

CANAGOLD RESOURCES LTD.

FORM 20-F

(Annual and Transition Report (foreign private issuer))

Filed 04/30/25 for the Period Ending 12/31/24

Telephone	(604) 685-9700
CIK	0000868822
Symbol	CRCUF
SIC Code	1040 - Gold And Silver Ores
Industry	Gold
Sector	Basic Materials
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For fiscal year ended December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report:

Commission file number: 0-18860



CANAGOLD RESOURCES LTD.

(Exact name of Registrant as specified in its charter)

Province of British Columbia, Canada

(Jurisdiction of incorporation or organization)

Suite #1250 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6

(Address of principal executive offices)

Mihai Draguleasa, Chief Financial Officer, Phone: (604) 685-9700 (Extension 103), Fax: (604) 685-9744, e-mail:

mihai@canagoldresources.com

Canagold Resources Ltd., Suite #1250 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Shares, without par value**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report: **174,495,696 common shares as at December 31, 2024**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for

the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the Registrant has used to prepare the financial statements included in this filing:

U.S. GAAP	<input type="checkbox"/>	International Financial Reporting Standards as issued by the International Accounting Standards Board	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>
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If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow: Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

TABLE OF CONTENTS

<u>EXPLANATORY NOTE REGARDING PRESENTATION OF FINANCIAL INFORMATION</u>	8
<u>CURRENCY</u>	9
<u>PART I</u>	14
<u>ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	14
<u>ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE</u>	14
<u>ITEM 3. KEY INFORMATION</u>	14
<u>3.A [Reserved]</u>	14
<u>3.B Capitalization and Indebtedness</u>	14
<u>3.C Reasons for the Offer and Use of Proceeds</u>	14
<u>3.D Risk Factors</u>	14
<u>ITEM 4. INFORMATION ON THE COMPANY</u>	27
<u>4.A History and Development of the Company</u>	27
<u>4.B Business Overview</u>	41
<u>4.C Organizational Structure</u>	46
<u>4.D Property, Plant and Equipment</u>	47
<u>ITEM 4A. UNRESOLVED STAFF COMMENTS</u>	67
<u>ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	67
<u>5.A Operating Results</u>	68
<u>5.B Liquidity and Capital Resources</u>	71
<u>5.C Research and Development, Patents and Licenses, etc.</u>	74
<u>5.D Trend Information</u>	74
<u>5.E Critical Accounting Estimates</u>	75
<u>ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	75
<u>6.A Directors and Senior Management</u>	75
<u>6.B Compensation</u>	78
<u>6.C Board Practices</u>	85

Table of Contents

<u>6.D</u>	<u>Employees</u>	92
<u>6.E</u>	<u>Share Ownership</u>	92
<u>ITEM 7.</u>	<u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	94
<u>7.A</u>	<u>Major Shareholders</u>	94
<u>7.B</u>	<u>Related Party Transactions</u>	95
<u>7.C</u>	<u>Interests of Experts and Counsel</u>	97
<u>ITEM 8.</u>	<u>FINANCIAL INFORMATION</u>	97
<u>8.A</u>	<u>Consolidated Statements and Other Financial Information</u>	97
<u>8.B</u>	<u>Significant Changes</u>	100
<u>ITEM 9.</u>	<u>THE OFFER AND LISTING</u>	100
<u>9.A</u>	<u>Offer and Listing Details</u>	100
<u>9.B</u>	<u>Plan of Distribution</u>	100
<u>9.C</u>	<u>Markets</u>	101
<u>9.D</u>	<u>Selling Shareholders</u>	101
<u>9.E</u>	<u>Dilution</u>	101
<u>9.F</u>	<u>Expenses of the Issue</u>	101
<u>ITEM 10.</u>	<u>ADDITIONAL INFORMATION</u>	101
<u>10.A</u>	<u>Share Capital</u>	101
<u>10.B</u>	<u>Notice of Articles and Articles of Association</u>	102
<u>10.C</u>	<u>Material Contracts</u>	107
<u>10.D</u>	<u>Exchange Controls</u>	107
<u>10.E</u>	<u>Taxation</u>	108
<u>10.F</u>	<u>Dividends and Paying Agents</u>	120
<u>10.G</u>	<u>Statement by Experts</u>	120
<u>10.H</u>	<u>Documents on Display</u>	121
<u>10.I</u>	<u>Subsidiary Information</u>	122
<u>ITEM 11.</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	122
<u>ITEM 12.</u>	<u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	125

<u>PART II</u>	126
<u>ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	126
<u>ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	126
<u>ITEM 15. CONTROLS AND PROCEDURES</u>	127
<u>ITEM 16. [RESERVED]</u>	129
<u>16A. Audit Committee Financial Expert</u>	129
<u>16B. Code of Ethics</u>	129
<u>16.C Principal Accountant Fees and Services</u>	130
<u>16.D Exemptions from the Listing Standards for Audit Committees</u>	131
<u>16.E Purchases of Equity Securities by the Company and Affiliated Purchasers</u>	131
<u>16.F Change in Company’s Certifying Accountant</u>	131
<u>16.G Corporate Governance</u>	131
<u>16.H Mine Safety Disclosure</u>	131
<u>PART III</u>	133
<u>ITEM 17. FINANCIAL STATEMENTS</u>	133
<u>ITEM 18. FINANCIAL STATEMENTS</u>	133
<u>ITEM 19. EXHIBITS</u>	133

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F and the exhibits attached hereto contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such forward looking statements concern the Company’s anticipated results and developments in the Company’s operations in future periods, planned exploration and development of its mineral property interests, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks related to our exploration and development activities;
- risks related to the financing needs of our planned operations;
- risks related to estimates of mineral deposits, resources and reserves;
- risks related to fluctuations in mineral prices;
- risks related to the titles of our mineral property interests;
- risks related to competition in the mineral exploration and mining industry;
- risks related to potential conflicts of interest with our officers and directors;
- risks related to environmental and regulatory requirements;
- risks related to foreign currency fluctuations;
- risks related to our possible status as a passive foreign investment company;
- risks related to the volatility of our common stock;
- risks related to the possible dilution of our common stock;
- risks related the uncertainty related to unsettled First Nations rights and title in British Columbia (BC, Canada);
- risks related to uninsured risks; and
- risks related to cybersecurity.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the sections titled “Item 3. Key Information – D. Risk Factors” and “Item 4. Information on the Company” of this annual report on Form 20-F. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events other than as may be specifically required by applicable securities laws and regulations.

We qualify all the forward-looking statements contained in this annual report by the foregoing cautionary statements.

Unless the context otherwise requires, all references to “we” or “our” or the “Company” or “Canagold” or “Canarc” refer to Canagold Resources Ltd. (formerly, Canarc Resource Corp.) and/or its subsidiaries. All monetary figures are in terms of United States dollars unless otherwise indicated.

SUMMARY OF RISK FACTORS

Investing in our common shares involves a high degree of risk. You should carefully consider the risks summarized below and other risks that we face, a detailed discussion of which can be found under “Item 3. Key Information – D. Risk Factors” below, together with other information in this annual report on Form 20-F and our other filings with the SEC. This summary list of risks is not exhaustive of the factors that may affect any of the Company’s forward-looking statements and our business and financial results. If any of these risks actually occur, our business, financial condition and financial performance would likely be materially adversely affected. In such case, the trading price of our common shares would likely decline and you may lose part or all of your investment. Below is a summary of some of the principal risks we face:

Risks related to the Company's Financial Condition

- The Company's ability to continue as a going concern is in doubt and the Company's planned operations will require future financing and there is no assurance given by the Company that it will be able to secure the financing necessary to explore, develop and produce its mineral property interests.
- The Company has a history of losses, and we do not expect to generate earnings from operations or pay dividends in the near term, if at all.
- A substantial or extended decline in gold or silver prices would have a material adverse effect on the value of the Company's assets and on the Company's ability to raise capital and could result in lower than estimated economic returns.

Risks related to the Company's Business

- The Company's exploration activities may not be commercially successful, which could lead it to abandon its plans to develop its mineral property interests and its investments in exploration and there is no assurance given by the Company that its exploration and development programs and mineral property interests will result in the discovery, development or production of a commercially viable ore body.
- The Company will be required to locate mineral reserves for its long-term success.
- The figures for the Company's resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated and there is no assurance given by the Company that any estimates of mineral deposits herein will not change.
- Mineral operations are subject to market forces outside of the Company's control which could negatively impact the Company's operations.
- There is no assurance given by the Company that it owns legal title to its mineral property interests.
- The Company competes with larger, better capitalized competitors in the mining industry and there is no assurance given by the Company that it can compete for mineral properties, future financings and technical expertise.
- A shortage of equipment and supplies could adversely affect the Company's ability to operate its business.
- The Company's directors and officers may have conflicts of interest as a result of their relationships with other companies and there is no assurance given by the Company that its directors and officers will not have conflicts of interest from time to time.
- The Company does not insure against all risks which we may be subject to in our planned operations and there is no assurance given by the Company that it is adequately insured against all risks.
- The Company is subject to significant governmental and environmental regulations and there is no assurance given by the Company that it has met all environmental or regulatory requirements.
- Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the Company's business.
- Land reclamation requirements for the Company's properties may be burdensome.

[Table of Contents](#)

- Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business.
- The Company may face potential opposition from non-governmental organizations ("NGOs") to explore, advance, develop and operate its mineral property assets.
- There is uncertainty related to unsettled First Nations rights and title in British Columbia (Canada) and this may create delays in project approval or interruptions in project progress.
- The Company's properties may be located in foreign countries and political instability or changes in the regulations in these countries may adversely affect the Company's ability to carry on its business.
- Fluctuations in foreign currency exchange rates may adversely affect the Company's future profitability.
- The Company is reliant on third parties.
- The Company may experience cybersecurity threats.

Risks Related to the Company's United States Reporting

- It may be difficult for U.S. shareholders to enforce civil liabilities under United States law in Canadian courts.
- The Company's possible PFIC status may have possible adverse tax consequences for United States Investors.
- While we believe we have adequate internal control over financial reporting, internal controls cannot provide absolute assurance that objectives are met.
- As a "foreign private issuer", the Company is exempt from Section 14 proxy rules and Section 16 of the Securities Exchange Act of 1934.

Risks Related to the Company's Common Shares

- The Company does not intend to pay dividends.
- The volatility of the Company's common shares could cause investor loss.
- Penny stock classification could affect the marketability of the Company's common stock and shareholders could find it difficult to sell their stock.
- Possible dilution to current shareholders based on outstanding options and warrants.

EXPLANATORY NOTE REGARDING PRESENTATION OF FINANCIAL INFORMATION

The annual audited consolidated financial statements contained in this Annual Report on Form 20-F are reported in United States dollars. For the years ended December 31, 2024, 2023 and 2022 as presented in the annual audited consolidated financials contained in this Annual Report on Form 20-F, we prepared our consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Statements prepared in accordance with IFRS are not comparable in all respects with financial statements that are prepared in accordance with U.S. generally accepted accounting principles ("US GAAP").

CURRENCY

Unless we otherwise indicate in this Annual Report on Form 20-F, all references to "Canadian Dollars" or "CAD\$" are to the lawful currency of Canada, and all references to "U.S. Dollars" or "US\$" are to the lawful currency of the United States.

GLOSSARY OF MINING TERMS

The following is a glossary of some of the terms used in the mining industry and referenced herein:

1933 Act - means the United States Securities Act of 1933, as amended.

adit – a horizontal tunnel in an underground mine driven from a hillside surface.

Ag – silver.

alluvial mining - mining of gold bearing stream gravels using gravity methods to recover the gold, also known as placer mining.

andesite - a volcanic rock of intermediate composition, the extrusive equivalent of diorite.

arsenopyrite – an ore mineral of arsenic, iron, and sulphur, often containing gold.

assay – a precise and accurate analysis of the metal contents in an ore or rock sample.

Au - gold.

autoclave – a mineral processing vessel operated at high temperature and pressure in order to oxidize sulfide and carbon compounds, so the contained metals can be leached and concentrated.

Commission - United States Securities and Exchange Commission, or S.E.C.

concentrate – a concentrate of minerals produced by crushing, grinding and processing methods such as gravity or flotation.

contained gold – total measurable gold in grams or ounces estimated to be contained within a mineral deposit. Makes no allowance for economic criteria, mining dilution or recovery losses.

Cu – copper.

cut-off grade – deemed grade of mineralization, established by reference to economic factors, above which material is considered ore and below which is considered waste.

diamond drill – a large machine that produces a continuous core sample of the rock or material being drilled.

diorite – a plutonic rock of intermediate composition, the intrusive equivalent of andesite.

doré – bullion of gold, with minor silver and copper produced by smelting, prior to refining.

epithermal – used to describe hydrothermal mineral deposits, typically in veins, formed at lower temperatures and pressures within 1 km of the earth surface.

Exchange Act – means the United States Securities Exchange Act of 1934, as amended.

Exploration stage issuer is an issuer that has no material property with mineral reserves disclosed.

Exploration stage property is a property that has no mineral reserves disclosed.

feasibility study – a detailed report assessing the feasibility, economics and engineering of placing a mineral deposit into commercial production.

flotation – a mineral recovery process using soapy compounds to float finely ground metallic minerals into a concentrate.

gold deposit - means a mineral deposit mineralised with gold.

gold equivalent - a method of presenting combined gold and silver concentrations or weights for comparison purposes. Commonly involves expressing silver as its proportionate value in gold based on the relative values of the two metals.

gold resource – see mineral resource.

gpt - grams per tonne.

greenstone - a field term for any compact dark-green altered or metamorphosed basic igneous rock that owes its colour to green minerals such as chlorite, actinolite or epidote.

indicated mineral resource means that part of a mineral resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated mineral resource has a lower level of confidence than the level of confidence of a measured mineral resource, an indicated mineral resource may only be converted to a probable mineral reserve.

inferred mineral resource means that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Because an inferred mineral resource has the lowest level of geological confidence of all mineral resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, an inferred mineral resource may not be considered when assessing the economic viability of a mining project, and may not be converted to a mineral reserve.

lode mining – mining of ore, typically in the form of veins or stockworks.

measured mineral resource means that part of a mineral resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured mineral resource is sufficient to allow a qualified person to apply modifying factors, as defined in this section, in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit. Because a measured mineral resource has a higher level of confidence than the level of confidence of either an indicated mineral resource or an inferred mineral resource, a measured mineral resource may be converted to a proven mineral reserve or to a probable mineral reserve.

mesothermal – used to describe hydrothermal mineral deposits, typically in veins, formed at higher temperatures and pressures deeper than 1 km of the earth's surface.

mineral reserve is an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.

mineral resource is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.

net profits interest or NPI – a royalty based on the net profits generated after recovery of all costs.

net smelter royalty or NSR - a royalty based on the gross proceeds received from the sale of minerals less the cost of smelting, refining, freight and other related costs.

nugget effect – an effect of high variability of gold assays, due to the gold occurring in discreet coarse grains such that their content in any given sample is highly variable.

ore – a naturally occurring rock or material from which economic minerals can be extracted at a profit.

ounce or oz. - a troy ounce or 20 pennyweights or 480 grains or 31.103 grams.

opt – troy ounces per ton.

porphyry – an igneous rock containing coarser crystals in a finer matrix.

probable reserve is the economically mineable part of an indicated and, in some cases, a measured mineral resource.

professional association, for the purposes of the definition of a Qualified Person below, means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that (a) has been given authority or recognition by statute; (b) admits members primarily on the basis of their academic qualifications and experience; (c) requires compliance with the professional standards of competence and ethics established by the organization; and (d) has disciplinary powers, including the power to suspend or expel a member.

prospect – an area prospective for economic minerals based on geological, geophysical, geochemical and other criteria

proven reserve is the economically mineable part of a measured mineral resource and can only result from conversion of a measured mineral resource.

pyrite – an ore mineral of iron and sulphur.

Qualified Person means an individual who (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project and the technical report; and (c) is a member in good standing of a professional association.

quartz – a rock-forming mineral of silica and oxygen, often found in veins also.

raise – a vertical or inclined tunnel in an underground mine driven upwards from below.

ramp – an inclined tunnel in an underground mine driven downwards from surface.

reverse circulation drill – a large machine that produces a continuous chip sample of the rock or material being drilled.

saprolite - a soft, earthy, clay rich and thoroughly decomposed rock with its original textures intact, formed in place by chemical weathering of igneous, sedimentary or metamorphic rocks.

scoping study – a conceptual report assessing the scope, economics and engineering of placing a mineral deposit into commercial production.

shaft – a vertical or inclined tunnel in an underground mine driven downward from surface.

shear – a tabular zone of faulting within which the rocks are crushed and flattened.

stibnite – an ore mineral of antimony and sulphur.

stock or pluton – a body of intrusive rock that covers less than 40 square miles, has steep dips and is discordant with surrounding rock.

stockwork – multiple small veins of mineralisation that have so penetrated a rock mass that the whole rock mass can be considered mineralised.

strike length - the longest horizontal dimensions of a body or zone of mineralisation.

stripping ratio - the ratio of waste material to ore that is estimated for or experienced in mining an ore body.

sulphide – an ore mineral compound linking sulphur with one or more metals.

ton - short ton (2,000 pounds).

tonne - metric tonne (2,204.6 pounds).

trenching – the surface excavation of a linear trench to expose mineralization for sampling.

vein – a tabular body of rock typically of narrow thickness and often mineralized occupying a fault, shear, fissure or fracture crosscutting another pre-existing rock.

winze – an internal shaft in an underground mine.

For ease of reference, the following conversion factors are provided:

1 mile	= 1.609 kilometres	1 pound	= 0.4535 kilogram
1 yard	= 0.9144 meter	2,000 pounds/1 short ton	= 0.907 tonne
1 acre	= 0.405 hectare	1 troy ounce	= 31.103 grams

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL RESERVE AND RESOURCE ESTIMATES

We are subject to the reporting requirements of the Exchange Act and applicable Canadian securities laws, and as a result we report our mineral reserves and mineral resources according to two different standards. U.S. reporting requirements are governed by subpart 1300 of Regulation S-K under the Exchange Act (“S-K 1300”). Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. Both sets of reporting standards have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, but the standards embody slightly different approaches and definitions.

In our public filings in the U.S. and Canada and in certain other announcements not filed with the SEC, we may disclose measured, indicated and inferred resources, each as defined in S-K 1300 and NI 43-101. The estimation of measured resources and indicated resources involve greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves, and therefore investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into S-K 1300-compliant or NI 43-101-compliant reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources, and therefore it cannot be assumed that all or any part of inferred resources will ever be upgraded to a higher category. Therefore, investors are cautioned not to assume that all or any part of inferred resources exist, or that they can be mined legally or economically.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A [Reserved]

3.B Capitalization and Indebtedness

Not applicable.

3.C Reasons for the Offer and Use of Proceeds

Not applicable.

3.D Risk Factors

The following is a brief discussion of those distinctive or special characteristics of the Company's operations and industry that may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance. You should carefully consider, among other matters, the following risk factors in addition to the other information in this annual report on Form 20-F when evaluating our business because these risk factors may have a significant impact on our business, financial condition, operating results or cash flow. If any of the material risks described below or in subsequent reports we file with the SEC actually occur, they may materially harm our business, financial condition, operating results or cash flow. Additional risks and uncertainties that we have not yet identified or that we presently consider to be immaterial may also materially harm our business, financial condition, operating results or cash flow.

Risks Related to the Company's Financial Condition

The Company's ability to continue as a going concern is in doubt and the Company's planned operations will require future financing and there is no assurance given by the Company that it will be able to secure the financing necessary to explore, develop and produce its mineral property interests.

The Company does not presently have sufficient financial resources or operating cash flows to undertake by itself all of its planned exploration and development programs. The development of the Company's mineral property interests may therefore depend on the Company's joint venture partners, if any, and on the Company's ability to obtain additional required financing. There is no assurance the Company will be successful in obtaining the required financing, the lack of which could result in the loss or substantial dilution of its interests (as existing or as proposed to be acquired) in its mineral property interests as disclosed herein. In addition, the Company does not have sufficient experience in developing mining properties into production and its ability to do so will be dependent upon securing the services of appropriately experienced personnel or entering into agreements with other major mining companies which can provide such expertise.

As noted in its audited consolidated financial statements for the year ended December 31, 2024 the Company has no operating revenues, has incurred significant operating losses in fiscal years prior to 2024, and has an accumulated deficit of approximately \$56.6 million at December 31, 2024. Furthermore, the Company lacks sufficient funds to achieve the Company's planned business objectives. The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet the Company's liabilities as they become payable.

The report of our independent registered public accounting firm on the December 31, 2024 consolidated financial statements includes an additional paragraph that states the existence of material uncertainties that cast substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include adjustments that might result from the outcome of this uncertainty.

The Company has a history of losses, and we do not expect to generate earnings from operations or pay dividends in the near term, if at all.

The Company is an exploration stage enterprise. As such, the Company devotes its efforts to exploration, analysis and, if warranted, development of its projects. The Company does not currently produce gold and does not currently generate operating earnings from gold production. The Company finances its business activities principally by issuing equity securities.

The Company has incurred losses in all periods since inception. The Company expects to continue to incur losses in the future. The Company has no history of paying cash dividends and it does not expect to be able to pay cash dividends or to make any similar distribution in the foreseeable future, if at all.

A substantial or extended decline in gold prices would have a material adverse effect on the value of the Company's assets and on the Company's ability to raise capital and could result in lower than estimated economic returns.

