation assets	(25,000)	-
Reclamation deposits refunded	728,097	-
Reclamation deposits paid	(342,916)	(851,426)
Cash provided by (used in) investing activities	260,681	(851,426)
Financing activities		
Proceeds from private placement	3,425,960	17,354,550
Share issue costs	(435,500)	(1,282,681)
Repayment of lease liability	(33,600)	(2,800)
Cash provided by financing activities	2,956,860	16,069,069
Change in cash for the year	(5,372,295)	2,150,738
Cash, beginning of year	6,961,007	4,810,269
Cash, end of year	\$ 1,588,712	\$ 6,961,007
Non-cash investing and financing activities		
Broker warrants	\$ 61,510	\$ 328,217
Unit warrants	244,603	-
Allocation of flow-through premium	671,362	3,258,273
Asset retirement obligation	97,230	95,626
Lease liability	-	49,720
Supplementary information		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

TDG GOLD CORP.**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian dollars)

	Number of shares	Share capital	Obligation to issue shares	Reserve	Deficit	Total
Balance, July 31, 2022	96,343,142	\$ 40,226,317	\$ -	\$ 1,352,328	\$ (30,201,196)	\$ 11,377,449
Private placement	9,276,292	3,181,357	-	244,603	-	3,425,960
Share issue costs - cash	-	(435,500)	-	-	-	(435,500)
Share issue costs - warrants	-	(61,510)	-	61,510	-	-
Allocation of flow-through premium	-	(671,362)	-	-	-	(671,362)
Share-based compensation	-	-	-	18,745	-	18,745
Loss and comprehensive loss for the year	-	-	-	-	(6,714,044)	(6,714,044)
Balance, July 31, 2023	105,619,434	\$ 42,239,302	\$ -	\$ 1,677,186	\$ (36,915,240)	\$ 7,001,248

	Number of shares	Share capital	Obligation to issue shares	Reserve	Deficit	Total
Balance, July 31, 2021	64,423,459	\$ 27,315,938	\$ 425,000	\$ 823,534	\$ (18,655,893)	\$ 9,908,579
Private placements	31,919,683	17,779,550	(425,000)	-	-	17,354,550
Share issue costs - cash	-	(1,282,681)	-	-	-	(1,282,681)
Share issue costs - warrants	-	(328,217)	-	328,217	-	-
Allocation of flow-through premium	-	(3,258,273)	-	-	-	(3,258,273)
Share-based compensation	-	-	-	200,577	-	200,577
Loss and comprehensive loss for the year	-	-	-	-	(11,545,303)	(11,545,303)
Balance, July 31, 2022	96,343,142	\$ 40,226,317	\$ -	\$ 1,352,328	\$ (30,201,196)	\$ 11,377,449

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

1. NATURE OF OPERATIONS AND GOING CONCERN

TDG Gold Corp. (the "Company") is a publicly traded company incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 14, 2018. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol TDG. The Company's head office and registered and records office address is Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6.

The Company is engaged in the identification, acquisition, exploration and, if warranted, development of mineral resource projects in British Columbia.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at July 31, 2023, the Company had working capital of \$382,095. Subsequent to July 31, 2023, the Company completed a private placement for gross proceeds of \$2,821,000 (Note 21). However, management estimates that these funds may not provide the Company with sufficient financial resources to carry out currently planned exploration and operations through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

Recent global issues, including the ongoing COVID-19 pandemic and certain political conflicts in other regions of the world have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

Basis of measurement

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

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the parent company's functional currency as well as being the functional currency for the Company's Canadian subsidiary.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Asset retirement obligations

The Company's asset retirement obligations represent management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs on the Company's exploration projects. The provision reflects estimates of future costs, inflation and assumptions of risks associated with the future cash outflows, and the applicable interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to the asset retirement obligations are recorded with a corresponding change to the carrying amounts of related exploration and evaluation assets. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Going concern – In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis. The key inputs used by the Company in this process include forecasted capital deployment, progress on permitting, results from the exploration of its properties and general industry conditions. Changes in these inputs may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern (Note 1).

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiary, TDG BC Assets Corp. All inter-company balances and transactions, and any income and expenses arising from inter-company transactions, are eliminated on consolidation.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions in the financial statements of each entity in the Company.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in profit or loss.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized in operations on a either a declining balance basis or straight-line basis over the estimated useful lives of each part of an item of equipment, the choice dependant on which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The depreciation rate for exploration equipment is 20% per annum on a straight-line basis.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Upon acquiring the legal right to explore a mineral property, all direct costs related to the acquisition of exploration and evaluation assets will be capitalized as exploration and evaluation assets. Exploration and evaluation expenditures incurred prior to the acquisition of a mineral project or determination of the feasibility of mining operations and a decision to proceed with development are charged to profit or loss as incurred. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, will be capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period such determination is made.

The Company will assess exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations, including those associated with the reclamation of exploration and evaluation assets and property, plant and equipment, when those obligations result from the acquisition, construction, development, or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Impairment

At each statement of financial position reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets

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

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

Impairment

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

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

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade and other payables are carried on the statement of financial position at amortized cost. The Company does not have any derivative financial liabilities.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company. The Company's common shares, share warrants and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Warrants

The Company accounts for warrants issued in unit offerings comprising a common share and warrant (or portion thereof) using the residual value method. Under this method, one component is measured first, and the residual amount is allocated to the remaining component. The warrant is recorded as share capital if and when the warrants are exercised.

Flow-through shares

The Company may from time to time, issue flow-through common shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability on a pro-rata basis to the expenditures incurred. The reduction of the flow-through share premium previously recorded is recognized as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Tax Act).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with the Tax Act. When applicable, this tax is accrued as a financial expense until paid.

Share-based compensation

The stock option plan allows Company directors, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based reserve to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New standards, interpretations, and amendments not yet effective

There are no new standards that will have any significant effect on the Company.

TDG GOLD CORP.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended July 31, 2023

(Expressed in Canadian dollars)

4. CASH

	July 31, 2023	July 31, 2022
Cash	\$ 378,599	\$ 1,544,551
Cash allocated for flow-through expenditures	1,210,113	5,416,456
Total	\$ 1,588,712	\$ 6,961,007

5. RECEIVABLES

	July 31, 2023	July 31, 2022
Amounts due from the Government of Canada pursuant to goods and services input tax credits	\$ 63,733	\$ 125,185
Due from third-party company	-	311,486
Total	\$ 63,733	\$ 436,671

In June 2022, the Company entered into an agreement to share its exploration camp with a third-party company. As at July 31, 2022, the Company was owed \$311,486 pursuant to the agreement (Note 8). This amount was received during the year ended July 31, 2023.

6. PREPAID EXPENSES

	July 31, 2023	July 31, 2022
Prepaid exploration and evaluation expenditures	\$ 23,698	\$ 169,200
Prepaid insurance	17,292	15,833
Prepaid investor relations	-	45,000
Prepaid other	26,696	14,200
Total	\$ 67,686	\$ 244,233

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

7. EQUIPMENT

	Exploration equipment		Total	
Cost				
At July 31, 2021	\$	251,075	\$	251,075
Additions		-		-
At July 31, 2022		251,075		251,075
Additions		99,500		99,500
At July 31, 2023	\$	350,575	\$	350,575
Accumulated depreciation				
At July 31, 2021	\$	12,554	\$	12,554
Depreciation		50,215		50,215
At July 31, 2022		62,769		62,769
Depreciation		66,798		66,798
At July 31, 2023	\$	129,567	\$	129,567
Carrying amounts				
At July 31, 2022	\$	188,306	\$	188,306
At July 31, 2023	\$	221,008	\$	221,008

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

	Baker-Shasta		Oxide Peak		Total
As at July 31, 2021	\$ 6,664,251	\$	210,321	\$	6,874,572
ARO adjustment (Note 13)	(95,626)		-		(95,626)
As at July 31, 2022	6,568,625		210,321		6,778,946
Additions	-		25,000		25,000
ARO adjustment (Note 13)	(97,230)		-		(97,230)
As at July 31, 2023	\$ 6,471,395	\$	235,321	\$	6,706,716

Baker-Shasta Projects

In December 2020, the Company completed the acquisition of the Baker-Shasta, Mets, and Bot projects (collectively the “Baker-Shasta Projects”) located in the Toodoggone region of British Columbia. Certain Baker-Shasta claims are subject to net smelter return (“NSR”) royalties that range from 0.5% to 2.5%.