The value of the Company's assets, its ability to raise capital and its future economic returns are substantially dependent on the price of gold. Gold prices fluctuate continually and are affected by numerous factors beyond the Company's control. Factors tending to influence gold prices include:

- gold sales or leasing by governments and central banks or changes in their monetary policy, including gold inventory management and reallocation of reserves;
- speculative short or long positions on futures markets;
- the relative strength of the U.S. dollar;
- expectations of the future rate of inflation or interest rates;
- changes to economic conditions in the United States, China, India and other industrialized or developing countries;
- geopolitical conflicts;
- changes in jewelry, investment or industrial demand;
- changes in supply from production, disinvestment and scrap; and
- forward sales by producers in hedging or similar transactions.

A substantial or extended decline in the gold prices could:

- negatively impact the Company's ability to raise capital on favorable terms, or at all;
- jeopardize the development of the New Polaris property;
- reduce the Company's estimated mineral resources and reserves by removing material from these estimates that could not be economically processed at lower gold prices;
- reduce the potential for future revenues from gold projects in which the Company has an interest;
- reduce funds available to operate the Company's business; and
- reduce the market value of the Company's assets.

Risks Related to the Company's Business

The Company's exploration activities may not be commercially successful, which could lead it to abandon its plans to develop its mineral property interests and its investments in exploration and there is no assurance given by the Company that its exploration and development programs and mineral property interests will result in the discovery, development or production of a commercially viable ore body.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of bodies of commercial ore. Unusual or unexpected geological structures or formations, fires, power outages, labour disruptions, floods, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied and may continue to rely upon consultants and others for construction and operating expertise. The economics of developing gold and other mineral properties are affected by many factors including capital and operating costs, variations of the grade of ore mined, fluctuating mineral markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the price of gold or other minerals produced, the Company may determine that it is impractical to commence or continue commercial production. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for precious and base metals, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted.

The Company will be required to locate mineral reserves for its long-term success.

None of the Company's properties currently have any proven and probable mineral reserves. The Company's long-term success will depend on the Company establishing mineral reserves on its properties and receiving revenue from the production of gold and other base and precious metals. If and when the Company begins production, the Company will have to continually replace and expand its mineral reserves, if any. The Company's ability to maintain or increase its annual production of gold and other base or precious metals once its current properties are producing, if at all, will be dependent almost entirely on its ability to acquire, explore, and develop new properties and bring new mines into production.

The figures for the Company's resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated and there is no assurance given by the Company that any estimates of mineral deposits herein will not change.

Although all figures with respect to the size and grade of mineralized deposits included herein have been carefully prepared by the Company, or, in some instances have been prepared, reviewed or verified by independent mining experts, these amounts are estimates only and no assurance can be given that any identified mineralized deposit will ever qualify as a commercially viable mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. There can be no assurance that gold recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of future operations. The refractory nature of gold mineralization at New Polaris project may adversely affect the economic recovery of gold from mining operations.

Mineral operations are subject to market forces outside of the Company's control which could negatively impact the Company's operations.

The marketability of minerals is affected by numerous factors beyond the control of the entity involved in their mining and processing. These factors include market fluctuations, government regulations relating to prices, taxes, royalties, allowable production, imports, exports and supply and demand. One or more of these risk elements could have an impact on costs of an operation and if significant enough, reduce the profitability of the operation and threaten its continuation.

There is no assurance given by the Company that it owns legal title to its mineral property interests.

The acquisition of title to mineral property interests is a very detailed and time-consuming process. Title to any of the Company's mining concessions may come under dispute. While the Company has diligently investigated title considerations to its mineral property interests, in certain circumstances, the Company has only relied upon representations of property partners and government agencies. There is no guarantee of title to any of the Company's mineral property interests. The mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by unidentified and undetected defects. In British Columbia and elsewhere, native land claims or claims of aboriginal title may be asserted over areas in which the Company's mineral property interests are located. To the best of the knowledge of the Company, although the Company understands that comprehensive land claims submissions have been received by Indian and Northern Affairs Canada from the Taku Tlingit (Atlin) Band (which encompasses the New Polaris property) and from the Association of United Tahltans and the Nisga'a Tribal Council (which may encompass the Eskay Creek property), no legal actions have been formally served on the Company to date asserting such rights with respect to mining properties in which the Company has an interest. Three First Nations bands (namely, Cheslatta Carrier Band, Nee-Tahi-Buhn Band and the Skin Tyee Nation Band) have claims in the Windfall Hills property.

The Company competes with larger, better capitalized competitors in the mining industry and there is no assurance given by the Company that it can compete for mineral properties, future financings and technical expertise.

Significant and increasing competition exists for the limited number of gold acquisition opportunities available in North, South and Central America and elsewhere in the world. As a result of this competition, some of which is with large established mining companies which have greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive gold mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company's exploration and acquisition programs will yield any new resources or reserves or result in any commercial mining operation.

The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Competition for exploration resources at all levels can be very intense, particularly affecting the availability of manpower, drill rigs, mining equipment and production equipment. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

A shortage of equipment and supplies could adversely affect the Company's ability to operate its business.

The Company is dependent on various supplies and equipment to carry out its mineral exploration and, if warranted, development operations. Any shortage of such supplies, equipment and parts could have a material adverse effect on the Company's ability to carry out its operations and therefore limit or increase the cost of potential future production.

The Company's directors and officers may have conflicts of interest as a result of their relationships with other companies and there is no assurance given by the Company that its directors and officers will not have conflicts of interest from time to time.

The Company's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against any resolution involving any such conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another company due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in any particular exploration or mining project at any given time, the directors will primarily consider the upside potential for the project to be accretive to shareholders, the degree of risk to which the Company may be exposed and its financial position at that time.

The Company does not insure against all risks which we may be subject to in our planned operations and there is no assurance given by the Company that it is adequately insured against all risks.

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration and mining activities.

The Company is subject to significant governmental and environmental regulations and there is no assurance given by the Company that it has met all environmental or regulatory requirements.

The current or future operations of the Company, including exploration and development activities and commencement of production on its mineral property interests, require permits from various foreign, federal, state and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required in order for the Company to commence production on its various mineral property interests will be obtained. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, are necessary prior to operation of the other properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. New laws or regulations or amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation of current laws, regulations or permits, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

As a current and prior holder of interests in U.S. mineral properties, the Company may be subject to the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (“CERCLA”). CERCLA, along with analogous statutes in certain states, imposes strict, joint and several liability on owners and operators of facilities which release hazardous substances into the environment. CERCLA imposes similar liability upon generators and transporters of hazardous substances disposed of at an off-site facility from which a release has occurred or is threatened. Under CERCLA’s strict joint and several liability provisions, the Company could potentially be liable for all remedial costs associated with property that it currently or previously owned or operated regardless of whether the Company’s activities are the actual cause of the release of hazardous substances. Such liability could include the cost of removal or remediation of the release and damages for injury to the natural resources. The Company’s one prior property was located in a historic mining district and may include abandoned mining facilities (including waste piles, tailings, portals and associated underground and surface workings). Releases from such facilities or from any of the Company’s current and prior U.S. properties due to past or current activities could form the basis for liability under CERCLA and its analogs. In addition, off-site disposal of hazardous substances, including hazardous mining wastes, may subject the Company to CERCLA liability. The Company’s current and prior U.S. properties are not, to the Company’s knowledge, currently listed or proposed for listing on the National Priority List and the Company is not aware of pending or threatened CERCLA litigation which names the Company as a defendant or concerns any of its current or prior U.S. properties or operations. The Company cannot predict the potential for future CERCLA liability with respect to its current or prior U.S. properties, nor can it predict the potential impact or future direction of CERCLA litigation in the area surrounding its current and prior properties.

To the best of the Company’s knowledge, the Company is operating in compliance with all applicable environmental and regulatory regulations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the Company's business.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, and its suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such limitations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in its industry could harm its reputation. The potential physical impacts of climate change on the Company's operations are highly uncertain, and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These impacts may adversely impact the cost, potential production and financial performance of the Company's operations.

Land reclamation requirements for the Company's properties may be burdensome.

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of the project to cover potential risks. These additional costs may have material adverse impact on the financial condition and results of the Company.

Mining is inherently dangerous and subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business.

Mining involves various types of risks and hazards, including:

- environmental hazards,
- power outages,
- metallurgical and other processing problems,
- unusual or unexpected geological formations,
- structural cave-ins or slides,
- flooding, fire, explosions, cave-ins, landslides and rock-bursts,
- inability to obtain suitable or adequate machinery, equipment or labour,
- metals losses, and
- periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Company or to other companies within the mining industry. The Company may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

There is uncertainty related to unsettled First Nations rights and title in British Columbia (Canada) and this may create delays in project approval or interruptions in project progress.

The Company's sole material property is located in British Columbia. The nature and extent of First Nations rights and title remains the subject of active debate, claims and litigation in British Columbia. First Nations in British Columbia have made claims of aboriginal rights and title to substantial portions of land and water in the province, creating uncertainty as to the status of competing property rights.

The Supreme Court of Canada has held that indigenous groups may have a spectrum of aboriginal rights in lands that have been traditionally used or occupied by their ancestors. Such aboriginal rights and title are not absolute and may be infringed by government in furtherance of a legislative objective, subject to meeting a justification test. The effect of such claims on any particular area of land will not be determinable until the exact nature of historical use, occupancy and rights to such property have been clarified by a decision of the Courts or definition in a treaty. First Nations in the province are seeking settlements including compensation from governments with respect to these claims, and the effect of these claims cannot be estimated at this time. The federal and provincial governments have been seeking to negotiate settlements with indigenous groups throughout British Columbia in order to resolve many of these claims, but the issues surrounding aboriginal title and rights are not likely to be resolved in the near future.

Given the unsettled nature of land claims and treaty rights in British Columbia, there can be no guarantee that there will not be delays in any required approvals, unexpected interruptions in project progress, requirements for First Nations consent, cancellation of permits and licenses or additional costs to advance the Company's sole material project.

The Company's properties may be located in foreign countries and political instability or changes in the regulations in these countries may adversely affect the Company's ability to carry on its business.

Certain of the Company's properties are located in countries outside of Canada, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes may vary from country to country and are beyond the control of the Company and may adversely affect its business. Such changes have, in the past, included nationalization of foreign owned businesses and properties. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income and other taxes and duties, expropriation of property, environmental legislation and mine safety. These uncertainties may make it more difficult for the Company and its joint venture partners to obtain any required production financing for its mineral properties.

Fluctuations in foreign currency exchange rates may adversely affect the Company's future profitability.

In addition to CAD dollar currency accounts, the Company maintains a portion of its funds in U.S. dollar denominated accounts. Certain of the Company's mineral property interests and related contracts may be denominated in U.S. dollars. Accordingly, the Company may take some steps to reduce its risk to foreign currency fluctuations. However, the Company's operations in countries other than Canada are normally carried out in the currency of that country and make the Company subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. In addition future contracts may not be denominated in U.S. dollars and may expose the Company to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. In addition, the Company is or may become subject to foreign exchange restrictions which may severely limit or restrict its ability to repatriate capital or profits from its mineral property interests outside of Canada to Canada. Such restrictions have existed in the past in countries in which the Company holds property interests and future impositions of such restrictions could have a materially adverse effect on the Company's future profitability or ability to pay dividends.

The Company is reliant on third parties.

The Company's rights to acquire interests in certain mineral properties may have been granted by third parties who themselves hold only a property option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

The Company may experience cybersecurity threats.

Canagold relies on secure and adequate operations of information technology systems in the conduct of its operations. Access to and security of the information technology systems are critical to Canagold's operations. To Canagold's knowledge, it has not experienced any material losses relating to disruptions to its information technology systems. Canagold has implemented ongoing policies, controls and practices to manage and safeguard Canagold and its stakeholders from internal and external cybersecurity threats and to comply with changing legal requirements and industry practice. Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, Canagold cannot assure that its information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures or defects. Potential disruptions to Canagold's information technology systems, including, without limitation, security breaches, power loss, theft, computer viruses, cyber-attacks, natural disasters, and noncompliance by third party service providers and inadequate levels of cybersecurity expertise and safeguards of third party information technology service providers, may adversely affect the operations of Canagold as well as present significant costs and risks including, without limitation, loss or disclosure of confidential, proprietary, personal or sensitive information and third party data, material adverse effect on its financial performance, compliance with its contractual obligations, compliance with applicable laws, damaged reputation, remediation costs, potential litigation, regulatory enforcement proceedings and heightened regulatory scrutiny.

Risks Related to the Company's United States Reporting

It may be difficult for U.S. shareholders to enforce civil liabilities under United States law in Canadian courts.

The enforcement of civil liabilities under the U.S. federal and state securities laws may be affected adversely by the fact that the Company is incorporated under the laws of a foreign country, that certain of its officers and directors are residents of a foreign country, that the independent registered public accounting firm and some or all of the experts named in this report may be residents of a foreign country and that all or a substantial portion of the assets of the Company and said persons may be located outside the U.S. In particular, uncertainty exists as to whether Canadian courts would entertain claims or enforce judgments based on the civil liability provisions of the U.S. federal and state securities laws.

The Company's possible PFIC status may have possible adverse tax consequences for United States Investors.

Potential investors who are United States taxpayers should be aware that Canagold may be classified for United States tax purposes as a passive foreign investment company ("PFIC") for the current tax year ended December 31, 2024 and prior tax years, and based on current business plans and financial expectations, the Company anticipates that it may qualify as a PFIC for its subsequent taxable years. If the Company is a PFIC for any year during a US shareholder's holding period, then such US shareholder generally will be required to treat any gain realized upon a disposition of Common Shares, or any so-called "excess distribution" received on its common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to the Common Shares. A US shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, US shareholders should be aware that there can be no assurance that the Company will satisfy the record keeping requirements that apply to a qualified electing fund, or that the Company will supply US shareholders with information that such U.S. shareholders require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. shareholder wishes to make a QEF Election. Thus, US shareholders may not be able to make a QEF Election with respect to their Common Shares. A US shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the taxpayer's basis therein. Item 10.E provides further details.

While we believe we have adequate internal control over financial reporting, internal controls cannot provide absolute assurance that objectives are met.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we have furnished a report by management on our internal controls over financial reporting in this annual report on Form 20-F. Such report contains, among other matters, an assessment of the effectiveness of our internal control over financial reporting, including a statement as to whether or not our internal control over financial reporting is effective.

The Company's management does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

As a “foreign private issuer”, the Company is exempt from Section 14 proxy rules and Section 16 of the Securities Exchange Act of 1934.

The Company is a “foreign private issuer” as defined in Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”). Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the U.S. Exchange Act pursuant to Rule 3a12-3 of the U.S. Exchange Act. Therefore, the Company is not required to file a Schedule 14A proxy statement in relation to the annual meeting of shareholders. The submission of proxy and annual meeting of shareholder information on Form 6-K may result in shareholders having less complete and timely information in connection with shareholder actions. The exemption from Section 16 rules regarding reports of beneficial ownership and purchases and sales of common shares by insiders and restrictions on insider trading in our securities may result in shareholders having less data and there being fewer restrictions on insiders’ activities in our securities.

Risks Related to the Company’s Common Shares

The Company does not intend to pay dividends.

The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor’s return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

The volatility of the Company’s common shares could cause investor loss.

The market price of a publicly traded stock, especially a junior resource issuer like Canagold, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of the market for junior resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares on the Toronto Stock Exchange (the “TSX”) and OTC suggests that Canagold’s shares will continue to be volatile. Therefore, investors could suffer significant losses if Canagold’s shares are depressed or illiquid when an investor seeks liquidity and needs to sell Canagold’s shares.

Penny stock classification could affect the marketability of the Company’s common stock and shareholders could find it difficult to sell their stock.

The Company’s stock may be subject to “penny stock” rules as defined in the Exchange Act rule 3a51-1. The Securities and Exchange Commission has adopted rules which regulate broker-dealer practices in connection with transactions in penny stocks. The Company’s common shares may be subject to these penny stock rules. Transaction costs associated with purchases and sales of penny stocks are likely to be higher than those for other securities. Penny stocks generally are equity securities with a price of less than U.S.\$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system).

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’s account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer’s confirmation.

Further, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from such rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the Company's common shares in the United States and shareholders may find it more difficult to sell their shares.

Possible dilution to current shareholders based on outstanding options and warrants.

At December 31, 2024, the Company had 174,495,696 common shares, and 860,000 outstanding share purchase options and nil share purchase warrants outstanding. Under the new Omnibus Plan, there are also 2,169,512 deferred share units and 677,520 restricted share units outstanding at December 31, 2024. The resale of outstanding shares from the exercise of dilutive securities could have a depressing effect on the market for the Company's shares. At December 31, 2024, securities that could be dilutive represented approximately 2.12% of the Company's issued shares.

ITEM 4. INFORMATION ON THE COMPANY

4.A History and Development of the Company

Incorporation and Reporting Status

The Company was incorporated under the laws of British Columbia, Canada, on January 22, 1987 under the name, "Canarc Resource Corp.", by registration of its Memorandum and Articles with the British Columbia Registrar of Companies. Effective December 3, 2020, the Company changed its name to Canagold Resources Ltd.

The Company was originally incorporated under the previous Company Act (British Columbia) and transitioned to the Business Corporations Act (British Columbia) in 2005; the Business Corporations Act (British Columbia) replaced the Company Act (British Columbia) on March 29, 2004.

The Company is a reporting company in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia. The Company became a reporting issuer under the United States Securities Exchange Act of 1934, as amended, upon filing its registration statement on Form 20-F dated October 9, 1990 with the Securities and Exchange Commission.

[Table of Contents](#)

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, including the Company, that file electronically with the SEC at www.sec.gov. The Company's website is at canagoldresources.com. Information on the Company's website is not incorporated by reference herein.

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Phone: (604) 689-9111

Introduction

The Company commenced operations in 1987 and, since inception, has been engaged in the business of the acquisition, exploration and, if warranted, development of precious metal properties. The Company currently owns or holds, directly or indirectly, interests in several precious metal properties, as follows:

- New Polaris property (British Columbia, Canada),
- Windfall Hills properties (British Columbia, Canada),
- Corral Canyon property (Nevada, USA).

of which the New Polaris property is the only material mineral property of the Company.

During the year ended December 31, 2023, Canagold impaired Windfall Hills and Corral Canyon to \$Nil for accounting purposes as the Company currently does not have any planned or budgeted expenditures for the property.

[Table of Contents](#)

In prior years, the Fondaway Canyon project was determined to be a material property, and was later optioned to Getchell Gold Corp. (“Getchell”). On December 29, 2023, Getchell exercised the option to acquire the Fondaway Canyon and Dixie Comstock. The Company recorded a gain of \$738,000 in the 2023 Consolidated statement of comprehensive loss.

In its consolidated financial statements prepared in accordance with IFRS, the Company has capitalized costs, net of recoveries and write-downs, of approximately \$31.3 million in connection with the acquisition, exploration and development on its currently held properties as at December 31, 2024 and are summarized as follows for the past three fiscal years:

(in terms of \$000s)	2024			2023			2022		
	Acquisition Costs	Exploration/ Development	Total	Acquisition Costs	Exploration/ Development	Total	Acquisition Costs	Exploration/ Development	Total
British Columbia (Canada):									
New Polaris	\$ 3,921	\$ 27,379	\$ 31,300	\$ 3,927	\$ 23,581	\$ 27,508	\$ 3,910	\$ 18,453	\$ 22,363
Windfall Hills	-	-	-	-	-	-	348	997	1,345
Nevada (USA):									
Fondaway Canyon (1)	-	-	-	-	-	-	655	1,361	2,016
Corral Canyon (2)	-	-	-	-	-	-	23	530	553
	<u>\$ 3,921</u>	<u>\$ 27,379</u>	<u>\$ 31,300</u>	<u>\$ 3,927</u>	<u>\$ 23,581</u>	<u>\$ 27,508</u>	<u>\$ 4,936</u>	<u>\$ 21,341</u>	<u>\$ 26,277</u>

(1) The Fondaway Canyon property was acquired in March 2017. Canagold optioned the property to Getchell in January 2020. Getchell exercised the option in December 2023 and acquired the Fondaway Canyon property. Item 4.D provides further details.

(2) In 2018, Canagold staked 92 mining claims covering 742 hectares in Nevada, USA. Item 4.D provides further details.

Further information and details regarding Canagold’s mineral property interests are provided in Item 4.D.

Developments over the Last Three Financial Years

Over the course of the past three years ended December 31, 2024 and to the date of this Form 20-F, the Company had been engaged in exploration and development of precious metal projects in North America. The major events in the development of the Company's business over the last three years are set out below. Information and details regarding the Company's properties are provided in Item 4.D.