Oxide Peak Property

In December 2019, the Company entered into an option and joint venture agreement with ArcWest Exploration Inc. (“ArcWest”) pursuant to which the Company can earn up to an 80% interest in the Oxide Peak property located in the Toodoggone region of British Columbia.

The Company has earned an initial 60% interest in the Oxide Peak property (the “First Option”) by fulfilling the following terms:

1. Cash payments as follows:
 - o \$15,000 on signing (paid);
 - o \$15,000 on or before December 31, 2020 (paid); and
 - o \$25,000 on exercise of the First Option (paid in December 2022).
2. Incurring \$2,400,000 of exploration expenditures as follows:
 - o \$400,000 by December 31, 2020 (incurred);
 - o An additional \$500,000 by December 31, 2021 (incurred); and
 - o An additional \$1,500,000 by December 31, 2022 (incurred).

On December 8, 2022, the Company provided ArcWest notice that the Company had met the terms of the First Option to earn a 60% interest in the Oxide Peak property, and further that the Company was electing not to earn a further option to earn an additional 20% interest for a total 80% interest in the Oxide Peak property. ArcWest has taken the position that the Company has not met the requirements of the First Option, in particular that the cumulative exploration expenditure threshold has not been met. The Company rejects ArcWest’s position and will take all steps necessary to enforce its rights in relation to the exercise of the First Option.

Pursuant to the agreement, the parties will form a joint venture to hold and operate the Oxide Peak property, and each party will fund the costs associated with the Oxide Peak property proportionate to their respective interests. If a party does not contribute its share of the costs, the other party may contribute the shortfall, in which case, the interest of each party in the Oxide Peak property will be adjusted in accordance with a dilution formula. Should the Company’s or ArcWest’s interest be diluted to less than 10%, then that interest will convert to a 2% NSR royalty, of which 1% of the NSR royalty can be bought back for a \$2,000,000 cash payment at any time.

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenditures incurred during the years ended July 31, 2023 and 2022 are as follows:

	Year ended July 31,	
	2023	2022
Baker-Shasta Projects		
Community engagement	\$ 64,205	\$ 636,092
Compliance and monitoring	-	23,044
Consulting	787,270	1,058,230
Drilling and assays	1,101,288	2,408,681
Field supplies and other	667,155	2,570,969
Fuel	395,080	-
Geophysics	-	329,850
Heavy equipment	338,544	-
Permitting & environmental	882,686	132,452
Salaries	1,574,521	170,833
Site preparation and maintenance	-	1,470,832
Travel	461,030	304,062
	6,271,779	9,105,045
Oxide Peak Property		
Community engagement	-	15,000
Consulting	170,098	91,895
Drilling and assays	622,556	354,162
Field supplies and other	100,726	344,332
Fuel	85,595	-
Geophysics	-	91,475
Heavy equipment	3,406	-
Permitting & environmental	20,000	-
Salaries	191,932	-
Site preparation and maintenance	-	338,176
Travel	499,339	40,709
	1,693,652	1,275,749
	7,965,431	10,380,794
Recoveries from third-party	(1,021,716)	(296,653)
Mining tax credits	-	(150,276)
Total	\$ 6,943,715	\$ 9,933,865

In June 2022, the Company entered into an agreement to share its exploration camp with an arms-length third-party company. During the year ended July 31, 2023, the Company recorded recoveries of \$1,021,716 (2022 - \$296,653) from this third-party.

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

9. RECLAMATION DEPOSITS

	July 31, 2023	July 31, 2022
Baker-Shasta Projects	\$ 450,125	\$ 795,006
Oxide Peak Property	16,120	56,420
Total	\$ 466,245	\$ 851,426

10. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On July 1, 2022, the Company entered into a lease agreement for an office in Richmond, BC which qualifies for reporting under IFRS 16. Accordingly, the Company recorded a right-of-use asset of \$49,720 with a corresponding entry to lease liability. The Company calculated the present value of the minimum lease payments using an interest rate of 7%. Thereafter, the right-of-use asset is depreciated on a straight-line basis over the term of the lease which is 18 months.

The continuity of right-of-use assets for the years ended July 31, 2023 and 2022 is as follows:

	July 31, 2023	July 31, 2022
Opening balance	\$ 47,103	\$ -
Additions	-	49,720
Depreciation	(31,402)	(2,617)
Closing balance	\$ 15,701	\$ 47,103

The continuity of lease liability for the years ended July 31, 2023 and 2022 is as follows:

	July 31, 2023	July 31, 2022
Opening balance	\$ 47,206	\$ -
Additions	-	49,720
Interest expense	2,314	286
Repayment	(33,600)	(2,800)
Closing balance	\$ 15,920	\$ 47,206
Current	\$ 15,920	\$ 31,286
Non-current	-	15,920
Closing balance	\$ 15,920	\$ 47,206

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

11. TRADE AND OTHER PAYABLES

	July 31, 2023	July 31, 2022
Trade and other payables in Canada	\$ 793,702	\$ 1,586,091
Amounts due to related parties (Note 16)	120,667	35,671
Total	\$ 914,369	\$ 1,621,762

12. FLOW-THROUGH PREMIUM LIABILITY

	July 31, 2023	July 31, 2022
Opening balance	\$ 1,578,907	\$ 259,159
August 2021 flow-through private placement	-	777,778
December 2021 flow-through private placement	-	288,859
April 2022 flow-through private placement	-	2,191,636
April 2023 flow-through private placement	92,992	-
July 2023 flow-through private placement	578,370	-
Flow-through premium recovery	(1,842,522)	(1,938,525)
Closing balance	\$ 407,747	\$ 1,578,907

During the year ended July 31, 2023, the Company spent \$6,394,420 (2022 - \$9,202,136) of flow-through funds and recorded a flow-through share premium recovery of \$1,842,522 (2022 - \$1,938,525) on the statement of loss and comprehensive loss.

13. ASSET RETIREMENT OBLIGATION

	July 31, 2023	July 31, 2022
Opening balance	\$ 882,368	\$ 974,287
Adjustment	(97,230)	(95,626)
Accretion	5,379	3,707
Closing balance	\$ 790,517	\$ 882,368

Provincial laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

The Company acquired the Baker-Shasta Projects in December 2020. The Company estimated the present value of the environmental disturbance to be \$972,141 based on an undiscounted obligation of \$1,027,515. The provision was calculated using a weighted average a discount rate of 2.00% and an inflation rate of 1.63%.

13. ASSET RETIREMENT OBLIGATION (continued)

As at July 31, 2022, the Company estimated the present value of the environmental disturbance to be \$882,368 based on an undiscounted obligation of \$966,645, which is expected to be incurred in 2037. The provision was calculated using a weighted average discount rate of 2.61% and an inflation rate of 2.00%. Accordingly, the Company recorded an adjustment to the asset retirement obligation of \$95,626, with a corresponding entry to exploration and evaluation assets.

As at July 31, 2023, the Company estimated the present value of the environmental disturbance to be \$790,516 based on an undiscounted obligation of \$966,645, which is expected to be incurred in 2038. The provision was calculated using a weighted average discount rate of 3.35% and an inflation rate of 2.00%. Accordingly, the Company recorded an adjustment to the asset retirement obligation of \$97,230, with a corresponding entry to exploration and evaluation assets.

14. SHARE CAPITAL

a) Authorized share capital

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

b) Issued share capital

During the year ended July 31, 2023, the Company completed the following:

- On April 26, 2023, the Company completed the first tranche of a private placement through the issuance of 3,579,500 non-flow-through units at a price of \$0.30 per non-flow-through unit for gross proceeds of \$1,073,850 and 1,328,458 flow-through shares at a price of \$0.35 per flow-through share for gross proceeds of \$464,960.

Each non-flow-through unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.42 per share until April 26, 2026. The share purchase warrants were valued at \$71,590 using the residual value method.

The Company recorded a flow-through premium liability of \$92,992 on issuance of the flow-through shares.