Purchase Agreement with American Innovative Minerals, LLC ("AIM")

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

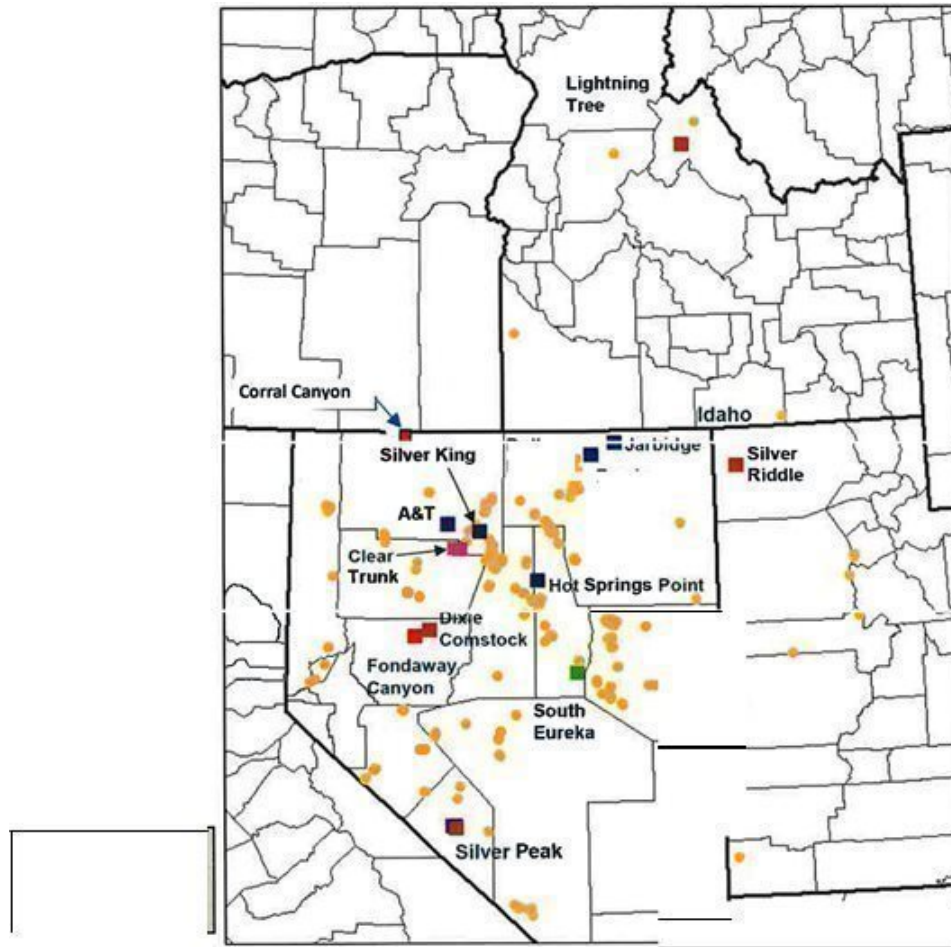
AIM owns 7 exploration properties in Nevada and owns one gold property in Idaho, and has two royalty interests on other properties. These properties include the following:

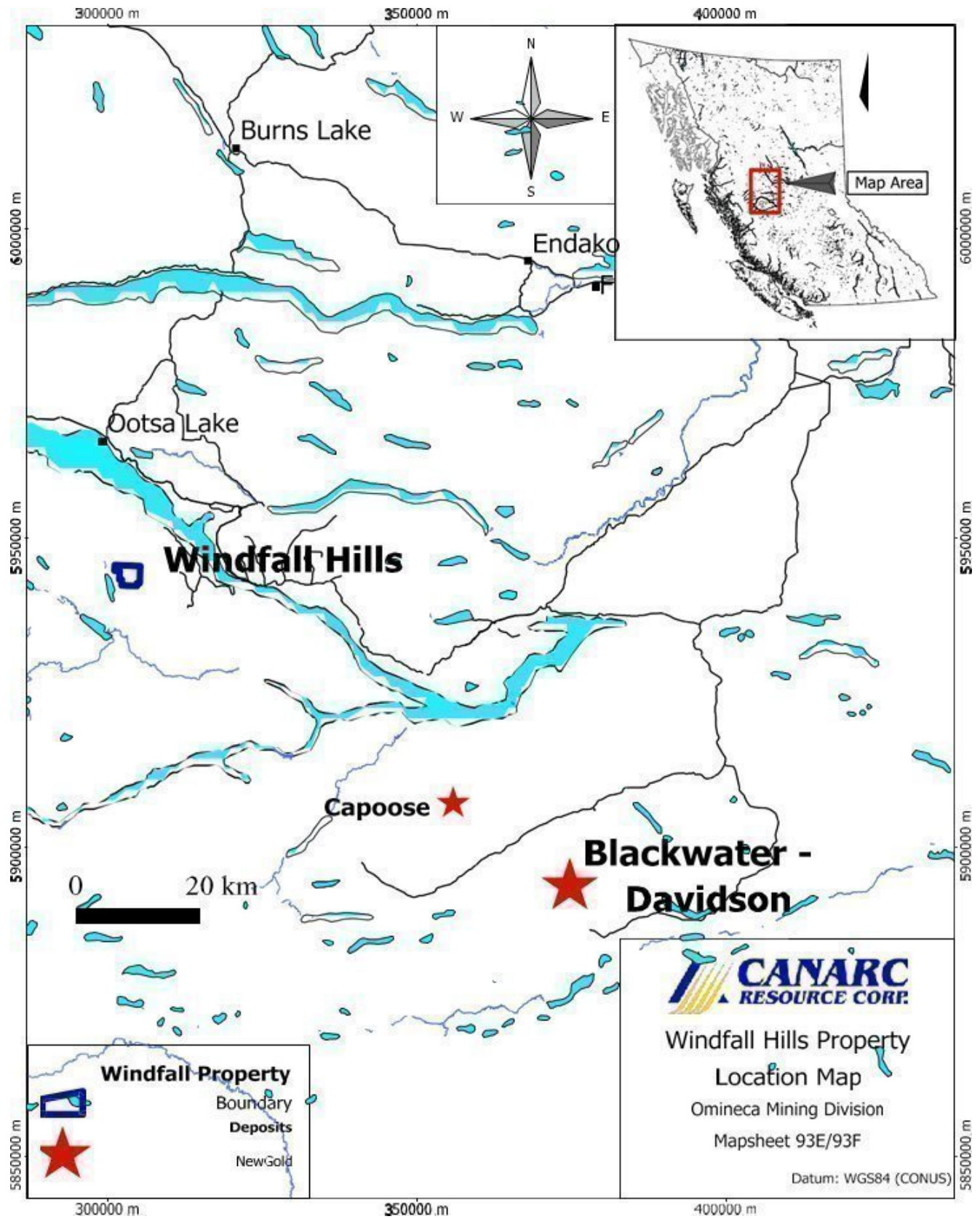
- **Clear Trunk** property is located in Pershing and Humboldt Counties, Nevada on 4,500 acres of fee mineral and unpatented claims in the Sonoma Range, south of Winnemucca and near the Goldbanks gold deposit. The property contains gold-bearing epithermal quartz veins, mesothermal quartz veins with high-grade gold and copper-gold intrusion-hosted mineralization.
- **Bull Run** property is located in Elko County, Nevada on two large patented claim groups of 500 acres near the Jerritt Canyon gold district.
- **Jarbidge** property is located in Elko County, Nevada on 8 patented claims along the east end of major gold veins in the Jarbidge mining district.

[Table of Contents](#)

- **Silver King** property is located in Humboldt County, Nevada on 4 patented claims in the Iron Point mining district. Previous exploration focused on low grade gold values but the property was never been explored for silver.
- **A&T** property is located in Humboldt Co., Nevada on 2 patented claims on Winnemucca Mountain. The property contains gold-bearing veins in altered shale.
- **Eimis** property is located in Elko County, Nevada on one 20 acre patented claim adjacent to the Coleman Canyon gold deposit controlled by Arnevt Resources Nevada LLC (“Arnevt”). Gold anomalies extend onto Eimis property and Arnevt holds a 20 year lease to explore on the property since 2010.
- **Silver Peak** property is located in Esmeralda County, Nevada on 3 patented (57 acres) and 3 unpatented mining claims covering 50 acres. The property is adjacent to the Mineral Ridge mine controlled by Scorpio Gold Corporation. The 3 unpatented mining claims are under agreement with Legacy Mining to pay \$1,000 at commencement of mining and an 8% NSR.
- **Lightning Tree** property is located in Lemhi County, Idaho on 4 unpatented claims near the Musgrove gold deposit.

US properties MAP





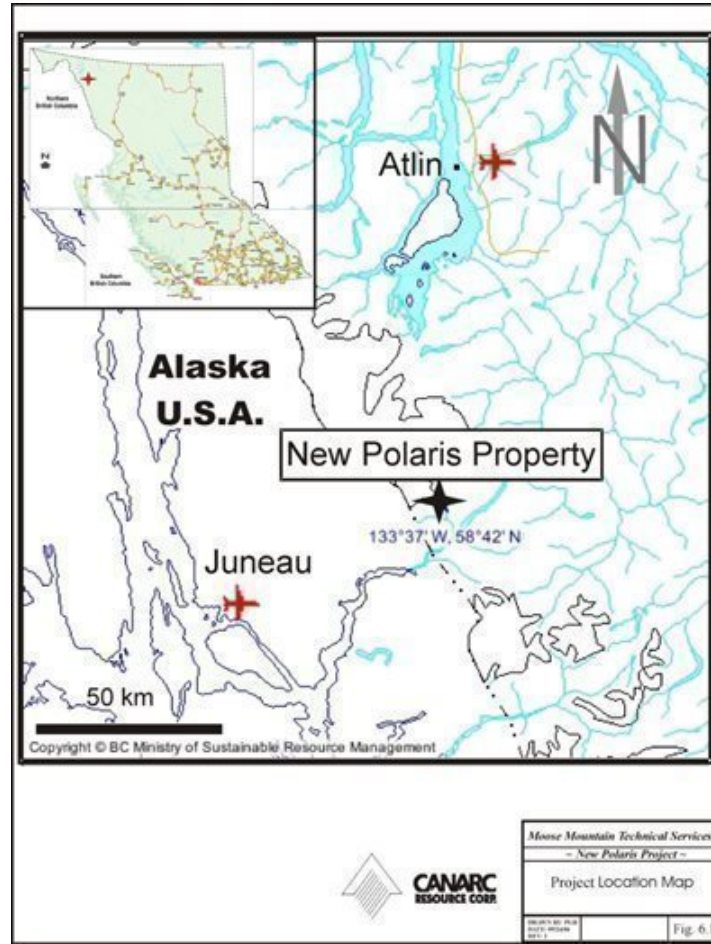


Figure 0-1 Location Map

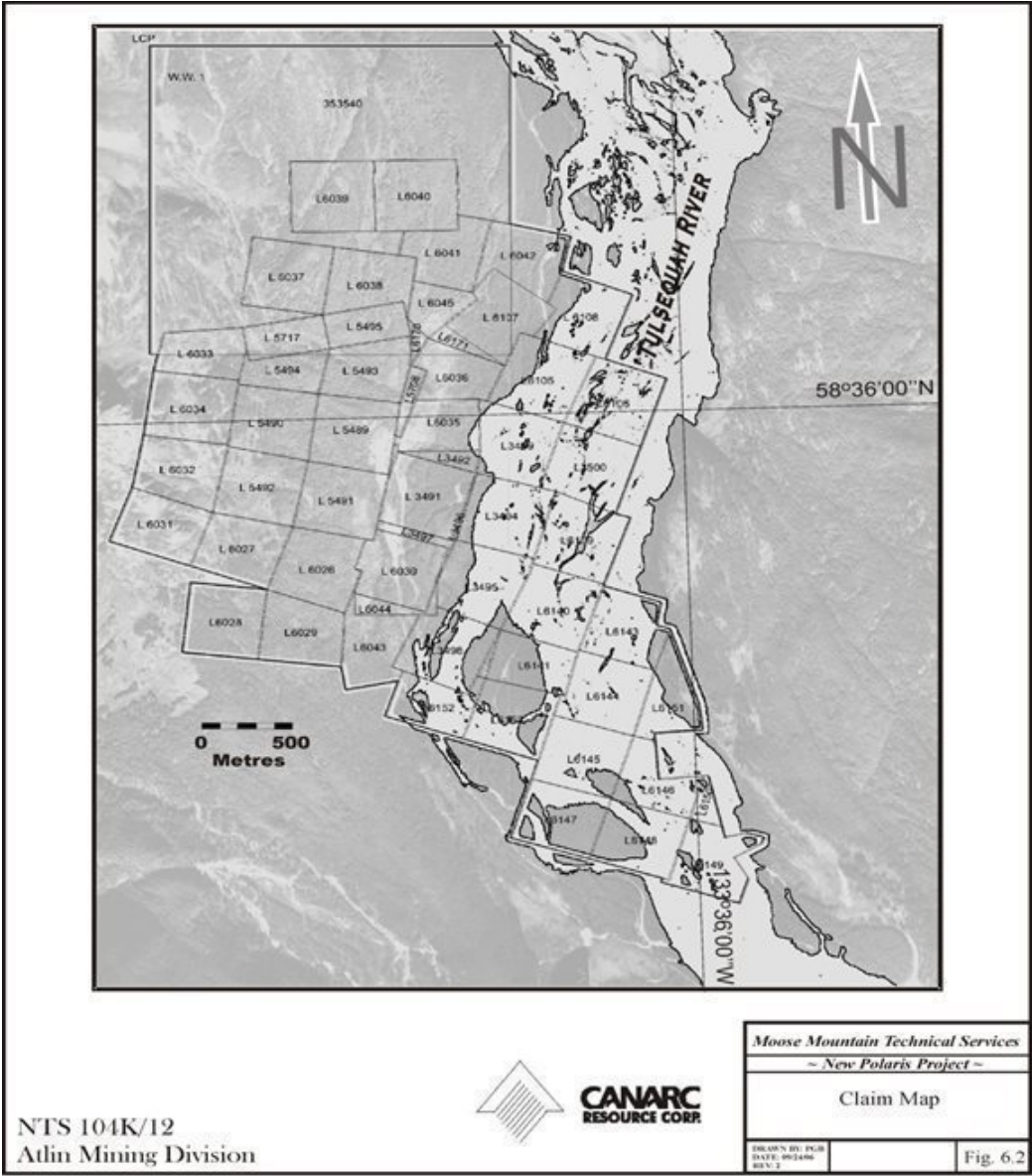


Figure 0-2 Claim Location Map

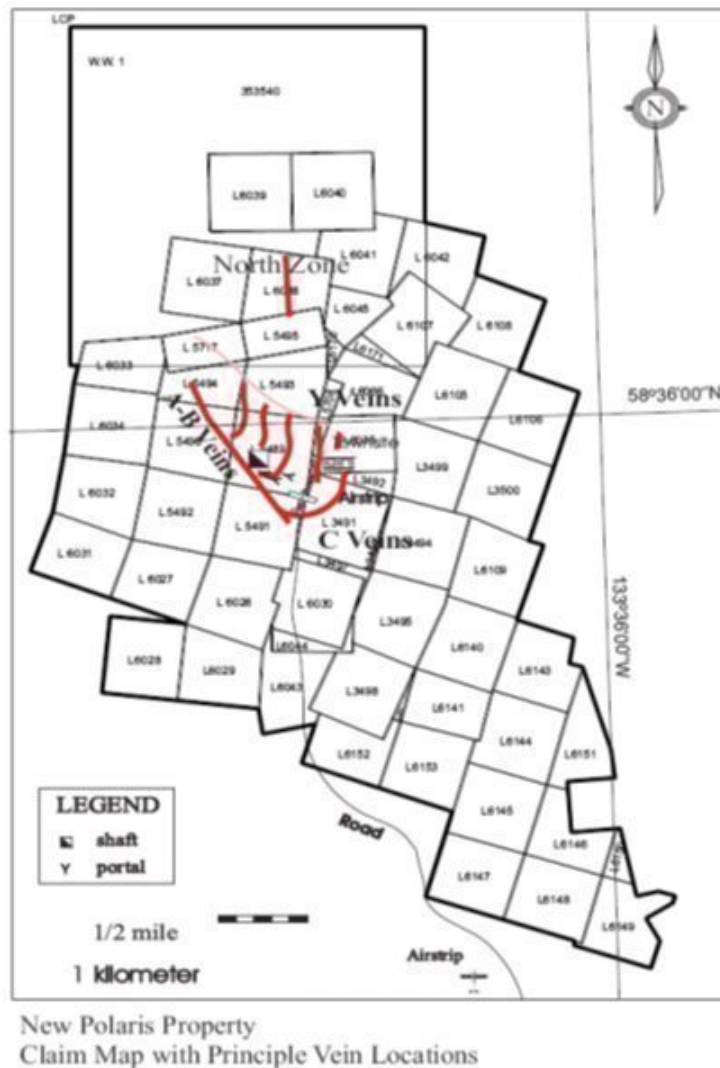


Figure 0-3 Claim Map with Principle Vein Locations

In April 2017, Canagold commissioned Techbase International, Ltd (“Techbase”) of Reno, Nevada to complete a NI 43-101 resource report for the Fondaway Canyon project. Their technical report entitled “Technical Report for the Fondaway Canyon Project” (the “Fondaway Canyon Technical Report”) was prepared by Michael Norred, SME Registered Member 2384950, President of Techbase, and Simon Henderson, MSc, MAusIMM CP 110883 (Geology), Consulting Geologist with Wairaka Rock Services Limited of Wellington, New Zealand, who are independent Qualified Persons as defined by NI 43-101, was dated April 3, 2017, and was prepared in compliance with NI 43-101.

In October 2018, Canagold 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. Canagold will retain a 2% NSR of which a 1% NSR can be acquired by Brownstone for \$1 million.

In early July 2020, Canagold entered into a non-binding letter of intent for its Lightning Tree property located in Lemhi County, Idaho, with Ophir Gold Corp. (formerly, MinKap Resources Inc.) (“Ophir”), whereby Ophir shall acquire a 100% undivided interest in the property. On September 10, 2020, a definitive mineral property purchase agreement was executed. Over a three year period, Ophir shall pay to Canagold 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. If Ophir fails to incur the exploration expenditure, the property reverts back to Canagold. Canagold 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 revert back to Canagold.

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

Confirmation and Agreement with Barrick Gold Inc. and Skeena Resources Ltd.

In December 2017, Canagold signed a Confirmation and Agreement with Barrick Gold Inc. (“Barrick”) and Skeena Resources Ltd. (“Skeena”) involving Canagold’s 33.3% carried interest in certain mining claims adjacent to the past-producing Eskay Creek Gold mine located in northwest British Columbia, whereby Canagold will retain its 33.33% carried interest. Canagold 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 has the right to earn Barrick’s 66.67% interest in the property which right had been exercised in October 2020. Canagold had written off the property in 2005.

Property Option Agreement with Silver Range Resources Ltd.

In November 2018, Canagold entered into a property option agreement with Silver Range Resources Ltd. (“Silver Range”) whereby Canagold has an option to earn a 100% undivided interests in the Hard Cash and Nigel properties by paying CAD\$150,000 in cash and issuing 1.5 million common shares to Silver Range over a four year period. Upon Canagold’s exercise of the option, Silver Range will retain a 2% NSR of which a 1% NSR can be acquired for CAD\$1 million. Silver Range shall also be entitled to receive \$1 per Au oz of measured and indicated resource estimate and \$1 per Au oz of proven or probable reserve estimate, payable in either cash or common shares of Canagold at Canagold’s election. Canagold terminated the property option agreement in September 2020 and wrote off the property.

Hard Cash is located 310 km NE of Stony Rapids, Saskatchewan, on the shores of Ennadai Lake. Access is provided by float plane or helicopter, and there is an all-weather gravel strip at Ennadai Lake Lodge, 35 km east of the property. Nigel is located 15 km west of Hard Cash. Hard Cash is underlain by the Ennadai Greenstone Belt of the Churchill Province. Gold mineralization at Hard Cash and Nigel occurs in high grade quartz veins and lower grade shear zones hosted by basal mafic volcanics overlain by felsic volcanics metamorphosed to upper greenschist/lower amphibolite facies and intruded by granite.

Corral Canyon property (Nevada, USA)

In November 2018, Canagold staked 92 mining claims covering 742 hectares in 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.

Property Option Agreement with Universal Copper Ltd., et al.

In December 2018 and then as amended in June 2019, Canagold entered into a property option agreement jointly with Universal Copper Ltd. (formerly, Tasca Resources Ltd.) (“Universal”) and an individual whereby Canagold has an option to earn a 75% interest in the Princeton property by: incurring exploration expenditures of CAD\$490,000 over a two year period; issuing 375,000 common shares to Universal by December 1, 2019 (issued); paying CAD\$25,000 cash to Universal by March 16, 2021; and granting a 1% NSR to Universal which can be acquired for CAD\$1 million and honoring a 2% NSR to the individual of which 1% NSR can be acquired for CAD\$1 million.

In October 2020, Canagold assigned its interest in the property option agreement for the Princeton property to Damara Gold Corp. (“Damara”). Pursuant to the assignment, Damara will issue 9.9% of its outstanding common shares to Canagold on closing of the assignment. Subject to the exercise of the option by December 31, 2021, Canagold’s aggregate ownership in the capital of Damara shall increase to 19.9%. Damara shall incur exploration expenditures of CAD\$300,000 by December 31, 2020.

The Princeton gold property consists of 14,650 hectares located 35 kilometers (km) south of Princeton, British Columbia, and is readily accessible by road. The property is underlain by volcanic rocks of both the Eocene Princeton Group and the Triassic-Jurassic Nicola Group.

Other Mineral Property

In December 2018, Canagold entered into a Memorandum of Understanding for an exploration and development project in South America whereby Canagold paid \$10,000 in 2018 and another \$10,000 is payable as a success fee to close on an acceptable agreement for such project. In October 2019, Canagold recovered \$3,000 from its initial payment and wrote off the remaining balance of \$7,000. A further recovery of \$1,500 was received in April 2021.

Item 4.D provides further details regarding Canagold’s mineral property interests.