The Company paid cash finder's fees of \$65,876 and issued 255,666 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.30 per share until April 26, 2026. The broker warrants were valued at \$39,108 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.69%; an expected volatility of 85%; an expected life of 3 years; a forfeiture rate of zero; and an expected dividend of zero. The Company paid other share issuance costs of \$62,103.

14. SHARE CAPITAL (continued)

b) Issued share capital (continued)

- On July 7, 2023, the Company completed the second and final tranche of the private placement through the issuance of 495,334 non-flow-through units at a price of \$0.30 per non-flow-through unit for gross proceeds of \$148,600, 43,000 flow-through shares at a price of \$0.35 per flow-through share for gross proceeds of \$15,050, and 3,830,000 charity-flow-through units at a price of \$0.45 per charity-flow-through unit for gross proceeds of \$1,723,500.

Each non-flow-through unit was issued on the same terms as the non-flow-through units issued in the first tranche. The share purchase warrants were valued at \$19,813 using the residual value method.

Each charity-flow-through unit was issued on the same terms as the non-flow-through units but with an expiry date of July 7, 2026. The share purchase warrants were valued at \$153,200 using the residual value method.

The Company recorded a flow-through premium liability of \$3,870 on issuance of the flow-through shares and a flow-through premium liability of \$574,500 on issuance of the charity-flow-through units.

The Company paid cash finder's fees of \$197,283 and issued 167,049 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.30 per share until July 7, 2026. The broker warrants were valued at \$22,402 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.74%; an expected volatility of 81%; an expected life of 3 years; a forfeiture rate of zero; and an expected dividend of zero. The Company paid other share issue costs of \$110,238.

During the year ended July 31, 2022, the Company completed the following:

- On August 13, 2021, the Company completed a private placement through the issuance of 2,000,000 non-flow-through shares at a price of \$0.50 per non-flow-through share for gross proceeds of \$1,000,000 (\$425,000 of which was received in July 2021), and 4,444,444 flow-through shares at a price of \$0.675 per flow-through share for gross proceeds of \$3,000,000. The Company paid \$160,275 in cash finder's fees and \$10,805 in other cash share issue costs.

The Company recorded a flow-through premium liability of \$777,778 on issuance of the flow-through shares.

- In December 2021, the Company completed, in three tranches, a private placement through the issuance of 1,716,000 non-flow-through units at a price of \$0.50 per non-flow-through unit for gross proceeds of \$858,000, and 5,777,182 flow-through units at a price of \$0.55 per flow-through unit for gross proceeds of \$3,177,450. Each flow-through and non-flow-through unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.75 per share for a period of two years.

The Company recorded a flow-through premium liability of \$288,859 on issuance of the flow-through units.

14. SHARE CAPITAL (continued)

b) Issued share capital (continued)

The Company paid cash finder's fees of \$204,900 and issued 361,090 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.55 per share for a period of two years. The broker warrants were valued at \$99,019 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.96%; an expected volatility of 100%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero. The Company also paid \$23,359 in cash share issue costs.

- In April 2022, the Company completed a private placement for gross proceeds of \$9,744,100 as follows:
 - 5,200,238 non-flow-through shares at a price of \$0.42 per non-flow-through share for gross proceeds of \$2,184,100;
 - 2,181,819 flow-through shares at a price of \$0.55 per flow-through share for gross proceeds of \$1,200,000; and
 - 10,600,000 charity-flow-through shares at a price of \$0.60 per charity-flow-through share for gross proceeds of \$6,360,000.

The Company recorded a flow-through premium liability of \$2,191,636 on issuance of the flow-through shares.

The Company paid cash finder's fees of \$779,079 and issued 1,316,245 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.42 per share until October 7, 2023. The broker warrants were valued at \$229,198 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.28%; an expected volatility of 59.84%; an expected life of 1.5 years; a forfeiture rate of zero; and an expected dividend of zero. The Company also paid other share issue costs of \$98,499. The Company also paid \$5,764 in other cash share issue costs.

c) Escrow shares

As at July 31, 2023, the Company has 3,435,820 common shares held in escrow, to be released on December 15, 2023.

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

d) Warrants

The continuity of share purchase warrants for the year ended July 31, 2023 is as follows:

Expiry date	Exercise price	Balance, July 31, 2022	Granted	Exercised	Expired	Balance, July 31, 2023
September 19, 2023	\$ 0.45	3,510,729	-	-	-	3,510,729
October 7, 2023	\$ 0.42	1,316,245	-	-	-	1,316,245
December 11, 2023	\$ 0.45	5,525,021	-	-	-	5,525,021
December 16, 2023	\$ 0.75	1,987,499	-	-	-	1,987,499
December 16, 2023	\$ 0.55	163,636	-	-	-	163,636
December 22, 2023	\$ 0.75	1,534,091	-	-	-	1,534,091
December 22, 2023	\$ 0.55	197,454	-	-	-	197,454
December 30, 2023	\$ 0.75	225,000	-	-	-	225,000
April 26, 2026	\$ 0.42	-	1,789,750	-	-	1,789,750
April 26, 2026	\$ 0.30	-	255,666	-	-	255,666
July 7, 2026	\$ 0.42	-	2,162,667	-	-	2,162,667
July 7, 2026	\$ 0.30	-	167,049	-	-	167,049
		14,459,675	4,375,132	-	-	18,834,807
Weighted average exercise price	\$ 0.53	\$ 0.41	\$ -	\$ -	\$ -	\$ 0.50

The continuity of share purchase warrants for the year ended July 31, 2022 is as follows:

Expiry date	Exercise price	Balance, July 31, 2021	Granted	Exercised	Expired	Balance, July 31, 2022
September 19, 2023	\$ 0.45	3,510,729	-	-	-	3,510,729
October 7, 2023	\$ 0.42	-	1,316,245	-	-	1,316,245
December 11, 2023	\$ 0.45	5,525,021	-	-	-	5,525,021
December 16, 2023	\$ 0.75	-	1,987,499	-	-	1,987,499
December 16, 2023	\$ 0.55	-	163,636	-	-	163,636
December 22, 2023	\$ 0.75	-	1,534,091	-	-	1,534,091
December 22, 2023	\$ 0.55	-	197,454	-	-	197,454
December 30, 2023	\$ 0.75	-	225,000	-	-	225,000
		9,035,750	5,423,925	-	-	14,459,675
Weighted average exercise price	\$ 0.45	\$ 0.66	\$ -	\$ -	\$ -	\$ 0.53

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

e) Share-based compensation

In March 2022, the Company's shareholders approved a new stock option plan (the "New Option Plan"). The New Option Plan is a 10% "rolling" stock option plan which governs the granting of stock options to directors, officers, employees and consultants of the Company or a subsidiary of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time which supersedes the previous stock option plan (the "Superseded Option Plan"). Any stock options outstanding under the Superseded Option Plan will remain outstanding, however new stock option grants will be subject to the New Option Plan. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

In addition, the shareholders approved a new equity incentive plan (the "Equity Plan") which governs the granting of any restricted share unit (RSU), performance share unit (PSU) or deferred share unit (DSU) granted under the Equity Plan, to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved for issuance up to 7,836,109 common shares, being 10% of the issued and outstanding common shares of the Company, pursuant to the Equity Plan.

The continuity of stock options for the year ended July 31, 2023, is as follows:

Expiry date	Exercise price	Balance, July 31, 2022	Granted	Exercised	Forfeited	Balance, July 31, 2023
September 19, 2023	\$ 0.20	66,668	-	-	-	66,668
February 1, 2026	\$ 0.35	3,062,500	-	-	(525,000)	2,537,500
April 19, 2026	\$ 0.50	100,000	-	-	(100,000)	-
July 8, 2027	\$ 0.42	2,740,000	-	-	(815,000)	1,925,000
July 8, 2027	\$ 0.42	250,000	-	-	-	250,000
July 11, 2028	\$ 0.30	-	1,410,000	-	-	1,410,000
		6,219,168	1,410,000	-	(1,440,000)	6,189,168
Weighted average exercise price	\$ 0.38	\$ 0.30	\$ -	\$ 0.40	\$ 0.36	

As at July 31, 2023, 4,791,668 stock options were exercisable with a weighted average remaining life of 3.54 years.