Financings and Related Transactions

On April 21, 2017, Canagold closed a private placement for 3.8 million flow through common shares at the purchase price of CAD\$0.13 per share for gross proceeds of CAD\$500,000. Canagold paid finder’s fees of CAD\$32,500 in cash and 250,000 in warrants. Each warrant was exercisable to acquire one non-flow through common share at an exercise price of CAD\$0.15 per share until April 21, 2019.

In July 2017, Canagold extended the expiry date of warrants for 8.45 million common shares with an exercise price of CAD\$0.10 from July 31, 2017 to July 31, 2018. These warrants were originally issued pursuant to a private placement which closed on January 31, 2014.

On July 23, 2019, Canagold closed a private placement for 23.7 million flow through common shares for gross proceeds of CAD\$1.4 million; of these shares, 17.3 million were issued at a price of CAD\$0.06 per share and 6.4 million shares at CAD\$0.0625 per share. The fair value of the shares was CAD\$0.06 per share, resulting in the recognition of a flow through premium liability of CAD\$0.0025 per share for a total of CAD\$16,000. Finder fees were comprised of CAD\$91,400 in cash and 1.5 million warrants; each warrant is exercisable to acquire one non-flow through common share at an exercise price of CAD\$0.06 per share until July 23, 2021.

In October and November 2020, Canagold closed a private placement in two tranches totalling 21 million units at a price of CAD\$0.40 per unit for gross proceeds of CAD\$8.4 million with each unit comprised of one common share and one-half of one common share purchase warrant; each whole warrant is exercisable to acquire one common share at an exercise price of CAD\$0.65 per share for a period of two years. On October 7, 2020, Canagold closed the first tranche for 8 million units for gross proceeds of CAD\$3.2 million. On November 12, 2020, Canagold closed the second tranche for 13 million units for gross proceeds of CAD\$5.2 million; the second tranche received interested and disinterested shareholder approvals at Canagold's special general meeting held on October 19, 2020. Finders fees included CAD\$176,400 in cash and 385,200 warrants with the same terms as the underlying warrants in the private placement. If the closing market price of the common shares is at a price equal to or greater than CAD\$1.00 for a period of 10 consecutive trading days on the Toronto Stock Exchange ("TSX"), Canagold will have the right to accelerate the expiry date of the warrants by giving written notice to the warrant holders that the warrants will expire on the date that is not less than 30 days from the date notice is provided by Canagold to the warrant holders.

On October 28, 2021, Canagold closed a brokered private placement with Red Cloud Securities Inc. ("Red Cloud") for 10.6 million flow through common shares at a price of CAD\$0.50 per share for gross proceeds of CAD\$5.3 million. Finders fees were comprised of CAD\$253,555 in cash and 638,510 broker warrants with each broker warrant exercisable to acquire one non flow through common share at an exercise price of CAD\$0.75 until October 28, 2023.

In December 2021 and January 2022, Canagold 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, Canagold closed the first tranche for 560,000 flow through shares for gross proceeds of CAD\$280,000. On January 18, 2022, Canagold closed the second tranche for 4.05 million flow through shares for gross proceeds of CAD\$2.03 million.

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 November 2022 rights offering 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.

[Table of Contents](#)

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. 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.

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. 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.

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.

On March 28, 2024, the Company closed a private placement 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.

On March 4, 2025, the Company closed a private placement for 9,200,000 flow through common shares at a price of CAD\$0.35 per share for gross proceeds of CAD\$3.2 million.

Issuer Bids

In February 2017, Canagold received regulatory approval for a normal course issuer bid to acquire up to 10.9 million its common shares, representing approximately up to 5% of its issued and outstanding common shares at that time. The bid commenced on February 8, 2017 and terminated on February 7, 2018. The actual number of common shares purchased under the bid and the timing of any such purchases was at Canagold's discretion. Purchases under the bid did not exceed 86,128 common shares per day. Canagold paid the prevailing market price at the time of purchase for all common shares purchased under the bid, and all common shares purchased by Canagold were returned to treasury and cancelled. During the term of the normal course issuer bid, Canagold purchased an aggregate of 2.6 million common shares for an aggregate purchase price of CAD\$220,400, resulting in an average price of CAD\$0.08 per share; these shares have been returned to treasury and accordingly cancelled.

In June 2018, Canagold again proceeded with a normal course issuer bid which received regulatory approval to acquire up to 10.9 million common shares of Canagold representing approximately up to 5% of its issued and outstanding common shares at that time. The bid was effective on June 21, 2018 and terminated on June 20, 2019. The actual number of common shares purchased under the bid and the timing of any such purchases are at Canagold's discretion. Purchases under the bid did not exceed 23,893 common shares per day. Canagold paid the prevailing market price at the time of purchase for all common shares purchased under the bid, and all common shares purchased by Canagold were returned to treasury and cancelled. During the term of the normal course issuer bid, Canagold purchased 438,000 shares for CAD\$20,595 with an average price of CAD\$0.05 per share; these shares have been returned to treasury and accordingly cancelled.

Forbearance Agreement

On February 12, 2018, Canagold entered into a Forbearance Agreement with a debtor in which the loan principal totaling \$220,000, which was previously written off in 2014, will be repaid in full in 2018 as follows:

Date	Principal (1)
February 14, 2018	\$ 25,000
June 30, 2018	25,000
September 30, 2018	85,000
December 31, 2018	85,000
	<u>\$ 220,000</u>

(1) Funds of \$94,500 were received in 2018 with a balance of \$59,500 received in January 2019, net of legal fees.

Directors and Officers

From January 2018 to May 2020, Mr. Jacob Margolis, PhD, was Vice President of Exploration for Canagold. In June 2020, Mr. Troy Gill was appointed Vice President of Exploration.

In July 2020, Mr. Kai Hoffmann resigned from the Board of Directors of the Canagold (the "Board"). In August 2020, Mr. Andrew Bowering was nominated to the Board of Canagold and resigned in March 2022.

In July 2021, Mr. Knox Henderson was appointed Vice President of Corporate Development.

At the Company's contested Annual and Special General Meeting held on July 19, 2022, shareholders voted for the election of Sofia Bianchi, Carmen Letton, Kadri Dagdelen, Andrew Trow, and Scott Eldridge as Directors for the ensuing year. Three other nominees originally proposed by the Company, namely Bradford Cooke, Martin Burian and Deepak Malhotra, elected to resign from the Board.

[Table of Contents](#)

In August 2022, Scott Eldridge resigned as CEO and a Director of the Company, and Catalin Kilofliski was appointed as CEO, and Michael Doyle was nominated as a Director and who subsequently was appointed as Chief Technical Officer.

At the Company's Special General Meeting held on October 17, 2022, disinterested shareholders voted in favor for the creation of a new control person with Sun Valley Investments AG ("Sun Valley") owning more than 20% interest of the Company which allowed the closing of the flow through private placement for 4.7 million common shares, resulting in Sun Valley's ownership interest in the Company increasing from 19.40% to 23.55%. Sun Valley participated in a rights offering in December 2022 and increased its ownership in the Company to 40.06%.

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 of Operations of the Company.

In May 2023, Tim Caldwell was appointed as Vice-President of Sustainability; Tim resigned from this position in October 2023.

In September 2023, Troy Gill resigned as Vice-President of Exploration.

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

4.B Business Overview

Nature of operations and principal activities

Canagold's principal business activities are the acquisition, exploration and development of mineral resource property interests. Canagold is in the process of exploring and developing its mineral property interests and has not yet determined whether these mineral property interests contain reserves. The recoverability of amounts capitalized for mineral property interests is dependent upon the existence of economically recoverable reserves in its mineral resource properties, the ability of Canagold to arrange appropriate financing to complete further work on its mineral property interests, confirmation of Canagold's interest in the underlying properties, the receipt of necessary permitting and upon future profitable activities on Canagold's mineral property interests or proceeds from the disposition thereof. Canagold has incurred significant operating losses and currently has no operating revenues. Canagold has financed its activities principally by the issuance of equity securities. Canagold's ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of Canagold to raise equity financing, and the attainment of profitable operations to fund its operations.

Canagold and its management group have in the past been actively involved in the evaluation, acquisition and exploration of mineral properties in North, Central and South America. Starting with grass roots exploration prospects, it progressed to more advanced properties. To date, Canagold has not received any operating revenues from its mineral property interests. Canagold plans to continue exploring and developing its mineral property interests and, if appropriate, Canagold intends to seek partners or buyers to purchase or to assist in further advancement (by way of joint venture or otherwise) of its mineral property interests. Canagold seeks to identify properties with significant potential and to acquire those properties on the basis of property option agreements relying on the representations and warranties of the vendor as to the state of title, with limited or no title work being performed by Canagold. Detailed title work is only undertaken once it has been determined that the property is likely to host a significant body of ore, which may not occur. Consequently, there is a significant risk that adverse claims may arise or be asserted with respect to certain of Canagold's mineral property interests. Items 3.D and 4.A provide further details.

[Table of Contents](#)

In 2022, Canagold's primary focus was its drilling program, environmental baseline study and camp renovations for its New Polaris property. In 2023 and 2024, the Company's primary focus was feasibility studies and advancing environmental permitting work for its New Polaris property, as well as a drilling program in 2024. Item 4.D provides further details.

Further information and details regarding Canagold's properties are provided in Item 4.D.

Sales and revenue distribution, sources and availability of raw materials, and marketing channels

As of the date of this annual report, Canagold has not generated any operating revenues from its mineral property interests.

Competitive conditions

Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well established mining companies with substantial capabilities and significant financial and technical resources, Canagold may be unable to compete for nor acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that Canagold will be able to acquire any interest in additional projects that would yield reserves or results for commercial mining operations.

Government and environmental regulations

Canagold's operations are subject to governmental regulations in Canada and the USA; Canagold's material mineral property is in Canada.

The exploration and development of a mining prospect are subject to regulation by a number of federal and state government authorities. These include the United States Environmental Protection Agency ("EPA") and the United States Bureau of Land Management ("BLM") as well as the various state environmental protection agencies. The regulations address many environmental issues relating to air, soil and water contamination and apply to many mining related activities including exploration, mine construction, mineral extraction, ore milling, water use, waste disposal and use of toxic substances. In addition, Canagold is subject to regulations relating to labor standards, occupational health and safety, mine safety, general land use, export of minerals and taxation. Many of the regulations require permits or licenses to be obtained and the filing of Notices of Intent and Plans of Operations, the absence of which or inability to obtain will adversely affect the ability for us to conduct our exploration, development and operation activities. The failure to comply with the regulations and terms of permits and licenses may result in fines or other penalties or in revocation of a permit or license or loss of a prospect.

Mining Regulation

Federal

On lands owned by the United States, mining rights are governed by the General Mining Law of 1872, as amended, which allows the location of mining claims on certain federal lands upon the discovery of a valuable mineral deposit and compliance with location requirements. The exploration of mining properties and development and operation of mines is governed by both federal and state laws. Federal laws that govern mining claim location and maintenance and mining operations on federal lands are generally administered by the BLM. Additional federal laws, governing mine safety and health, also apply. State laws also require various permits and approvals before exploration, development or production operations can begin. Among other things, a reclamation plan must typically be prepared and approved, with bonding in the amount of projected reclamation costs. The bond is used to ensure that proper reclamation takes place, and the bond will not be released until that time. Local jurisdictions may also impose permitting requirements (such as conditional use permits or zoning approvals).

Nevada

In Nevada, initial stage surface exploration does not require any permits. Notice-level exploration permits (less than 5 acres of disturbance) are required (through the BLM) to allow for drilling. More extensive disturbance required the application for a receipt of a “Plan of Operations” from the BLM.

In Nevada, Canagold is also required to post bonds with the State of Nevada to secure environmental and reclamation obligations on private land, with amount of such bonds reflecting the level of rehabilitation anticipated by the then proposed activities.

If Canagold is successful in the future at discovering a commercially viable mineral deposit on our property interests, then if and when Canagold commences any mineral production, Canagold will also need to comply with laws that regulate or propose to regulate our mining activities, including the management and handling of raw materials, disposal, storage and management of hazardous and solid waste, the safety of our employees and post-mining land reclamation.

Environmental Regulation

Canagold’s mineral projects are subject to various federal, state and local laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. The development, operation, closure, and reclamation of mining projects in the United States requires numerous notifications, permits, authorizations, and public agency decisions. Compliance with environmental and related laws and regulations requires Canagold to obtain permits issued by regulatory agencies, and to file various reports and keep records of our operations. Certain of these permits require periodic renewal or review of their conditions and may be subject to a public review process during which opposition to Canagold’s proposed operations may be encountered. Canagold is currently operating under various permits for activities connected to mineral exploration, reclamation, and environmental considerations. Canagold’s policy is to conduct business in a way that safeguards public health and the environment. Canagold believes that its operations are conducted in material compliance with applicable laws and regulations.

Changes to current local, state or federal laws and regulations in the jurisdictions where Canagold operate could require additional capital expenditures and increased operating and/or reclamation costs. Although Canagold is unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could impact the economics of our projects.

U.S. Federal Laws

The Comprehensive Environmental, Response, Compensation, and Liability Act (“CERCLA”), and comparable state statutes, impose strict, joint and several liability on current and former owners and operators of sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for government-incurred cleanup costs, or natural resource damages, or for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The Federal Resource Conservation and Recovery Act (“RCRA”), and comparable state statutes, govern the disposal of solid waste and hazardous waste and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions. CERCLA, RCRA and comparable state statutes can impose liability for clean-up of sites and disposal of substances found on exploration, mining and processing sites long after activities on such sites have been completed.

The Clean Air Act (“CAA”), as amended, restricts the emission of air pollutants from many sources, including mining and processing activities. Any future mining operations by Canagold may produce air emissions, including fugitive dust and other air pollutants from stationary equipment, storage facilities and the use of mobile sources such as trucks and heavy construction equipment, which are subject to review, monitoring and/or control requirements under the CAA and state air quality laws. New facilities may be required to obtain permits before work can begin, and existing facilities may be required to incur capital costs in order to remain in compliance. In addition, permitting rules may impose limitations on our production levels or result in additional capital expenditures in order to comply with the rules.

The National Environmental Policy Act (“NEPA”) requires federal agencies to integrate environmental considerations into their decision-making processes by evaluating the environmental impacts of their proposed actions, including issuance of permits to mining facilities, and assessing alternatives to those actions. If a proposed action could significantly affect the environment, the agency must prepare a detailed statement known as an Environmental Impact Statement (“EIS”). The United States Environmental Protection Agency (“EPA”), other federal agencies, and any interested third parties will review and comment on the scoping of the EIS and the adequacy of and findings set forth in the draft and final EIS. This process can cause delays in issuance of required permits or result in changes to a project to mitigate its potential environmental impacts, which can in turn impact the economic feasibility of a proposed project.

The Clean Water Act (“CWA”), and comparable state statutes, impose restrictions and controls on the discharge of pollutants into waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. The CWA regulates storm water mining facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill material in wetlands and other waters of the United States unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

The Safe Drinking Water Act (“SDWA”) and the Underground Injection Control (“UIC”) program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. The EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal or injection well. Violation of these regulations and/or contamination of groundwater by mining related activities may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SDWA and state laws. In addition, third party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury.

Nevada

Other Nevada regulations govern operating and design standards for the construction and operation of any source of air contamination and landfill operations. Any changes to these laws and regulations could have an adverse impact on our financial performance and results of operations by, for example, requiring changes to operating constraints, technical criteria, fees or surety requirements.

The current and anticipated future operations of Canagold, including further exploration and/or production activities may require additional permits from governmental authorities. Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters. Unfavourable amendments to current laws, regulations and permits governing operations and activities of mineral exploration companies, or more stringent implementation thereof, could have a materially adverse impact on Canagold and could cause increases in capital expenditures which could result in a cessation of operations by Canagold. To the best of its knowledge, Canagold is operating in compliance with applicable laws.

We cannot predict the impact of new or changed laws, regulations or permitting requirements, or changes in the ways that such laws, regulations or permitting requirements are enforced, interpreted or administered. Health, safety and environmental laws and regulations are complex, are subject to change and have become more stringent over time. It is possible that greater than anticipated health, safety and environmental capital expenditures or reclamation and closure expenditures will be required in the future. We expect continued government and public emphasis on environmental issues will result in increased future investments for environmental controls at our operations.

Trends

The cumulative annual prices for gold per ounce for each of the previous three years were as follows:

	Annual Prices for Gold per ounce		
	2024	2023	2022
Low	\$ 1,984	\$ 1,811	\$ 1,626
High	\$ 2,789	\$ 2,115	\$ 2,043
Cumulative Average	\$ 2,386	\$ 1,943	\$ 1,803

The Company continues to foresee favourable opportunities to finance the mineral exploration and development efforts on its properties and also to evaluate and to consider new acquisitions in the gold arena. The Company has determined that the price of gold bullion continues to make gold exploration attractive and should facilitate opportunities for the advancement of its New Polaris property in British Columbia (Canada).

During 2024, the Company's shares traded on TSX at prices fluctuating between CAD\$0.17 and CAD\$0.36 (2023 – high CAD\$0.28 - low CAD\$0.17; 2022 – high CAD\$0.42, low – CAD\$0.17). On April 25, 2025, the share price on TSX was CAD\$0.385.

Risk factors in Item 3.D provide further details regarding competition and government regulations.

4.C Organizational Structure

Canagold carries on its business in large part through its subsidiaries. Canagold has a number of direct or indirect wholly or majority owned subsidiaries of which the active subsidiaries are as follows:

New Polaris Gold Mines Ltd. ("New Polaris") (formerly Golden Angus Mines Ltd. - name change effective April 21, 1997) is a corporation formed through the amalgamation of 2820684 Canada Inc. ("2820684"), a former wholly-owned subsidiary of Canagold incorporated under the Canada Business Corporation Act on May 13, 1992, and Suntac Minerals Inc. Canagold owns 100% of the issued and outstanding shares.

AIM U.S. Holdings Corp. is a corporation duly incorporated in the State of Nevada, USA, on March 14, 2017. Canagold owns 100% of its issued and outstanding shares.

American Innovative Minerals, LLC (“AIM”) is a limited liability company existing pursuant to the laws of Nevada, USA, on January 20, 2011. Canagold owns 100% membership interest in AIM.

4.D Property, Plant and Equipment

Description of Properties

Summary of Mineral Properties

The Company currently has interests in four gold exploration properties located in British Columbia, Canada and the State of Nevada, including the New Polaris Project, the Windfall Hills Project, the Fondaway Canyon Project, and the Corral Canyon Project. The Company’s principal objective is advancing the New Polaris Project. The New Polaris Project is the only property that the Company considers material at this time.

All our properties are exploration stage properties and we are an exploration stage issuer.

Property Summary Chart (as of December 31, 2024):

Property Name	Location	Maximum % Interest Held	Capitalized Acquisition Expenditures ⁽²⁾	Capitalized Exploration Expenditures ⁽²⁾	Total Capitalized Expenditures ⁽²⁾
New Polaris ⁽¹⁾	BC, Canada	100.00%	\$ 3,921,000	\$ 27,379,000	\$ 31,300,000
Windfall Hills	BC, Canada	100.00%	\$ 0	\$ 0	\$ 0
Corral Canyon	Nevada, USA	100.00%	\$ 0	\$ 0	\$ 0

¹Previously known as “Polaris-Taku”.

Net of recoveries and write-downs.

NOTE: All monetary figures are in terms of U.S.\$ unless otherwise noted. See below for further details on each property.

Qualified Person

The disclosure in this annual report of scientific and technical information regarding the Company's properties has been reviewed and approved by Garry Biles, P.Eng, President & Chief Operating Officer for the Company, who is the Qualified Person for the purposes of the foregoing technical disclosure.

Internal Controls

We have established internal controls relating to Quality Assurance and Quality Control (QA/QC) as necessary in relation to our exploration of our properties. These protocols include, but are not limited to:

1. Establish a database for project data that will contain accurate, precise, and defensible data from which resource, reserve, and feasibility studies can be made.
2. Conduct verification sampling of known mineralization.
3. Ensure that surface or drill sampling results in the highest quality sample possible. This would include down-hole surveying of drill holes as necessary.
4. Ensure the security and integrity of samples from point of origin to analytical laboratory.
5. Use industry-standard QA/QC for analytical work on sampling, including duplicate samples, inserting blanks and standards (samples with known assay values) into batches of samples being assayed, and checking the assay values from the original assay laboratory by submitting the same sample to a second laboratory.

Individual Mineral Property Disclosure

The following is a more detailed description of the mineral properties listed above in which Canagold has an interest.

New Polaris Gold Project (British Columbia, Canada)

Garry Biles, P.Eng, President & Chief Operating Officer for Canagold Resources Ltd., is the Qualified Person for the purposes of the foregoing technical disclosure on the New Polaris Gold Project.

Summary

New Polaris (formerly Polaris-Taku Mine) is an early Tertiary mesothermal gold mineralized body located in northwestern British Columbia about 100 km south of Atlin, BC and 60 km northeast of Juneau, Alaska (Figure 1-1). The nearest roads in the area terminate twenty km south of Atlin, and approximately 100 km from the Project. Access at the present time is by aircraft. A short airstrip for light aircraft exists on the property. Shallow draft barges have been used in the past to access the site via the Taku River to transport bulk supplies and heavy equipment to site, as well as ship flotation concentrate from site.

The New Polaris project area lies on the eastern flank of the steep, rugged, Coast Range Mountains, with elevations ranging from the sea level to 2,600 metres. The climate is one of heavy rainfalls during the late summer and fall months, and comparatively heavy snowfall, interspersed with rain during the winter.