The continuity of stock options for the year ended July 31, 2022 is as follows:

Expiry date	Exercise price	Balance, July 31, 2021	Granted	Exercised	Forfeited	Balance, July 31, 2022
September 19, 2023	\$ 0.20	66,668	-	-	-	66,668
February 1, 2026	\$ 0.35	3,487,500	-	-	(425,000)	3,062,500
April 19, 2026	\$ 0.50	100,000	-	-	-	100,000
July 8, 2027	\$ 0.42	-	2,740,000	-	-	2,740,000
July 8, 2027 *	\$ 0.42	-	250,000	-	-	250,000
		3,654,168	2,990,000	-	(425,000)	6,219,168
Weighted average exercise price	\$ 0.35	\$ 0.42	\$ -	\$ 0.35	\$ 0.38	

14. SHARE CAPITAL (continued)

e) Share-based compensation (continued)

During the year ended July 31, 2023, the Company recorded \$18,745 (2022 - \$200,577) of share-based compensation in relation to stock options that vested during the period.

On July 11, 2023, the Company granted 1,360,000 stock options to directors, officers, employees, and consultants at a fair value of \$152,187 or \$0.11 per option, of which \$6,240 was recorded as share-based compensation for the year ended July 31, 2023. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.04%; an expected volatility of 68%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On July 11, 2023, the Company granted 50,000 stock options to an investor relations consultant at a fair value of \$5,595 or \$0.11 per option, of which \$1,957 was recorded as share-based compensation for the year ended July 31, 2023. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.04%; an expected volatility of 68%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On July 8, 2022, the Company granted 250,000 stock options to an investor relations consultant at a fair value of \$16,605 or \$0.07 per option, of which \$10,548 (2022 - \$6,056) was recorded as share-based compensation for the year ended July 31, 2023. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.21%; an expected volatility of 69%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On July 8, 2022, the Company granted 2,740,000 stock options to directors, officers, and consultants at a fair value of \$181,986 or \$0.07 per option, all of which was recorded as share-based compensation for the year ended July 31, 2022. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.21%; an expected volatility of 69%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

On April 19, 2021, the Company granted 100,000 stock options to an investor relations consultant at a fair value of \$29,590 or \$0.30 per option, of which \$12,535 was recorded as share-based compensation for the year ended July 31, 2022. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.25%; an expected volatility of 100%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

15. PROJECT INVESTIGATION COSTS

On October 13, 2021, the Company entered into an agreement, as amended, with Kingsgate Consolidated Limited ("Kingsgate") to acquire the Nueva Esperanza silver-gold project in Chile. Under the terms of the agreement, in exchange for 100% ownership of Kingsgate's Chilean subsidiary that holds the Nueva Esperanza project, the Company would pay to Kingsgate:

- \$25,000,000 cash on closing.
- Issue 14% of the Company's outstanding common shares.
- Up to \$25,000,000 in future milestone payments.

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

15. PROJECT INVESTIGATION COSTS (continued)

As a condition to the closing of the transaction, the Company was to raise a minimum of \$35,000,000 in an equity financing. The proposed acquisition was subject to TSX-V review and approval as well as other conditions precedent.

Kingsgate and the Company agreed to an extension of the dates for which the Company paid Kingsgate a non-refundable deposit of \$1,500,000.

On January 17, 2022, the Company notified Kingsgate that it anticipated certain conditions precedent would not be fulfilled, and accordingly the transaction was terminated on January 31, 2022.

During the year ended July 31, 2022, the Company recorded \$1,938,668 of project investigation costs consisting of costs directly related to this transaction, which amount includes the \$1,500,000 described above.

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes the Chief Executive Officer, the VP Exploration, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel during the years ended July 31, 2023 and 2022 were as follows:

	Year ended July 31,	
	2023	2022
Salaries & benefits / Consulting fees		
Chief Executive Officer	\$ 300,483	\$ 241,540
Golden Oak *	124,875	120,000
	425,358	361,540
Director fees	170,300	16,139
Exploration and evaluation expenditures		
VP Exploration	191,812	13,750
Share-based compensation	3,441	147,780
Total	\$ 790,911	\$ 539,209

* Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by the Chief Financial Officer and the Corporate Secretary of the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.