Operations will include year-round underground mining activities and onsite processing to produce doré, and seasonal barge shipping of supplies to site. Onsite support for the operations and management of a camp with fly-in/fly-out service to an onsite landing strip have been planned.

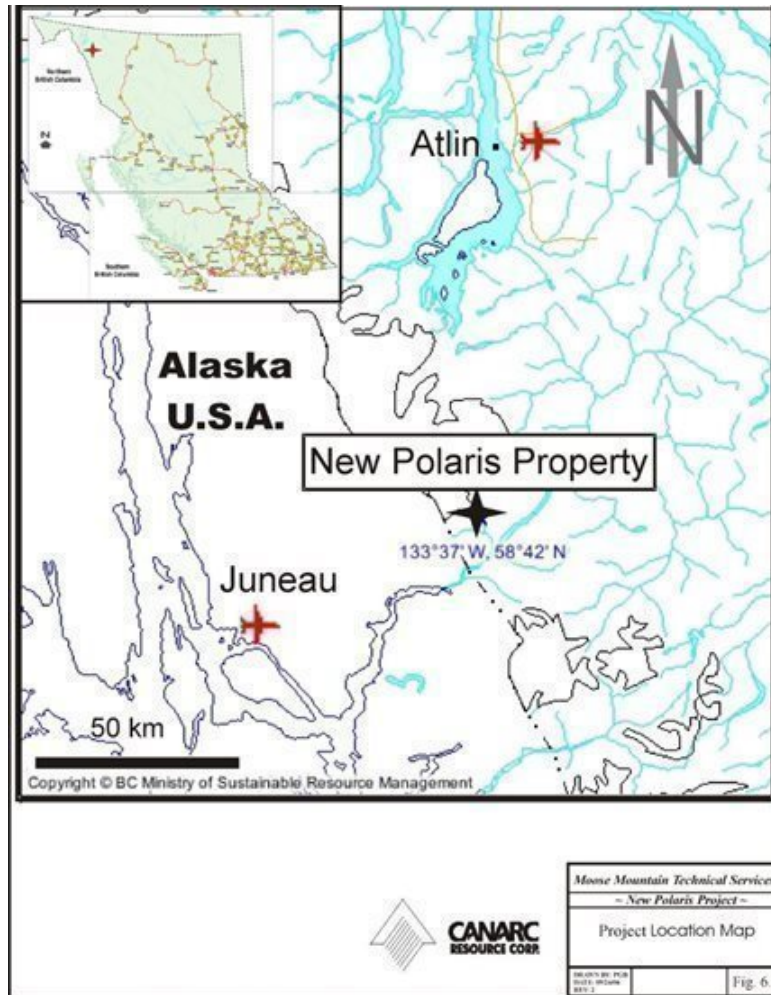


Figure 1-1 Location Map

The property consists of 61 contiguous Crown-granted mineral claims and one modified grid claim covering 2,100 acres. All claims are 100% owned and held by New Polaris Gold Mines Ltd., a wholly owned subsidiary of CanagoldCangold Resources Ltd. subject to a 15% net profit interest held by Rembrandt Gold Mines Ltd. CanagoldCangold can reduce this net profit interest to a 10% net profit by issuing 150,000 shares to Rembrandt.

[Table of Contents](#)

The deposit is composed of three sets of veins (quartz-carbonate stringers in altered rock), the “A-B” veins are northwest striking and southwest dipping, the “Y” veins are north striking and dipping steeply east and finally the “C” veins are east-west striking and dipping to the south to southeast at 65° to vertical. The “C” veins appear to hook around to the north and south into the other two sets of veins so that their junctions form an arc. The gold is refractory and occurs dominantly in finely disseminated arsenopyrite grains that mineralize the altered wallrock and stockwork veins. The next most abundant mineral is pyrite, followed by minor stibnite and a trace of sphalerite. The zones of mineralization range from 15 to 250 metres in length and 0.3 to 14 metres in width.

The deposit was mined by underground methods from 1938 to 1942, and from 1946 to early 1951, producing a total of 740,000 tonnes of ore at an average grade of 10.3 g/t gold.

CanagoldCanagold explored the “C” vein system between 1988 and 1997, and carried out infill drilling in 2003 through 2006, to better define the continuity and grade of the vein systems.

Capping of the assays in each vein has been evaluated using cumulative probability plots (CPPs).

Property Description and Location

The New Polaris property consists of a group of 61 contiguous crown grants, and one modified grid claim totaling, 1,196 ha (2,956 acres) located 96 km (60 miles) south of Atlin, BC and 64 km (40 miles) northeast of Juneau, Alaska. Located at approximately 133°37'W Longitude and 58°42'N Latitude, the deposit lies on the eastern flank of the Tulsequah River Valley (

Figure 1-1).

Property Stage

The property is an exploration stage property in the feasibility and environmental studies stages. The Company has a mineral resource estimation but no reserves on the property under S-K 1300 standards at this time.

Property Claims

The claims are 100% owned and held by New Polaris Gold Mines Ltd., a wholly owned subsidiary CanagoldCanagold Resources Ltd. (Canagold), and subject to a 15% net profit interest held by Rembrandt Gold Mines Ltd. (Rembrandt), which Canagold has the right to reduce to 10% by issuing 150,000 shares to Rembrandt. Table 4 1 summarizes the claims and the locations are shown on Figure 4 1. Apart from the W.W.1 claim, the claims are crown granted and are kept in good standing through annual tax payments. The W.W.1 is a modified grid claim. The claim has sufficient work filed on it to keep it in good standing until February 4, 2020. The crown granted claims were legally surveyed in 1937. The mineralized areas are shown on Figure 4 2 and Figure 7 2, which shows the geology of the property on the mineral showings.

The Polaris No. 1, Silver King No. 1, Silver King No. 5, Black Diamond, Lloyd and Ant Fraction crown grants include the surface rights. Surface rights for the remainder of the property lie with the Crown, including the areas covered by the Co-Disposal Facility (CDF) and access road to the CDF, and will need to be obtained from the Province of British Columbia.

Mining of the AB Vein system and to a lesser extent the Y and C veins was carried out during the 1930s to early 1950s. Much of the former infrastructure has been reclaimed. A \$305,000 reclamation bond is in place and it is the Company's opinion that this adequately covers the cost of reclaiming the original mill site and infrastructure. Currently there is no legal or regulatory requirement to remove or treat the tailings on the property.

Prior to commencing further exploration on the property, a Notice of Work is required to be submitted to the Mining and Minerals Department of the BC Ministry of Energy and Mines. Work can only commence once approval has been received.

Table 4-1 List of Claims

Claim Name	Lot No.	Folio No.		Claim Name	Lot No.	Folio No.
Polaris No. 1	6109	4472		Snow	3497	4545
Polaris No. 2	6140	5223		Snow No. 2	3495	5088
Polaris No. 3	6141	5223		Snow No. 3	3494	5495
Polaris No. 4	3498	4545		Snow No. 4	3499	5495
Polaris No. 5	6143	5223		Snow No. 5	6105	4472
Polaris No. 6	6144	5223		Snow No. 8	6107	4472
Polaris No. 7	6145	5223		Snow No. 7	3500	4472
Polaris No. 8	6146	5223		Snow No. 6	6106	4472
Polaris No. 9	6147	5223		Snow No. 9	6108	4472
Polaris No. 10	6148	5290		Black Diamond	3491	4472
Polaris No. 11	6149	5290		Black Diamond No. 3	6030	4944
Polaris No. 12 Fr	6150	5290		Blue Bird No. 1	5708	4545
Polaris No. 13 Fr	6151	5290		Blue Bird No. 2	5707	4545
Polaris No. 14	6152	5290		Lloyd	6035	5010
Polaris No. 15	6153	5290		Lloyd No. 2	6036	5010
Silver King No. 1	5489	4804		Rand No. 1	6039	5010
Silver King No. 2	5490	4804		Rand No. 2	6040	5010
Silver King No. 3	5493	4804		Minto No. 2	6033	4944
Silver King No. 4	5494	4804		Minto No. 3	6034	4944
Silver King No. 5	5491	4804		Jumbo No. 5	6031	4944
Silver King No. 6	5492	4804		Ready Bullion	6032	4944
Silver King No. 7	5495	4804		Roy	6042	5088
Silver King No. 8	5717	4545		Frances	6041	5010
Silver Queen No. 1	6026	4545		Eve Fraction	6170	5495
Silver Queen No. 2	6027	4545		Eve No. 1 Fraction	6171	5495
Silver Queen No. 3	6028	4944		P.T. Fraction	3493	5495
Silver Queen No. 4	6029	4944		Ant Fraction	3492	5088
Silver Strand No. 1	6037	5010		Atlin Fraction	3496	5088

Silver Strand No. 2	6038	5010		Powder Fraction	6043	5088
F.M. Fraction	6044	5088		Jay Fraction	6045	5088
Par Fraction	6154	5290				

W.W.1 Tenure No. 353540 Issue date February 4, 1997. Expiry date: February 4, 2020.

The New Polaris project area lies on the eastern flank of the steep, rugged, Coast Range Mountains, with elevations ranging from the sea level to 2,600 metres.

Extensive recent glaciation was the dominant factor in topographic development. The Taku and Tulsequah Rivers are the most prominent topographic features: broad valleys bounded by steep mountains. Numerous tributary streams flow from valleys filled with glaciers. Most of the glaciers are fingers branching from the extensive Muir ice cap, lying to the northwest of the Taku River. The Tulsequah glacier, which terminates in the Tulsequah valley about 16 km north of the New Polaris mine site, is one of the largest glaciers in the immediate area. It forms a dam causing a large lake in a tributary valley that breaks through the ice barrier (Jakūlhlaup) during the spring thaw every year, flooding the Tulsequah and Taku valleys below for three to five days.

Small aircraft provide site access from the nearest population centers in Atlin, BC, 100 km north of the Property, or Juneau, Alaska, 60 km southwest of the Property. A short airstrip for light aircraft exists on the property. The nearest roads in the area terminate 20 km due south of Atlin and 10 km southeast of Juneau. Shallow draft barges have been used in the past to access the site via the Taku River to transport bulk supplies and heavy equipment to site, as well as ship flotation concentration from site. The property can be operated year-round.

The climate is one of heavy rainfalls during the late summer and fall months, and comparatively heavy snowfall, interspersed with rain during the winter. The annual precipitation is approximately 1.5 m of which 0.7 m occurs as rainfall. The snow seldom accumulates to a depth greater than 1.5 m on the level. Winter temperatures are not severe and rarely fall below -15°C . Summer temperatures, in July, average 10°C with daytime temperatures reaching the high 20's on occasion. The vegetation is typical of northern temperature rain forest, consisting primarily of fir, hemlock, spruce and cedar forest on the hillsides and aspen and alder groves in the river valley.

There is sufficient land available within the mineral tenure held by Canagold for installations such as the process plant and related mine infrastructure. Surface rights for the areas covered by the CDF, and access road to the CDF, lie with the Crown and will need to be obtained from the Province of British Columbia.

Geological Setting

The New Polaris Mine lies on the western edge of a large body of Upper Triassic Stuhini Group volcanic rocks, which has been intruded by a Jurassic-Cretaceous granodiorite body north of the mine. Older Triassic volcanic rocks and earlier sediments underlie the Stuhini volcanic rocks. The granodiorite is part of the Coast Plutonic Complex (Figure 7-1)

The structural trend in the area is northwest-southeast, paralleling major faults and folds to the east and intrusive alignment to the west. The Triassic volcanic rocks and older sedimentary rocks have been folded and sheared with the Stuhini Group rocks being deformed into broad to isoclinal, doubly plunging symmetrical folds with large amplitudes.

Canagold has carried out extensive mapping of the Polaris-Taku property since the early 1990's. The work has been done by several employees and contractors and is shown in Figure 7-2. The gold deposit is hosted within an assemblage of mafic (basalt and andesite units) volcanic rocks altered to greenschist metamorphic facies. The orientation of these units is inconclusive because there are no marker beds in the sequence. It is thought that the units are steeply dipping (70° to 80°) to the north based on the orientation of the limestone/basalt interface at the southern portion of the property.

A serpentinite unit is located to the northeast, which was identified in recent (1996/97) drilling and underground mapping. This unit appears to form the eastern extent of the mineralization. The age relationship is unclear, but it is assumed that the serpentinite is a later stage feature possibly associated with tectonism in the area.

The 'vein' zones are structurally controlled shear zones and are typified by silicification and carbonatization cross cutting actual quartz-carbonate veins. These zones have sharp contacts with the wall rock and form anastomosing ribbons and dilations. These zones have been deformed several times, which makes original textures difficult to determine. The zones are generally tabular in geometry forming en-echelon sheets within the more competent host lithologies.

All of the strata within the property have been subjected to compression, rotation and subsequent extension. The plunge of folds appears to be variable though generally shallow. Small-scale isoclinal folds strike north-northwesterly and plunge moderately to the north. Numerous faults are found on the property, the more significant of which are discussed below.

The possible extension of the Llewellyn fault, termed the South Llewellyn fault, continues south from the Chief Cross fault along mine grid coordinate 4400 East. Slightly north of Whitewater Creek it is offset to the west by an east-west fault, the 101 fault, to continue in a more southeast orientation of the opposite side of Whitewater Creek. This northwest-southeast orientation structure was named the Limestone Fault due to its bedding parallel attitude within a discontinuous limestone/marble horizon. It marks the southwest boundary of the "mine wedge": the wedge-shaped package of rock within which all past production took place. The northern boundary of the "mine wedge" is further defined as mentioned above by the Whitewater Creek Schist Zone, a zone of schistose chlorite-amphibolite-serpentinite less than 100 m thick. A complex network of brittle faults is also found within this zone.

Three major faults, Numbers 1 and 5, and an unnamed fault, lie within the mine wedge. The No.1 and No.5 faults strike northwest-southeast, dipping approximately 45° to the northeast, and are sub-parallel to the unnamed fault, which dips steeply to the southwest. The No.1 fault has reverse displacement of up to 30 m while the displacement of the No.5 fault is poorly defined. The southwest dipping, unnamed fault showed no displacement, as it apparently parallels the A-B vein system. The mined-out areas indicate the wedge shape, the predominant orientations and continuity of the zones, and the overall plunge of the system to the southeast. An early interpretation of the structure showed that various veins appear to meet and form "junction arcs" where both thickness and grade improve.

Mineralization

Mineralization of the New Polaris deposit bears strong similarities to many Archean lode gold deposits such as the arsenical gold camp of Red Lake, Ontario where the gold-bearing arsenopyrite is disseminated in the altered rock and in quartz-carbonate stringers.

[Table of Contents](#)

The vein mineralization consists of arsenopyrite, pyrite, stibnite and gold in a gangue of quartz and carbonates. The sulphide content is up to 10% with arsenopyrite the most abundant and pyrite the next important. Stibnite is fairly abundant in some specimens but overall comprises less than one-tenth of 1% of the vein matter. Alteration minerals include fuchsite, silica, pyrite, sericite, carbonate and albite.

In general, the zones of mineralization ranging from 15 to 250 m in length with widths up to 14 m appear to have been deposited only on the larger and stronger shears. Their walls pinch and swell showing considerable irregularity both vertically and horizontally. Gold values in the veins have remarkable continuity and uniformity and are usually directly associated with the amount of arsenopyrite present. The prominent strike directions are north-south and northwest-southeast, which is interpreted to be within a major shear zone. Up to 80% of the mine production was from “structural knots” or what is now known as “C” zones. In detail the “C” zones are arcuate structures. Figure 7-3 shows a 3D view of the “C” vein system.

The vein mineralization has well marked contacts with the wall rock. The transition from mineralized to non-mineralized rock occurs over a few centimeters. The mineralization consists of at least three stages of quartz veining. The initial stage of quartz-ankerite introduced into the structure was accompanied by a pervasive hydrothermal alteration of the immediately surrounding wall rock. Arsenopyrite, pyrite and lesser stibnite were deposited with the alteration. Later stages of quartz-ankerite veining are barren and have the effect of diluting the gold grades in the structure. The sulphide minerals are very fine-grained and disseminated in both the wall rock and early quartz and ankerite veins. Free gold is extremely rare and to the end of 2005 had not been recognized in core samples. The majority of the gold occurs in arsenopyrite and to a lesser extent in pyrite and stibnite. Because there is no visible gold and the host sulphides are very fine-grained and disseminated there is little nugget effect and gold values even over short intervals rarely exceed 1 oz/ton.

Mineralization was observed by Morris during the site visit both in drill core and underground. The description of the regional setting, local geology, and mineralization appears applicable to the New Polaris project and is sufficiently well understood to support the estimation of Mineral Resources.

Deposit Types

The New Polaris deposit is classified as a mesothermal lode-gold deposit (Hodgson, 1993).

In general, it is quartz-vein-related, with associated carbonatized wall rocks. The deposits are characterized by a high gold/silver ratio, great vertical continuity with little vertical zonation, and a broadly syn-tectonic time of emplacement. They are commonly associated with pyrite, arsenopyrite, tourmaline and molybdenite. Mineralization may occur in any rock type and ranges in form from veins, to veinlet systems, to disseminated replacement zones. Most mineralized zones are hosted by and always related to steeply dipping reverse- or oblique-slip brittle-fracture to ductile-shear zones.

The exploration target on the New Polaris project is orogenic lode gold deposits also known as Mesothermal vein deposits. Numerous examples of this type of deposit are known throughout the work including the Campbell Red Lake deposits in Ontario and the Bralorne deposit in British Columbia. Past exploration studies have demonstrated that the New Polaris vein systems have all the attributes of the orogenic vein gold deposit including, but not limited to association with major structural break, quartz-carbonate vein association, low-sulphide assemblage of pyrite and arsenopyrite, chloritic and sericitically altered wall rocks and persistent gold mineralization over a vertical distance of nearly 1 km.

The deposit type and model are considered by the QP as appropriate for a Mesothermal lode-gold deposit.

Drilling

Diamond drill programs were carried out on the New Polaris project when the project was reactivated in 1988 until 2006. Initially, the drilling focused on the down dip and along strike extensions of the Y veins. This work showed that the Y veins, while good grade were narrow and less continuous than the AB vein system. It also showed that the Y vein system is comprised of about 12 separate veins all of which are narrow and of short strike length.

In 1990, drilling shifted to the area beneath the lowest most C vein stopes. This drilling found that the vein system continued to depth and that gold grades in the 0.30 to 0.45 oz/ton range over an average true thickness of 3 m were present. From 1991 to 1993 most of the drillholes tested the C veins with fewer drilled on the Y vein system.

In 1994, the North Zone was discovered and was tested with a total of 30 drillholes during the 1994 and 1995 period. Although thicknesses of the North Zone are up to 6.7 m, the grades are relatively low compared to the C vein (less than 0.2 oz/ton). This combined with the limited extent due to structural termination of the zone by a fault resulted in a decision to terminate exploration of the North Zone.

Encouraging drill results from the C veins and to a lesser extent from the Y vein system led to further drilling on these two vein systems. Drilling on the C vein showed the veins to be open to depth and to have gold grades that ranged from 0.2 to 0.6 oz/ton over true thicknesses of 3 m. The increased interest in the C vein system was due to its greater continuity and thickness compared to the Y vein. The narrow width and lesser continuity of the Y vein system made it a secondary exploration target.

In 1996 and 1997 the Y, C and AB veins were explored from underground. The plan was to closely test the upper portions of the Y, C and AB veins in order to allow calculation of a resource that might form the basis for resumption of mining. The results of the underground drilling program were mixed. The underground workings were for the most part driven along the vein structures with few crosscuts from which holes could be drilled to cut the down dip and along strike extension of the veins. As a result, except for those holes that tested the area immediately below the workings, most cut the veins at shallow angles. The very shallow angles that in places approach parallel to the vein make the use of these intersections inappropriate for a resource calculation. Despite the number of holes drilled during 1996 and 1997, the work did little to expand the extent of the mineralization in the AB, C or Y vein systems. The work did confirm that the mineralized shoots in the lower most stopes on the Y and C veins were open to depth.

Drilling restarted on the property in 2003 with the objective of testing the extent of the C vein mineralization. Godfrey Walton, P. Geo., at the request of Canagold, undertook a review of the New Polaris project and recommended additional drilling in order to test the continuity of the “C” vein zone mineralization at depth below the lower most mine workings. To this end, limited drill programs were carried in 2003 to 2005 to target the “C” vein extensions below the existing mine workings.

The results of the 2003 to 2005 drilling of the C vein system confirmed the continuity of gold mineralization and the vein structure between the earlier drilled holes. As can be seen in the sections below, drill results show the C vein system to be an arc-like structure oriented east-west in the west swinging to a northeastern strike in the east. The change in strike occurs across the No.1 fault. To the east of the No.1 fault, the vein splays into two or more branches. The dip of the vein system is to the south and southeast and has an average dip of about 50°, although east of the No.1 fault the vein appears to flatten and thicken in a simoid-like feature. The exact nature of the apparent flattening of the vein’s dip is not clear and requires additional drilling to be resolved.

The thickness of the C veins varies from 0.30 m to a maximum of 15.2 m. The thicker parts of the vein occur to the east of the No. 1 fault where the dip of the vein flattens due to an apparent folding of the vein.

Depending upon the angle of intersection, the true thickness of the core length of the vein material ranges from 100% to about 70%. The average core length thickness of the intersections is approximately 4.5 m and the average grade is 14.4 g/t (0.4 oz/ton) gold. The estimated average true thickness of the vein is 3.0 m.