Amounts due to related parties

		July 31,	July 31,
		2023	2022
Chief Executive Officer	Expenses	\$ 13,396	\$ 3,479
VP Exploration	Expenses	-	8,179
Golden Oak	Expenses	16,644	7,874
Directors	Director fees	90,627	16,139
		\$ 120,667	\$ 35,671

17. SEGMENTED INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and evaluation.

All of the Company's capital assets are located in Canada as at July 31, 2023 and 2022.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: FVTPL; FVTOCI; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		July 31, 2023	July 31, 2022
Cash	Amortized cost	\$ 1,588,712	\$ 6,961,007
Receivables	Amortized cost	63,733	436,671
Reclamation deposits	Amortized cost	466,245	851,426
Trade and other payables	Amortized cost	(914,369)	(1,621,762)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of cash, receivables, reclamation deposits, and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a 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, receivables, and reclamation deposits. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs. The Company's receivables include balances receivable from the government of Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next sixty days. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity, political risk, and equity prices. These fluctuations may be significant.

- (a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.
- (b) Commodity Price Risk: While the value of the Company's exploration and evaluation assets will be related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities.

Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

19. MANAGEMENT OF CAPITAL

The Company manages its common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition of exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company is not subject to externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure forecasts that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends.

The Company's investment policy is to keep its cash treasury on demand deposit in an interest bearing Canadian chartered bank account. The Company estimates that its current capital resources may not be sufficient to carry out currently planned exploration and operations through the next twelve months (Note 1).

There have been no changes to the Company's approach to capital management for the years presented.

20. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended July 31,	
	2023	2022
Loss for the year	\$ (6,714,044)	\$ (11,545,303)
Expected income tax recovery	\$ (1,813,000)	\$ (3,117,000)
Permanent differences	(176,000)	(853,000)
Impact of flow-through share issuances	1,781,000	2,538,000
Share issue costs	(118,000)	(346,000)
Adjustment to prior years provision versus statutory tax returns	(43,000)	(32,000)
Change in unrecognized deductible temporary differences	369,000	1,810,000
Total	\$ -	\$ -

TDG GOLD CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended July 31, 2023
(Expressed in Canadian dollars)

20. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	July 31, 2023	July 31, 2022
Deferred tax assets (liabilities)		
Right-of-use asset	\$ (4,000)	\$ 13,000
Lease liability	4,000	(13,000)
Total unrecognized deferred tax assets (liabilities)	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	July 31, 2023	July 31, 2021
Deferred tax assets		
Exploration and evaluation assets	\$ 1,413,000	\$ 1,027,000
Equipment	197,000	178,000
Share issue costs	328,000	318,000
Capital losses	1,375,000	1,375,000
Non-capital losses available for future periods	1,763,000	1,809,000
Total unrecognized deferred tax assets	\$ 5,076,000	\$ 4,707,000

The significant components of the Company's temporary differences, unused tax credits, and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	July 31, 2023	Expiry date range
Temporary differences		
Exploration and evaluation assets	\$ 3,298,000	No expiry date
Equipment	731,000	No expiry date
Share issue costs	1,215,000	2044 to 2047
Capital losses	5,091,000	No expiry date
Non-capital losses available for future periods	6,530,000	2033 to 2043

Tax attributes are subject to review, and potential adjustment, by tax authorities.

21. SUBSEQUENT EVENTS

Subsequent to July 31, 2023, the Company completed the following:

- On September 19, 2023, 66,668 stock options expired unexercised.
- On September 19, 2023, 3,510,729 warrants expired unexercised.
- On October 7, 2023, 1,316,245 warrants expired unexercised.
- On October 6 and November 10, 2023, the Company completed a private placement in two tranches through the issuance of 16,594,116 non-flow-through shares at a price of \$0.17 per non-flow-through share for gross proceeds of \$2,821,000. The Company paid cash finder's fees of \$41,140 and issued 126,000 finders warrants exercisable into one common share at a price of \$0.17 per share until November 10, 2025.