All of the holes in this period were drilled from surface and intersected a similar geologic sequence. From the collar, the holes penetrated from 15.2 m to 79.2 m of overburden followed by inter-layered ash and lapilli tuff, volcanic wacke, and foliated andesite. The C vein system crosscuts the strike of the volcanic and volcanoclastic rocks at steep angles.

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.

[Table of Contents](#)

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 Khustiylxh / “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.

An updated Mineral Resource estimate has been prepared in April 2023. The updated resource estimate uses all available drillhole data with historical data compared to and validated with recent drilling. The resource is based on 1,692 assay intercepts from 234 drill holes which intersect the veins within the data set. Inverse distance squared (ID2) has been used to interpolate the gold grade of the veins which were modelled by Moose Mountain Technical Services (MMTS) using Implicit modelling.

The geologic continuity of the “C” vein system has been well established through historic mining and diamond drilling. Grade continuity has been quantified using semi-variograms, which are used to determine the distances (ranges) and directions of maximum continuity in the three principle directions. The ranges are used for Classification.

The classification to Indicated or Inferred required that the true thickness of the vein is at least 2 m. Classification is based primarily on anisotropic distances to drillholes with 50m grid drill spacing being targeted. However, additional adjustments have been made to ensure a cohesive shape of Indicated material is produced, as summarized in the section 11 of the technical report summary.

The New Polaris Project Mineral Resource Estimate (MRE) is summarized in Table 1-1 with the base case cut-off grade highlighted. The resource is prepared under direction of Independent Qualified Persons (QPs) and in accordance with the United States Securities and Exchange Commission (SEC) regulation S-K subpart 1300 (S-K 1300) for reporting mineral properties (CFR Title 17 § 229.1300-1305).

The current estimate uses metal prices of US\$1,750/oz gold price, recoveries, smelter terms and costs, as summarized in the notes to Table 1-1. Metal prices have been chosen based on Au prices as quoted in numerous NI43-101 reports and based on mean prices from 2021 and forecast up to 2026 and for long term prices. The metal price chosen also considers the spot prices and the three-year trailing average prices. The final Au price used for this resource estimate is below both the spot price and the three-year trailing average, which is considered an industry standard in choosing prices.

Confining shapes have been created targeting material above a series of cutoff grades. The total material within each confining shape is reported in the Table below (i.e., no cutoff has been employed within each confining shape to report and underground Resource which is in line with the mining method). A cutoff grade of 4.0 g/t gold, highlighted in the Table below, is selected as the economic cutoff for the Project. The confining shape generated which targeted material above this grade is used to define the “reasonable prospects of eventual economic extraction” for the Mineral Resource Estimate.

The effective date of this Resource estimate is April 20th, 2023.

Table 1-1 Updated Mineral Resource Estimate and Comparison to the 2019 Resource

Class	Cutoff (Au gpt)	2023 Resource			2019 Resource			Difference as a Percent: (2023-2019)/2019		
		Tonnage (ktonnes)	Au (gpt)	Au (koz)	Tonnage (ktonnes)	Au (gpt)	Au (koz)	Tonnage	Au Grade	Au Metal
Indicated	3	3,118	11.21	1,124	1,798	10.40	601	73%	8%	87%
	4	2,965	11.61	1,107	1,687	10.80	586	76%	8%	89%
	5	2,769	12.11	1,078	1,556	11.30	565	78%	7%	91%
	6	2,525	12.75	1,035	1,403	12.00	541	80%	6%	91%
	7	2,270	13.45	981	1,260	12.60	510	80%	7%	92%
	8	2,049	14.09	928	1,105	13.30	473	85%	6%	96%
	9	1,814	14.81	864	947	14.10	429	92%	5%	101%
	10	1,594	15.55	797	1,639	9.50	501	-3%	64%	59%
Inferred	3	1,061	8.24	281	1,582	9.80	498	-33%	-16%	-44%
	4	926	8.93	266	1,483	10.20	486	-38%	-12%	-45%
	5	817	9.52	250	1,351	10.70	465	-40%	-11%	-46%
	6	706	10.16	231	1,223	11.20	440	-42%	-9%	-48%
	7	603	10.78	209	942	12.50	379	-36%	-14%	-45%
	8	491	11.52	182	753	13.80	334	-35%	-17%	-46%
	9	371	12.51	149	653	14.60	307	-43%	-14%	-51%
	10	291	13.33	125	0	0.00	0			

Notes for Mineral Resource Estimate:

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
2. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves.
3. The base case Mineral Resource has been confined by "reasonable prospects of eventual economic extraction" shape using the following assumptions:
 - Metal prices of US\$1,750/oz Au and Forex of 0.75 \$US:\$CDN;
 - Payable metal of 99% Au;
 - Offsite costs (refining, transport and insurance) of US\$7/oz;
 - Mining cost of CDN\$82.78/t;
 - Processing costs of CDN\$105.00/t and G&A and site costs of CDN\$66.00/t.
 - Metallurgical Au recovery of 90.5%; metallurgical recovery method – bio-oxidation (BIOX) and Carbon-in Leach (CIL) processing of flotation concentrate
 - Cut-off grade of 4.0 g/t
 - Date of the resource estimate April 20, 2023
5. The resulting Net Smelter Return equation is: $NSR (CDN\$/t) = Au * 90.5\% * US\$74.72g/t$;
6. The specific gravity is 2.81 for the entire deposit;
7. As a point of reference, the in-situ gold, copper and silver mineralization are inventoried and reported by intended processing method.
8. Numbers may not add due to rounding.

These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The QP is of the opinion that issues relating to all relevant technical and economic factors likely to influence the prospect of economic extraction can be resolved with further work. These factors may include environmental permitting, infrastructure, sociopolitical, marketing, or other relevant factors.

As a point of reference, the in-situ gold, copper and silver mineralization are inventoried and reported by intended processing method.

The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, that could materially affect the Mineral Resource Estimate. Factors that may affect the estimates include: metal price assumptions, changes in interpretations of mineralization geometry and continuity of mineralization zones, changes to kriging assumptions, metallurgical recovery assumptions, operating cost assumptions, confidence in the modifying factors, including assumptions that surface rights to allow mining infrastructure to be constructed will be forthcoming, delays or other issues in reaching agreements with local or regulatory authorities and stakeholders, and changes in land tenure requirements or in permitting requirement.

[Table of Contents](#)

In the summer of 2024, the exploration activities included a drilling program targeting an increase in the mineral resource. The program concluded in August 2024 with the following highlights:

- **10.8 grams per tonne (“gpt”) gold (“Au”) over 4.3 m** from 176.4 m down hole in **Hole NP24-34**
 - ***Including 15.5 gpt Au over 2.0 m from 177.5 m***
- **10.4 gpt Au over 3.6 m** from 166.8 m down hole in **Hole NP24-34**
 - ***Including 12.3 gpt Au over 1.3 m from 166.8 m***
- **14.1 gpt Au over 1.1 m** from 202.7 m down hole in **Hole NP24-33A**
- **10.4 gpt Au over 1.2 m** from 252.3 m down hole in **Hole NP24-33A**

In September 2024, the British Columbia Environmental Assessment Office (BCEAO) has recommended that the New Polaris Project proceed to the Process Planning Phase of the environmental assessment. This recommendation follows a thorough review that evaluated the potential environmental and socio-economic impacts of the project.

In January 2025, BCEAO issued a process order, enabling the Project to proceed to the Application Development and Review phase of the Environmental Assessment. This marks a crucial step forward in the permitting process for the New Polaris Project.

During this phase, Canagold will prepare and submit its application for an Environmental Assessment Certificate while continuing its robust engagement efforts with Indigenous Nations, regulatory bodies, and other stakeholders. Prior to issuing the process order, BCEAO conducted a thorough review process that included feedback from participating Indigenous Nations, the Technical Advisory Committee (TAC), Alaskan Tribes, and the public, facilitated through a public comment period.

In February 2025, Canagold updated the mineral resource to quantify the antimony metal contained within the gold resource:

- 5,630 tonnes of antimony metal within the base case indicated gold resource, and
- 1,195 tonnes of antimony metal within the base case inferred gold resource

In 2025, further analysis of the antimony resource and expansion potential will take place, accompanied by additional metallurgical testing, aimed at establishing the best processing methods for producing a commercially viable antimony product.

Sue Bird, M.Sc., P.Eng. V.P. of Resources and Engineering at Moose Mountain Technical Services, an independent Qualified Person as defined by NI 43-101, has reviewed and approved the technical information about the 2023 mineral resource update and 2025 antimony resource published by the Company (see *News Release dated February 21, 2025 and titled “Canagold Announces Antimony Mineral Resource Estimate for New Polaris Gold Project”*)

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*”;

[Table of Contents](#)

- 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*”; and
- 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*”.
- 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*”.

Mineral Processing and Metallurgical Testing

Gold in the New Polaris deposit is refractory and occurs dominantly in finely disseminated arsenopyrite grains. A 150-ton per day flotation mill was operated from 1937 to 1942 and again from 1946 to 1951 producing 231,604 oz of gold from a head grade of approximately 10 g/t.

Recent metallurgical test work has yielded positive results with a process flowsheet using flotation, bio-oxidation and CIL leaching.

The preliminary flowsheet for the New Polaris project is given below in Figure 13-8.

Test work has demonstrated that both BIOX and POX are potential pre-oxidation process options for New Polaris. BIOX has been selected by Canagold as the base case treatment route due to the lower capital cost and ease of operation compared to a POX circuit.

Various process stage recoveries are listed in Table 13-1.

Table 13-1 New Polaris Projected Metallurgical Recoveries

Area	Recovery (%)
Sulphide Flotation	94.9
BIOX and CIL Leach	95.6
Carbon Loss	0.1
EW	99.9

An overall gold recovery for the process flowsheet in Figure 13-8 is estimated at 90.5%.

In 2022, the Company expended \$5.3 million on exploration expenditures for its New Polaris. The drilling program accounts for \$2 million and continuous monthly environmental baseline studies for \$557,000. Given the remote location of New Polaris, another significant exploration related cost is transportation (\$541,000). The crew and equipment are brought into the camp by air transportation. Labour cost related to developing the New Polaris camp and supporting the exploration programs accounted to \$503,000 in 2022.

In 2023, the Company spent \$4.5 million in advancing New Polaris, with most of the spending being attributable to feasibility studies (\$2.4 million) and environmental studies (\$586,000).

In 2024, the Company spent \$6.2 million in advancing New Polaris (\$1.3 million for environmental studies, \$1.3 million for feasibility studies, \$1.1 million for drilling, and \$698,000 for salaries.

2024 Project development and plans

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 2025.

In March 2023, the Company filed its Initial Project Description (IPD) and Engagement Plan submission to the B.C. Environmental Assessment Office on behalf of the New Polaris Project (“Project”), located in northwest British Columbia, Canada. The Company’s IPD submission formally initiates the Early Engagement phase of the provincial assessment process. The IPD provides an overview and detailed description of the Company’s plans to develop, operate, and eventually decommission the New Polaris Gold Project.

In March 2023, the Company entered into a collaborative engagement agreement with the Taku River Tlingit First Nation (“TRTFN”) to enshrine its commitment to the spirit of reconciliation and sustainability in economic development in respect of the Company’s New Polaris project. The agreement establishes the framework for a long-term cooperative and mutually respectful working relationship between the parties in support of Canagold’s New Polaris exploration and advancement activities while undertaking to minimize any adverse impacts on the rights and interests of the TRTFN. In addition, this initial accord creates a platform for future negotiation of agreements as the project progresses through its permitting, construction and production phases.

In September 2024, the British Columbia Environmental Assessment Office (BCEAO) has recommended that the New Polaris Project proceed to the Process Planning Phase of the environmental assessment. This recommendation follows a thorough review that evaluated the potential environmental and socio-economic impacts of the project.

In January 2025, BCEAO issued a process order, enabling the Project to proceed to the Application Development and Review phase of the Environmental Assessment. This marks a crucial step forward in the permitting process for the New Polaris Project.

During this phase, Canagold will prepare and submit its application for an Environmental Assessment Certificate while continuing its robust engagement efforts with Indigenous Nations, regulatory bodies, and other stakeholders. Prior to issuing the process order, BCEAO conducted a thorough review process that included feedback from participating Indigenous Nations, the Technical Advisory Committee (TAC), Alaskan Tribes, and the public, facilitated through a public comment period.

Other Mineral Projects

The following projects are considered not material by Canagold, do not have any S-K 1300 compliant mineral reserves or resources. There is currently no ongoing or proposed exploration or development programs for the properties set out below, other than as specifically stated.

Purchase Agreement with American Innovative Minerals, LLC

In 2017, Canagold 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. Certain of the mineral properties are subject to royalties.

AIM owns 7 gold properties in Nevada, one gold property in Idaho, and has two royalty interests on other properties. The following properties are not considered material by Canagold:

- **Clear Trunk** property is located in Pershing and Humboldt Counties, Nevada on 4,500 acres of fee mineral and unpatented claims in the Sonoma Range, south of Winnemucca and near the Goldbanks gold deposit. The property contains gold-bearing epithermal quartz veins, mesothermal quartz veins with high-grade gold and copper-gold intrusion-hosted mineralization.
- **Bull Run** property is located in Elko County, Nevada on two large patented claim groups of 500 acres near the Jerritt Canyon gold district.
- **Jarbidge** property is located in Elko County, Nevada on 8 patented claims along the east end of major gold veins in the Jarbidge mining district.
- **Lightning Tree** property is located in Lemhi County, Idaho on 4 unpatented claims near the Musgrove gold deposit.
- **Silver King** property is located in Humboldt County, Nevada on 4 patented claims in the Iron Point mining district. Previous exploration focused on low grade gold values but the property was never been explored for silver.
- **A&T** property is located in Humboldt Co., Nevada on 2 patented claims on Winnemucca Mountain. The property contains gold-bearing veins in altered shale.
- **Eimis** property is located in Elko County, Nevada on one 20 acre patented claim adjacent to the Coleman Canyon gold deposit controlled by Arnevtut Resources Nevada LLC (“Arnevtut”). Gold anomalies extend onto Eimis property and Arnevtut holds a 20 year lease to explore on the property since 2010.
- **Silver Peak** property is located in Esmeralda County, Nevada on 3 patented (57 acres) and 3 unpatented mining claims covering 50 acres. The property is adjacent to the Mineral Ridge mine controlled by Scorpio Gold Corporation. The 3 unpatented mining claims are under agreement with Legacy Mining to pay \$1,000 at commencement of mining and an 8% NSR.

Silver King (Nevada, USA)

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

In October 2018, Canagold entered into a property option agreement for its Silver King property with 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. Canagold will retain a 2% NSR of which a 1% NSR can be acquired by Brownstone for \$1 million.

Lightning Tree (Idaho, USA)

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

In early July 2020, Canagold entered into a non-binding letter of intent for its Lightning Tree property located in Lemhi County, Idaho, with Ophir Gold Corp. (formerly, MinKap Resources Inc.) (“Ophir”), whereby Ophir shall acquire a 100% undivided interest in the property. On September 10, 2020, a definitive mineral property purchase agreement was executed. Over a three year period, Ophir shall pay to Canagold 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. If Ophir fails to incur the exploration expenditure, the property reverts back to Canagold. Canagold 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 revert back to Canagold.

Windfall Hills properties (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.

[Table of Contents](#)

In April 2013, Canagold 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, Canagold 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. In 2023, the Company impaired this property to \$Nil as no budget or plans are allocated to it.

Corral Canyon property (Nevada, USA)

In 2018, Canagold staked 92 mining claims covering 742 hectares in 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 the first half of fiscal 2019, Canagold had completed detailed geologic mapping, a district-scale soil sampling program, rock-chip sampling, re-logging of previous core holes and an analysis of historical geophysical data in an effort to identify drill targets to expand on the known gold mineralization. In the third quarter of 2019, four high priority targets were identified on the property. In November 2019, a five hole, 1600 meter drilling program was completed.

In 2023, the Company impaired this property in its financial statements to \$Nil as no budget or plans are allocated to it.

Princeton Property (British Columbia, Canada)

The Princeton gold property consists of 22 mineral claims over 14,650 hectares located 35 kilometers (km) south of Princeton, British Columbia, and is readily accessible by road. The property contains quartz veins with high grade gold (> 10 g/t) hosted in Triassic Nicola Group metasedimentary and metavolcanic rocks intruded by undated granitic dikes and stocks.

In December 2018 and then as amended in June 2019, Canagold entered into a property option agreement jointly with Universal Copper Ltd. (formerly, Tasca Resources Ltd.) (“Universal”) and an individual whereby Canagold has an option to earn a 75% interest in the Princeton property by: incurring exploration expenditures of CAD\$490,000 over a two year period; issuing 375,000 common shares to Universal by December 1, 2019 (issued); paying CAD\$25,000 cash to Universal by March 16, 2021; granting a 1% NSR to Universal which can be acquired for CAD\$1 million; and honoring a 2% NSR to the individual of which 1% NSR can be acquired for CAD\$1 million.

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. Subject to the exercise of the option by December 31, 2022, 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.

In 2018, Canagold completed a 2,350 line-kilometer aeromagnetic survey on the property to assist in its geologic evaluation. The survey covered about 16 km by 10 km, extending well beyond the known area of gold vein mineralization. In July 2019, Canagold reviewed the results of the survey and the results were used to delineate geologic units, including intrusive rocks, and to clarify the broad geologic setting and structural fabric of the area that helped identify and prioritize exploration targets.

In July 2019, Canagold commenced an exploration program of general prospecting, mapping, sampling and trenching of existing gold vein prospects, as well as evaluating whether additional geophysical methods might be utilized to detect buried veins. The program included a machine trenching program in the area of the main gold vein prospect. The trenching was to test a much broader area than was trenched in late 2018 and was to attempt to trace the previously-trenched main vein along strike as well as explore for adjacent veins, particular in areas of mineralized float.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Management’s discussion and analysis in this Item 5 are intended to provide the reader with a review of factors that affected Canagold’s performance during the years presented and factors reasonably expected to impact on future operations and results. The following discussion of the financial condition, changes in financial condition and results of operations of Canagold for the three fiscal years ended December 31, 2023, 2022, and 2021 should be read in conjunction with the consolidated financial statements of Canagold and related notes included therein.

Canagold's consolidated financial statements are prepared in accordance with IFRS as issued by the IASB, and all dollar amounts are expressed in United States dollars unless otherwise indicated.

This discussion contains "forward-looking statements" that are subject to risk factors set out under the heading "Item 3. Key Information – D. Risk Factors". See "Cautionary Note Regarding Forward-Looking Statements" above.

5.A Operating Results

In accordance with IFRS, all costs related to investments in mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration expenditures, net of any recoveries and write-downs.

Canagold's ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of Canagold to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet Canagold's liabilities as they become payable and for settlement of expenditures.

Canagold is not aware of any seasonality in the business that has a material effect upon its financial condition, results of operations or cash flows. Canagold is not aware of any changes in the results of its operations that are other than those normally encountered in its ongoing business.

Year ended December 31, 2024 compared with December 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 \$1.12 million for fiscal 2024, which is lower than the net loss of \$3.05 million for fiscal 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 2024 vs 2023:

	Years ended December 31,		
	2024	2023	Variance
Expenses:			
Amortization	\$ 81	\$ 89	\$ (8)
Corporate development	126	152	(26)
Employee and director remuneration	475	598	(123)
General and administrative	458	403	55
Share-based payments	316	391	(75)
Operating loss	(1,456)	(1,633)	177
Interest and other income	148	65	83
Foreign exchange (loss) gain	71	36	35
Change in fair value of marketable securities	(143)	(364)	221
Gain on sale of long term investments	-	738	(738)
Impairment of mineral property interest	-	(1,898)	1,898
Mineral property option income	12	12	-
Interest and finance charges	(12)	(38)	26
Net loss before income tax	(1,380)	(3,082)	1,702
Income tax recovery	258	32	226
Net loss for the year	(1,122)	(3,050)	1,928

Overall operating losses are consistent for 2024 and 2023, with the focus of the company, advancing the New Polaris project, being unchanged.

Overall remuneration for employees and directors has been consistent for 2024 vs. 2023. The lower amount reported as an employee/director remuneration expense in 2024 is because there was a higher percentage of salaries attributed to the New Polaris cost in 2024 than in 2023 (see section 1.9 below “Transactions with Related Parties” – for details of management and directors’ remuneration).

Share based payments expense is lower in 2024 as less RSUs/DSUs were granted and vested in 2024 vs. 2023.

The non-operating expenses are mainly non-cash items.

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.

In 2023, the Company recognized a \$738,000 gain on the sale of the Fondaway property to Getchell and an impairment loss of \$1.89 million of the accounting book value of Corral Canyon and Windfall Hills, as the Company does not have budgeted activities for these two properties in the near future. No corresponding gains/impairment losses were recognized in 2024.

The income tax recovery is the allocation of the premium in the flow through private placement on a pro rata basis of qualified exploration expenditures incurred during the period. Income tax recovery of \$258,000 for 2024 (2023 - \$32,000) was recognized for the pro rata flow through exploration expenditures.

As at December 31, 2024, Canagold has mineral property interests which are comprised of the following:

	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))
Acquisition Costs:				
Balance, December 31, 2023	\$ 3,927	\$ -	\$ -	\$ -
Acquisition	12	-	-	-
Foreign currency translation adjustment	(18)	-	-	-
Balance, December 31, 2024	3,921	-	-	-
Deferred Exploration Expenditures:				
Balance, December 31, 2023	23,581	-	-	-
Additions:				
Exploration:				
Assays and sampling	60	-	-	-
Community and social	233	-	-	-
Drilling	1,183	-	-	-
Environmental	1,339	-	-	-
Feasibility	1,310	-	-	-
Field, camp, supplies	535	-	-	-
General, administrative, sundry	46	-	-	-
Local labour	175	-	-	-
Machinery and equipment	62	-	-	-
Metallurgy	38	-	-	-
Recovery of taxes	(133)	-	-	-
Rental and storage	61	-	-	-
Salaries	698	-	-	-
Transportation	597	-	-	-
Utilities	4	-	-	-
Foreign currency translation adjustment	(2,410)	-	-	-
Balance, December 31, 2024	27,379	-	-	-
Mineral property interests:				
Balance, December 31, 2024	\$ 31,300	\$ -	\$ -	\$ -

Environmental Liabilities

Canagold's policy is to maintain all operations at North American standards, notwithstanding that certain of the countries within which it may operate may not yet have fully developed such standards in respect to environmental concerns. In accordance with government requirements in Canada, refundable deposits of \$CAD305,000 have been placed with regulatory agencies in respect to Canagold's New Polaris gold property in British Columbia. There are no known environmental contingencies in respect to these or any of the other Company's mineral property interests.

5.B Liquidity and Capital Resources

Canagold 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 Canagold to obtain the necessary financing to complete the development and upon future profitable production. Canagold knows of no trends, demands, commitments, events or uncertainties that may result in Canagold's liquidity either materially increasing or decreasing at the present time or in the foreseeable future. Material increases or decreases in Canagold's liquidity are substantially determined by the success or failure of Canagold's exploration programs and overall market conditions for smaller mineral exploration companies. Since its incorporation in 1987, Canagold has endeavoured to secure mineral property interests that in due course could be brought into production to provide Canagold with cash flow which would be used to undertake work programs on other projects. To that end, Canagold 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, Canagold 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 Canagold's liquidity:

		December 31, 2024	December 31, 2023
	(\$000s)		
Cash		\$ 676	\$ 2,811
Working capital		151	4,555

Canagold has no sources of operating revenues, and ongoing operating expenses continue to reduce its cash resources and working capital. Operating losses continued to be incurred for ongoing activities of Canagold in seeking to advance the New Polaris property, and in exploring the Windfall Hills and AIM properties and staking additional property claims and in pursuing new projects of merit.

Based on Canagold's available cash and working capital, Canagold anticipates it will be able to continue its current plan of operations and exploration programs for at least the next 12 months without having to seek additional financing or cut-back on planned operations. Additional financing will be sought through private and public equity financings or debt financings if available to Canagold at acceptable terms in the interests of the shareholders and Canagold.

[Table of Contents](#)

In December 2021 and January 2022, Canagold 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, Canagold closed the first tranche for 560,000 flow through shares for gross proceeds of CAD\$280,000. On January 18, 2022, Canagold closed the second tranche for 4.05 million flow through shares for gross proceeds of CAD\$2.03 million.

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 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 November 2022 rights offering 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.

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. 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.

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. 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.

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%.

During 2023, the Company generate \$1.6 million from the sale of its Foldaway property.

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.

During 2024, the Company generated \$1.1million from disposition of marketable securities (2023 - \$159,000).

[Table of Contents](#)

On March 4, 2025, the Company closed a private placement issuing 9,200,000 flow through common shares at a price of CAD\$0.35 per share for gross proceeds of CAD\$3.2 million.

Canagold has entered into a number of option agreements for mineral property interests that involve payments in the form of cash and/or shares of Canagold as well as minimum exploration expenditure requirements. Under Item 5.F, further details of contractual obligations are provided as at December 31, 2024.

As Canagold performs exploration on its mineral property interests, it decides which ones to proceed with and which ones to abandon. Accordingly, the minimum expenditure commitments are reduced as Canagold narrows its interests. To fully exercise the options under various agreements for the acquisition of interests in properties located in Canada and the USA, Canagold must make payments to the optionors and lease liability obligations for its office facilities as follows as at December 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	\$ 235	\$ 87	\$ 148	\$ -	\$ -
Total, December 31, 2024	\$ 235	\$ 87	\$ 148	\$ -	\$ -
Basic office lease	\$ 321	\$ 86	\$ 175	\$ 60	\$ -
Total, December 31, 2023	\$ 321	\$ 86	\$ 175	\$ 60	\$ -

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 December 31, 2023, the Company is committed to the following payments for base rent at its corporate head office in Vancouver, BC, as follows:

Year:	Amount (CAD\$000)
2025	\$ 87
2026	\$ 88
2027	\$ 60
	\$ 235

Canagold's ability to continue as a going concern is dependent on the ability of Canagold to raise debt or equity financings, and the attainment of profitable operations. Management would need to raise the necessary capital to meet its planned business objectives.

Canagold will continue to rely upon debt and equity financings as its principal source of financing its projects and its ongoing working capital needs.

5.C Research and Development, Patents and Licenses, etc.

Canagold does not currently carry out research and development activities.

Items 4.A, 4.D, 5.A and 5.F provide details of Canagold's mineral property interests, exploration activities, acquisitions and write-downs.

5.D Trend Information

Canagold knows of no trends, demand, commitments, events or uncertainties that are reasonably likely to have a material effect on Canagold's net sales or revenues, income from continuing operations, profitability, liquidity or capital resources or that would cause financial information not necessarily to be indicative of future operating results or financial condition, other than disclosed or inferred in this Form 20-F.

Canagold currently has no active business operations that would be affected by recent trends in productions, sales, etc. Canagold has no material net sales or revenues that would be affected by recent trends.

To date, Canagold has experienced a decline in the value of its common shares and expects to incur ongoing costs while certain corporate objectives may be delayed. These and other conditions may ultimately have a material adverse impact on Canagold's financial condition and results of operations. See "Key Information – D. Risk Factors" for additional information.

5.E Critical Accounting Estimates

For Canagold's exploration activities, there is no product, sales or inventory in the conventional sense. The recoverability of costs capitalized to mineral property interests and Canagold's future financial success are dependent upon the extent to which it can discover mineralization and the economic viability of advancing such mineral property interests beyond the exploration stage. Such activities may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. Many of the key factors are outside of Canagold's control. The sales value of any mineralization discovered by Canagold is largely dependent upon factors beyond Canagold's control such as the market value of the metals.

As the carrying value and amortization of mineral property interests and capital assets are, in part, related to Canagold's mineral reserves, the estimation of such reserves is significant to Canagold's position and results of operations. As of the date of this annual report, Canagold has not established any reserves on its mineral property interests.

In accordance with an acceptable accounting policy under IFRS, all costs related to investments in mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. The costs related to a mineral property interest from which there is production, together with the costs of mining equipment, will be amortized using the unit-of-production method. When there is little prospect of further work on a mineral property interest being carried out by Canagold or its partners or when a property interest is abandoned or when the capitalized costs are not considered to be economically recoverable, the related mineral property costs are written down to the amount recoverable. The amounts for mineral property interests as shown in Canagold's consolidated financial statements represent costs incurred to date, less write-downs and any recoveries, and are not intended to reflect present or future values.

Canagold accounts for share-based payments using a fair value-based method with respect to all stock-based payments to directors, officers, employees and non-employees. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to the reserve for share-based payments. Consideration received on the exercise of stock options is recorded as share capital and the related reserve for share-based payments is transferred to share capital. Upon expiry, the recorded fair value is transferred from reserve for share-based payments to deficit.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A Directors and Senior Management

In accordance with the provisions of the *Business Corporations Act (British Columbia)* the overall control of the business and affairs of Canagold is vested in its board of directors. The board of directors of Canagold currently consists of five members elected by the shareholders of Canagold at each annual meeting of shareholders of Canagold.

[Table of Contents](#)

The directors and senior management of Canagold as of April 25, 2025 are:

<i>Name and Province/State and Country of Residence</i>	<i>Principal Occupation and Occupation during the Past 5 Years ⁽¹⁾</i>	<i>Current Position with Canagold and Period of Service</i>
Sofia Bianchi ^{(3),(4),(5),(7)} BC, Canada	Partner and CEO of Atlante Partners (since May 2016);	Chair of Board of Directors (since July 19, 2022)
Andrew Trow ^{(3),(4),(5)} Cape Town, South Africa	Managing Director at Fresh Beverages (Pty) Ltd (since January 2015); Partner at Atlante Capital Partners (since May 2014);	Director (since July 19, 2022)
Carmen Letton ^{(3),(6),(7)} Australia	Managing Director at Malett Pty Ltd (since February 2022); Head of RDP and LoAP at Anglo American (from October 2018 to January 2022); Head of Open Pit Mining at Anglo American (from April 2015 to August 2018).	Director (since July 19, 2022)
Michael Doyle ^{(6),(8)} Medellin, Columbia	Chief Technical Officer of Canagold Resources Ltd (since August 2022); Partner and Vice President of Technical Services at Sun Valley Investments (since 2016);	Director and Chief Technical Officer (since August 9, 2022)
Kadri Dagdalen ⁽⁶⁾ Colorado, USA	Professor at Colorado School of Mines (since 1992); President of Optitech Engineering Solutions (since 2005)	Director (since July 19, 2022)
Catalin Kilofliski BC, Canada	Chief Executive Officer of Canagold Resources Ltd. (since August, 2022); President & CEO of Europacific Metals Inc. (from July 2018 to July 2022) ; Director Corp Dev for TSXV Listed Tudor Gold Corp (from April 2019 to October 2020; CEO of Canagold Resources Ltd., from January 2014 to June 2018;	Chief Executive Officer (since August 3, 2022)
Garry Biles British Columbia, Canada	Vice-President, Mining, of Canagold Resources Ltd. (from March 1, 2007 to May 31, 2008)	President and Chief Operating Officer (since June 1, 2008)
Chris Pharness British Columbia, Canada	VP Sustainable Development of Osisko Development Corp (from 2019 to 2023); VP Environment and Sustainability of Barkerville Goldmines Ltd (prior to 2019)	Vice-President (Sustainability and Permitting) (since January 2024)
Colm Keogh British Columbia, Canada	Vice-President (Operations) of Canagold (since March 2023) Manager of Operations Support & Engineering / Operations Manager at Eldorado Gold Corporation (from November 2017 to June 2022) Mining Consultant at Druid Mining (from June 2022 to April 2023)	Vice-President (Operations) (since March 2023)

- (1) The information as to residence and principal occupation during the past five years is not within the knowledge of the Company and has been furnished by the respective directors and officers.

[Table of Contents](#)

- (2) Unless otherwise stated above, each of the above-named nominees has held the principal occupation or employment indicated for at least five years.
- (3) Member of Audit Committee.
- (4) Member of Compensation Committee.
- (5) Member of Nomination Committee.
- (6) Member of Technical, Environmental, Social and Safety.
- (7) Member of Investment Committee.
- (8) Micheal Doyle is not an independent director as he is an executive for Sun Valley, a control entity of the Company

Andrew Bowering resigned from the Board of Directors in March 2022.

At the Company's contested Annual and Special General Meeting held on July 19, 2022, shareholders voted for the election of Sofia Bianchi, Carmen Letton, Kadri Dagdelen, Andrew Trow, and Scott Eldridge as Directors for the ensuing year. Three other nominees originally proposed by the Company, namely Bradford Cooke, Martin Burian and Deepak Malhotra, elected to resign from the Board.

In August 2022, Scott Eldridge resigned as CEO and a Director of the Company, and Catalin Kilofliski was appointed as CEO, and Michael Doyle was nominated as a Director and who subsequently was appointed as Chief Technical Officer.

At the Company's Special General Meeting held on October 17, 2022, disinterested shareholders voted in favor for the creation of a new control person with Sun Valley Investments AG ("Sun Valley") owning more than 20% interest of the Company which allowed the closing of the flow through private placement for 4.7 million common shares, resulting in Sun Valley's ownership interest in the Company increasing from 19.40% to 23.55%. Sun Valley participated in a rights offering in December 2022 and increased its ownership in the Company to 40.06%.

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 of Operations of the Company.

In May 2023, Tim Caldwell was appointed as Vice-President of Sustainability; Tim Caldwell resigned from this position in October 2023.

In September 2023, Troy Gill resigned as Vice-President of Exploration.

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

In September 2024, Knox Henderson resigned as Vice-President of Corporate development.

No director or officer has any family relationship with any other director or officer. The term of office of each of the directors will continue until the next annual general meeting, or until his successor is duly elected, unless his office is vacated in accordance with the articles of Canagold. Officers hold office at the pleasure of the directors.

To the best of Canagold's knowledge, there are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of Canagold's officers or directors was selected as an officer or director of Canagold, other than as disclosed in this Form 20-F.

6.B Compensation

Statement of Executive Compensation

Canagold is required, under applicable securities legislation in Canada, to disclose to its shareholders details of compensation paid to its directors and officers. The following fairly reflects all material information regarding compensation paid to Canagold's directors and officers that has been disclosed to Canagold's shareholders under applicable Canadian law.

During the fiscal period ended December 31, 2024, the aggregate compensation incurred by Canagold to all individuals who were directors and officers, at the time of their remuneration, in all capacities as a group was \$1.2 million.

The table below discloses information with respect to executive compensation paid by Canagold to its directors and officers for the fiscal year ended December 31, 2024. The following table sets forth, for the periods indicated, the compensation of the directors and officers.

SUMMARY OF COMPENSATION
PAID TO DIRECTORS AND OFFICERS

(in terms of Canadian dollars)

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share-based awards ⁽⁸⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)		Pension value ⁽⁵⁾ (\$)	All other compensation ⁽⁶⁾ (\$)	Total compensation ⁽⁷⁾ (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽⁴⁾			
Bradford Cooke former Chairman, former President and former Director	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$4,000	\$4,000
Sofia Bianchi Chairman and Director	2024	Nil	\$57,807	Nil	Nil	Nil	Nil	\$38,000	\$95,807
	2023	Nil	\$128,000	Nil	Nil	Nil	Nil	\$38,000	\$166,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$17,282	\$17,282
Andrew Trow Director	2024	Nil	\$39,742	Nil	Nil	Nil	Nil	\$28,000	\$67,742
	2023	Nil	\$88,000	Nil	Nil	Nil	Nil	\$28,000	\$116,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$12,734	\$12,734
Carmen Letton Director	2024	Nil	\$39,742	Nil	Nil	Nil	Nil	\$25,000	\$64,742
	2023	Nil	\$88,000	Nil	Nil	Nil	Nil	\$25,000	\$113,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$11,370	\$11,370
Kadri Dagdelen Director	2024	Nil	\$39,742	Nil	Nil	Nil	Nil	\$25,000	\$64,742
	2023	Nil	\$88,000	Nil	Nil	Nil	Nil	\$25,000	\$113,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil	\$11,370	\$11,370
Catalin Kilofliski CEO	2024	\$242,256	\$26,888	Nil	Nil	Nil	Nil	Nil	\$269,044
	2023	\$227,000	\$126,735	Nil	Nil	Nil	Nil	Nil	\$353,735
	2022	\$90,681	Nil	Nil	Nil	Nil	Nil	Nil	\$90,681
Scott Eldridge former CEO and former Director	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	\$213,122	Nil	Nil	Nil	Nil	Nil	\$166,666	\$379,788
Philip Yee former CFO, Vice- President, Finance and Secretary	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	\$22,652	Nil	Nil	Nil	Nil	Nil	\$180,000	\$202,652
	2022	\$119,432	Nil	Nil	Nil	Nil	Nil	Nil	\$119,432
Garry D. Biles President and COO	2024	\$220,375	Nil	Nil	Nil	Nil	Nil	Nil	\$220,375
	2023	\$212,019	\$60,551	Nil	Nil	Nil	Nil	Nil	\$272,570
	2022	\$134,769	Nil	Nil	Nil	Nil	Nil	Nil	\$134,769
Troy Gil Former Vice President Exploration	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	\$103,861	Nil	Nil	Nil	Nil	Nil	Nil	\$103,861
	2022	\$140,916	Nil	Nil	Nil	Nil	Nil	Nil	\$140,916
Tim Caldwell Former Vice President Sustainability	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	\$78,726	\$54,918	Nil	Nil	Nil	Nil	Nil	\$133,644
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Knox Henderson Vice President Corporate Development	2024	\$27,000	Nil	Nil	Nil	Nil	Nil	Nil	\$27,000
	2023	\$55,000	Nil	Nil	Nil	Nil	Nil	Nil	\$55,000
	2022	\$120,000	Nil	Nil	Nil	Nil	Nil	Nil	\$120,000
Michael Doyle Chief Technical	2024	\$123,000	\$6,790	Nil	Nil	Nil	Nil	Nil	\$129,790
	2023	\$70,000	\$16,898	Nil	Nil	Nil	Nil	Nil	\$86,898

Officer and Director	2022	\$25,000	Nil	Nil	Nil	Nil	Nil	Nil	\$25,000
Colm Keogh Vice President Operations	2024 2023 2022	\$220,375 \$162,282 Nil	Nil \$80,735 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	\$220,375 \$245,017 Nil
Mihai Draguleasa CFO and Secretary	2024 2023 2022	\$102,500 \$98,667 Nil	Nil \$28,163 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	\$102,500 \$126,830 Nil
Chris Pharness Vice President Sustainability and Permitting	2024 2023 2022	\$205,410 Nil Nil	\$28,649 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	\$243,059 Nil Nil

Item 10.C provides further details of employment contracts and agreements with current and former senior officers of Canagold.

Stock Options and other share based compensation**Omnibus incentive plan**

The Company has an omnibus incentive compensation plan implemented in 2023. Pursuant to the omnibus plan, at December 31, 2024, the Company currently has 7,449,570 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.

A) Stock Options:

The continuity of outstanding stock options for the year ended December 31, 2024 and 2023 is as follows:

	June 30, 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	900,000	\$ 0.50
Expired during 2024	(40,000)	\$ 0.30
Outstanding balance, at December 31, 2024	860,000	\$ 0.51
Exercise price range		\$0.50 - \$0.52

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

	Exercise Prices (CAD\$)	Options Outstanding and Exercisable		Exercise Prices (CAD\$)
		Weighted Average Number Outstanding at 31-Dec-24	Weighted Average Remaining Contractual Life (Number of Years)	
\$	0.50	60,000	0.49	\$ 0.50
\$	0.50	300,000	1.48	\$ 0.50
\$	0.52	500,000	1.53	\$ 0.52
		860,000	1.44	\$ 0.51

During the year ended December 31, 2024, the Company recognized share-based payments of \$Nil (2023 - \$Nil and 2022 - \$154,000), net of forfeitures, based on the fair value of stock options that were earned by the provision of services during the year.

No stock options were granted during the years ended December 31, 2024, 2023 and 2022.

A) Share units:

i) Performance share units

No performance share units (PSUs) were granted during the years ended December 31, 2024, 2023 and 2022. Total PSUs available for granting are 1,000,000.

ii) Restricted share units

There are 5,822,480 restricted share units ("RSUs") available for granting under the Omnibus plan as at December 31, 2024.

222,598 RSUs were granted to the officers of the Company during the year ended December 31, 2024. The share price on grant date was CAD \$0.30. These RSUs vest over a period of one year.

1,600,000 RSUs were granted to the officers of the Company during the year ended December 31, 2023. The share price on grant date was CAD \$0.230. These RSUs vest over a period of two years. During the year ended December 31, 2024, 906,302 vested RSUs were converted to common shares and 238,776 RSUs were cancelled.

For accounting purposes, the Company amortizes the share-based compensation expense over the vesting period. The Company recognized a share-based compensation expense of \$108,347 for the year ended December 31, 2024 (2023 - \$152,069).

The following is the RSUs continuity schedule as of December 31, 2024:

Balance December 31, 2022	-
RSUs granted	1,600,000
Balance December 31, 2023	1,600,000
RSUs granted	222,598
RSUs vested and converted to shares	(906,302)
RSUs expired/forfeited	(238,776)
Balance December 31, 2024	677,520

iii) Deferred share units

There are 330,488 available deferred share units (“DSUs”) under the Omnibus plan as at December 31, 2024,

632,257 DSUs were granted to the directors of the Company during the year ended December 31, 2024 (share price on grant date was CAD \$0.30).

1,537,255 DSUs were granted to the directors of the Company during the year ended December 31, 2023 (share price on grant date was CAD \$0.23).

These granted DSUs vested immediately, the Company accounts initially, based on the share price of the Company on the grant date, for a share-based compensation expense of and a corresponding share-based compensation liability. At each period end, the Company revalues the value of the outstanding DSUs to current market share price of the Company and adjusts accordingly the share based compensation and deferred compensation liability. For the year ended December 31, 2024 the Company recognized a share based compensation of \$207,844 (December 31, 2023 - \$244,000) in connection with DSUs grants and revaluation of the outstanding DSUs to market value.

The following is the DSUs continuity schedule as of December 31, 2024:

	DSUs outstanding	Deferred compensation liability at year end
Balance December 31, 2022	-	-
DSUs granted	1,537,255	-
Balance December 31, 2023	1,537,255	244,000
DSUs granted	632,257	
Balance December 31, 2024	2,169,512	422,000

There were no conversions of DSUs to shares or cancelation of DSUs during the years ended December 31, 2024, 2023, and 2022.

[Table of Contents](#)

At the discretion of the directors, certain option grants provide the holder with 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.

Pension Plan

Canagold does not have any pension plan arrangements in place.

Report on Executive Compensation

Canagold's executive compensation program is administered by the Compensation Committee on behalf the board of directors (the "Board").

Compensation of Directors

During the fiscal year ended December 31, 2022, Canagold incurred the following director fees in Canadian dollars:

<u>Directors</u>	<u>Fees</u>
Deepak Malhotra	\$ 4,000
Bradford Cooke	\$ 4,000
Burian, Martin	\$ 4,000
Bowering, Andrew	\$ 1,667
Sofia Bianchi	\$ 17,282
Andrew Trow	\$ 12,734
Carmen Letton	\$ 11,370
Kadri Dagdelen	\$ 11,370

During the fiscal year ended December 31, 2023, Canagold incurred the following director fees in Canadian dollars:

Andrew Trow - \$28,000

Kadri Dagdelen – \$25,000

Sofia Bianchi – \$38,000

Carmen Letton - \$25,000

During the fiscal year ended December 31, 2024, Canagold incurred the following director fees in Canadian dollars:

Andrew Trow - \$28,000

Kadri Dagdelen – \$25,000

Sofia Bianchi – \$38,000

Carmen Letton - \$25,000

Executive Compensation Program

Canagold's executive compensation program is based on a pay for performance philosophy. The executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term. Base salaries are set at levels which are competitive with the base salaries paid by companies within the mining industry having comparable capitalization to that of Canagold, thereby enabling Canagold to compete for and retain executives critical to Canagold's long term success. Incentive compensation is directly tied to corporate and individual performance. Share ownership opportunities are provided to align the interests of executive officers with the longer term interests of shareholders.

Compensation for directors and officers, as well as for executive officers as a whole, consists of a base salary, along with annual incentive compensation program named the Omnibus Plan. As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) and the mix of total compensation shifts towards stock options, thereby increasing the mutuality of interest between executive officers and shareholders.

No funds were set aside or accrued by Canagold or its subsidiaries during the year ended December 31, 2024 to provide pension, retirement or similar benefits for directors or officers of Canagold pursuant to any existing plan provided or contributed to by Canagold or its subsidiaries under applicable Canadian laws.

Base Salary

The Board approves ranges for base salaries for executive employees of Canagold based on reviews of market data from peer groups and industry in general. The level of base salary for each employee within a specified range is determined by the level of past performance, as well as by the level of responsibility and the importance of the position to Canagold.

Canagold's Chief Executive Officer prepares recommendations for the Compensation Committee which are then presented to the Board with respect to the base salary to be paid to the CEO and other senior executive officers. The CEO's recommendations for base salaries for the senior executive officers, including the Chief Executive Officer, President and Chief Operating Officer, Chief Technical Officer, Chief Financial Officer, and Vice Presidents (Operations, Sustainability and Permitting, and Corporate Development), are then submitted for approval by the Board from the Compensation Committee.

Bonus

The Board, based upon recommendations from the Compensation Committee, annually evaluates performance and allocates an amount for payment of bonuses to executive officers and senior management. The aggregate amount for bonuses to be paid will vary with the degree to which targeted corporate performance was achieved for the year. The individual performance factor allows Canagold effectively to recognize and reward those individuals whose efforts have assisted Canagold to attain its corporate performance objective.

The CEO prepares recommendations for the Compensation Committee which in turn makes a recommendation to the Board with respect to the bonuses to be paid to the executive officers and to senior management.

In 2020, Canagold paid bonuses of CAD\$103,100 related to corporate performance for 2019 fiscal year; in 2021 paid bonuses of CAD\$146,360 for 2020 fiscal year; and in 2022, approved bonuses of CAD\$195,140 for 2021 fiscal year. Canagold has made significant corporate advancements over the past years including substantial gains and significantly improved its financial resources and working capital as well as advancing its material mineral project, New Polaris, and optioning out certain of its immaterial mineral properties.

Directors' and Officers' Liability Insurance

From 2022 to 2024, Canagold maintains its directors and officers liability insurance coverage of CAD\$10 million.

6.C Board Practices

Statement of Corporate Governance Practices

Canagold is required to report annually to its shareholders on its corporate governance practices and policies with reference to National Policy 58-201, *Corporate Governance Guidelines* (the "Policy") and National Instrument 58-101, *Disclosure of Corporate Governance Practices*, as adopted by the Canadian Securities Administrators, and effective June 30, 2005.

The Board of Directors

The Board currently consists of five directors, of which four directors (Sofia Bianchi, Andrew Trow, Carmen Letton, and Kadri Dagdelen) are currently “independent” in the context of the Policy. Mike Doyle is not an independent director because he is an officer of the Company (Chief Technical Officer) and Executive of Sun Valley.

Directors are elected at Canagold’s annual general meeting and are re-elected for the ensuing year.

The number of years which each director has served is as follows:

Director	Period of Service (Number of Years)
Sofia Bianchi	3
Andrew Trow	3
Carmen Letton	3
Kadri Dagdelen	3
Mike Doyle	3

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, during the course of a directors’ meeting, if a matter is more effectively dealt with without the presence of members of management, the independent directors request members of management to leave the meeting, and the independent directors then meet.

Sofia Bianchi is the Chair of the Board of Directors of Canagold and Andrew Trow is the Chair of the Audit Committee.

Since January 1, 2007, Canagold has held board meetings at least quarterly and at which the majority, if not all, Board members have attended, either in person or by audio or video conference call, during the time in which they were directors of Canagold.

Board Mandate

The Board of Directors is responsible for supervising management in carrying on the business and affairs of Canagold. Directors are required to act and exercise their powers with reasonable prudence in the best interests of Canagold. The Board agrees with and confirms its responsibility for overseeing management's performance in the following particular areas:

- the strategic planning process of Canagold;
- identification and management of the principal risks associated with the business of Canagold;
- planning for succession of management;
- Canagold's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of Canagold.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports on the operations of Canagold and its financial position. The Board reviews and assesses these reports and other information provided to it at meetings of the Board and/or of its committees. The CEO reports directly to the Board, giving the Board direct access to information in his areas of responsibility. Other management personnel regularly attend Board meetings to provide information and answer questions. Directors also consult from time to time with management and have, on occasion, visited the properties of Canagold. The reports and information provided to the Board include details concerning the monitoring and management of the risks associated with Canagold's activities, such as compliance with safety standards and legal requirements, environmental issues and the financial position and liquidity of Canagold. At least annually, the Board reviews management's report on its business and strategic plan and any changes with respect to risk management and succession planning.

Position Descriptions

The Board of Directors has not yet developed written position descriptions for the Chairman, the chairman of any Board committees, the CEO, the President or the CFO. The Board is of the view that given the size of Canagold, the relatively frequent discussions between Board members, the CEO, the President and the CFO and the experience of the individual members of the Board and Board committees, the responsibilities of such individuals are known and understood without position descriptions being reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear to be justified, they will be prepared.

Orientation and Continuing Education

The Board does not have a formal policy relating to the orientation of new directors and continuing education for directors. The appointment of a new director is a relatively infrequent event in Canagold's affairs, and each situation is addressed on its merits on a case-by-case basis. Canagold has a relatively restricted scope of operations, and most candidates for Board positions will likely have past experience in the mining business; they will likely be familiar therefore with the operations of a resource company of the size and complexity of Canagold. The Board, with the assistance of counsel, keeps itself apprised of changes in the duties and responsibilities of directors and deals with material changes of those duties and responsibilities as and when the circumstances warrant. The Board will evaluate these positions, and if changes appear to be justified, formal policies will be developed and followed.

Ethical Business Conduct

Canagold has adopted a whistle blower policy, which is set out in its Charter of the Audit Committee which is available for viewing on SEDAR as a schedule to Canagold's Annual Information Form dated March 28, 2025.

Nomination of Directors

The Board has neither a formal policy for identifying new candidates for Board nomination. If and when the Board determines that its size should be increased or if a director needs to be replaced, the nomination committee meeting shall be convened. The terms of reference of such a committee will be determined, but are expected to include the determination of the independence of the candidate, his or her experience in the mining business and compatibility with the other directors.

Compensation

Taking into account Canagold's present status as an exploration-stage enterprise, the Board of Directors reviews the adequacy and form of compensation provided to Directors on a periodic basis to ensure that the compensation is commensurate with the responsibilities and risks undertaken by an effective director.

In 2024, the Compensation Committee approved for independent Board members to receive the following annual compensation in Canadian dollars:

Chair of Board - \$32,000

Director - \$22,000

Audit committee chair: \$6,000

Other committee chair: \$3,000

Audit Committee

The Audit Committee is comprised of:

Chairman:	Andrew Trow
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Members:	Sofia Bianchi, Carmen Letton
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The mandate of the Audit Committee is as follows:

The Audit Committee will assist the Board of Directors (the “Board”) of Canagold in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and Canagold's process for monitoring compliance with laws and regulations and its own code of business conduct as more fully described below. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as Canagold's business, operations and risks.

In carrying out its oversight responsibilities, the Audit Committee will:

- (a) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- (b) Review with Canagold's management and, as necessary, its external auditors and recommend to the Board Canagold's quarterly and annual financial statements and management discussion and analysis that is to be provided to shareholders, stakeholders and the appropriate regulatory authorities, including any financial statement contained in a prospectus, information circular, registration statement or other similar document.
- (c) Review Canagold's management annual and interim earnings press release before any public disclosure.
- (d) Recommend to the Board the external auditors to be nominated for the purposes of preparing or issuing an audit report or performing other audit's review or attest services and the compensation to be paid to the external auditors. The external auditors shall report directly to the Committee.
- (e) The Committee will annually review the qualifications, expertise and resources and the overall performance of external auditor and, if necessary, recommend to the Board the termination of the external auditor (and its affiliates), in accordance with the applicable securities laws.
- (f) Review with management the scope and general extent of the external auditors' annual audit. The Committee's review should include an explanation from the external auditors of the factors considered in determining the audit scope, including major risk factors. The external auditors should confirm to the Committee whether or not any limitations have been placed upon the scope or nature of their audit procedures.
- (g) Be directly responsible for the oversight of the work of the external auditors, including the resolution of disagreements between management of Canagold and the external auditors.
- (h) Review with Canagold's management and external auditors Canagold's accounting and financial reporting controls. Obtain annually in writing from the external auditors their observations, if any, on significant weaknesses in internal controls as noted in the course of the auditor's work.
- (i) Evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within Canagold and ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

[Table of Contents](#)

- (j) The Committee is to meet at least once annually, with the independent auditors, separately, without any management representatives present for the purpose of oversight of accounting and financial practices and procedures.
- (k) Review with Canagold's management and external auditors significant accounting and reporting principles, practices and procedures applied by Canagold in preparing its financial statements. Discuss with the external auditors their judgment about the quality of the accounting principles used in financial reporting.
- (l) Inquire as to the independence of the external auditors and obtain from the external auditors, at least annually, a formal written statement delineating all relationships between Canagold and the external auditors and the compensation paid to the external auditors.
- (m) At the completion of the annual audit, review with management and the external auditors the following:
 - i. The annual financial statements and related notes and financial information to be included in Canagold's annual report to shareholders.
 - ii. Results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application.
 - iii. Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit. Inquire about the cooperation received by the external auditors during the audit, including all requested records, data and information.
 - iv. Inquire of the external auditors whether there have been any material disagreements with management, which, if not satisfactorily resolved, would cause them to issue a not standard report on Canagold's financial statements.
- (n) Meet with management, to discuss any relevant significant recommendations that the external auditors may have, particularly those characterized as "material" or "serious". Typically, such recommendations will be presented by the external auditors in the form of a Letter of Comments and Recommendations to the Committee. The Committee should review responses of management to the Letter of Comments and Recommendations from external auditors and receive follow-up reports on action taken concerning the aforementioned recommendations.
- (o) Have the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement. The Committee shall also review and approve disclosures required to be included in periodic reports filed with securities regulators with respect to non-audit services performed by external auditors.
- (p) Be satisfied that adequate procedures are in place for the review of Canagold's disclosure of financial information extracted or derived from Canagold's financial statements, and periodically assess the adequacy of those procedures.
- (q) Review and approve Canagold's hiring of partners, employees and former partners and employees of the present and past auditors.
- (r) Review with management and the external auditors the methods used to establish and monitor Canagold's policies with respect to unethical or illegal activities by Canagold employees that may have a material impact in the financial statements.
- (s) The Committee will conduct an appropriate review of all proposed related party transactions to identify potential conflict of interest and disclosure situations. The Committee shall submit the related party transaction to the Board of Directors for approval by a majority of independent directors, excluding any director who is the subject of a related transaction, and implementation of appropriate action to protect Canagold from potential conflicts of interest.
- (t) The Committee will, if required, prepare a report for the inclusion on Canagold's proxy statement for its annual meeting of stockholders describing the Committee's structure, its members and their experience and education. The report will address all issues then required by the rules of the regulatory authorities.

Other Board Committees

In addition to the audit committee, the Company has the following committees:

Committee	Members	Mandate
Governance & Nomination	Sofia Bianchi (Chair) Andrew Trow	<p>The Governance Committee oversees corporate disclosure practices and ensures implementation and adherence to the Company's disclosure policy. The Disclosure Committee's responsibilities include:</p> <ul style="list-style-type: none"> • maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments; • developing and implementing procedures to regularly review public disclosures; • update and correct corporate disclosure information, including information on the Internet website; • monitoring compliance and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions; • reviewing and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines; and ascertaining whether corporate developments constitute material information and, if so, ensuring compliance <p>The function of the Nominating Committee is to identify individuals qualified to become board members and to select, or to recommend that the Board of Directors select the director nominees for the next annual meeting of stockholders, to oversee the selection and composition of committees of the Board of Directors, and to oversee management continuity planning processes.</p>
Compensation	Sofia Bianchi (Chair) Andrew Trow	The Compensation Committee shall advise and make recommendations to the Board of Directors in its oversight role with respect to Canagold's strategy, policies and programs on the compensation and development of senior management and directors.
Technical & Investment	Kadri Dagdelen Carmen Letton (Chair) Sofia Bianchi Carmen Letton Kadri Dagdelen Mike Doyle	<p>The Technical Committee is to provide technical expertise and advice to the Board of Directors with respect to strategies, opportunities, challenges, proposals, programs and budgets for mineral property acquisition, exploration, development and disposition.</p> <p>The Investment Committee shall oversee and instruct the management with respect to the strategic investment of up to CAD\$1,000,000 of Canagold's funds (the "Funds") to purchase the securities of other entities for investment purposes.</p>
ESS and OHS Investment	Carmen Letton (Chair) Andrew Trow Kadri Dagdelen Mike Doyle Sofia Bianchi	The function of the Environmental, Social and Sustainability ("ESS") and Occupational Health and Safety ("OH&S") Committee is to provide guidance and ensure that the Company operates at the highest standards in terms social responsibilities and follows environmental and health and safety regulations.

The Board has also a Disclosure Committee comprised of the following management persons and its mandate:

Members	Mandate
Chief Executive Officer or President, and Vice-President or Manager of Investor Relations, if any	<p>A Disclosure Policy Committee oversees corporate disclosure practices and ensures implementation and adherence to this policy. The Disclosure Policy Committee's responsibilities include:</p> <ul style="list-style-type: none"> • maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments; • developing and implementing procedures to regularly review; • update and correct corporate disclosure information, including information on the Internet website; • bringing this policy to the attention of directors, management and staff; • monitoring compliance with this policy and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions; • reviewing this policy and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines; and • ascertaining whether corporate developments constitute material information and, if so, ensuring compliance with the procedures outlined in this policy.

Assessments

The Board has no formal process for the assessment of the effectiveness and contribution of the individual directors. Each director has extensive public company experience and is familiar with what is required of him. Frequency of attendance at Board and committee meetings and the quality of participation in such meetings are two of the criteria by which the performance of a director will be assessed.

6.D Employees

Canagold's business is administered principally from its head office in Vancouver, British Columbia, Canada. As of April 25, 2025, Canagold had a staff of two full-time employees and one part-time employees based in Vancouver, BC, Canada.

6.E Share Ownership

As at April 25, 2025, the share ownership and number of stock options of the directors and officers of Canagold are as follows:

Name and Principal Position	Share Ownership		Number of Stock Options		
	<i>Number of Shares</i>	<i>Percentage ⁽¹⁾</i>	<i>Number of Underlying Security ⁽²⁾</i>	<i>Exercise Prices per Share (CAD\$)</i>	<i>Expiry Dates</i>
Sofia Bianchi Chair and Director	Nil	0.00%	Nil	N/A	N/A
Andrew Trow Director	Nil	0.00%	Nil	N/A	N/A
Carmen Letton Director	Nil	0.00%	Nil	N/A	N/A
Kadri Dagdelen Director	Nil	0.00%	Nil	N/A	N/A
Mike Doyle Director	62,263	0.03%	Nil	N/A	N/A
Catalin Kilofliski Chief Executive Officer	484,024	0.26%	Nil	N/A	N/A
Garry Biles President and Chief Operating Officer	352,733	0.19%			
			60,000	\$0.50	June 29, 2025
			300,000	\$0.50	June 24, 2026
Mihai Draguleasa Chief Financial Officer and Secretary	83,496	0.05%	Nil	N/A	N/A
Colm Keogh Vice-President (Operations)	Nil	0.00%	Nil	N/A	N/A
Chris Pharness Vice-President (Sustainability and Permitting)	Nil	0.00%	Nil	N/A	N/A

(1) As at April 25, 2025, Canagold had 183,695,696 common shares issued and outstanding.

(2) Common shares.

As at April 25, 2025, approximately 982,516 common shares of Canagold were beneficially owned, directly or indirectly, by the directors and executives, as a group, representing 0.53% of Canagold's issued and outstanding voting securities (183,695,696 common shares)

In June 2018, Canagold again proceeded with a normal course issuer bid which received regulatory approval to acquire up to 10.9 million common shares of Canagold representing approximately up to 5% of its issued and outstanding common shares at that time. The bid is effective on June 21, 2018 and will terminate on June 20, 2019, or on such earlier date as the bid was completed. The actual number of common shares purchased under the bid and the timing of any such purchases was at Canagold's discretion. Purchases under the bid shall not exceed 23,893 common shares per day. Canagold paid the prevailing market price at the time of purchase for all common shares purchased under the bid, and all common shares purchased by Canagold were cancelled. During the term of the normal course issuer bid, Canagold purchased an aggregate of 438,000 common shares for an aggregate purchase price of CAD\$20,595, resulting in an average price of CAD\$0.05 per share; these shares have been returned to treasury and accordingly cancelled.

At the Company's Special General Meeting held on October 17, 2022, disinterested shareholders voted in favor for the creation of a new control person with Sun Valley owning more than 20% interest of the Company which allowed the closing of the flow through private placement for 4.7 million common shares, resulting in Sun Valley's ownership interest in the Company increasing from 19.40% to 23.55%. Sun Valley participated in a rights offering in December 2022 and increased its ownership in the Company to 40.06%. Michael Doyle is a Partner and Vice President of Technical Services for Sun Valley and, as of August 9, 2022, is a director of Canagold. Sun Valley and its beneficial owners, do not have any material interest, directly or indirectly, in any transaction that has materially affected or will materially affect Canagold, to the best of Canagold's knowledge, except as disclosed in this 20-F.

All of Canagold's shareholders have the same voting rights.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A Major Shareholders

To the best of Canagold's knowledge, Canagold is not directly or indirectly owned or controlled by another company or by any foreign government or by any other natural or legal person(s) severally or jointly. There are no arrangements, known to Canagold, the operation of which may at a subsequent date result in a change in its control.

As of April 25, 2025 SunValley owned 88,638,133 common shares for an 48.25% interest. SunValley does not exert control over Canagold nor over its Board of Directors. Sun Valley is not, directly or indirectly, actively involved in the operations of Canagold, and do not have any material interest, directly or indirectly, in any transaction that has materially affected or will materially affect Canagold or any of its subsidiaries, to the best of Canagold's knowledge, except as disclosed in this Form 20-F.

In June 2018, Canagold again proceeded with a normal course issuer bid which received regulatory approval to acquire up to 10.9 million common shares of Canagold representing approximately up to 5% of its issued and outstanding common shares at that time. The bid is effective on June 21, 2018 and will terminate on June 20, 2019, or on such earlier date as the bid was completed. The actual number of common shares purchased under the bid and the timing of any such purchases was at Canagold's discretion. Purchases under the bid shall not exceed 23,893 common shares per day. Canagold paid the prevailing market price at the time of purchase for all common shares purchased under the bid, and all common shares purchased by Canagold were cancelled. During the term of the normal course issuer bid, Canagold purchased an aggregate of 438,000 common shares for an aggregate purchase price of CAD\$20,595, resulting in an average price of CAD\$0.05 per share; these shares have been returned to treasury and accordingly cancelled.

Control by Another Corporation, Foreign Government or Other Persons

To the best of Canagold's knowledge, Canagold is not directly or indirectly owned or controlled by another corporation(s), by any foreign government or by any other natural or legal person(s) severally or jointly.

Change of Control

As of the date of this Form 20-F being April 25, 2025, there is no arrangement known to Canagold which may at a subsequent date result in a change of control of Canagold.

7.B Related Party Transactions

For the fiscal year ended December 31, 2024 Canagold had transactions with related parties.

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

[Table of Contents](#)

Except as may be disclosed elsewhere in the Form 20-F, general and administrative costs during 2024, 2023, and 2022 include:

	Years ended December 31,			Net balance receivable (payable) as at December 31,	
	2024	2023	2022	2024	2023
Key management compensation:					
Executive salaries and remuneration ⁽¹⁾	\$ 833	\$ 803	\$ 647	\$ (13)	\$ -
Severance	-	73	191	-	-
Directors fees	85	86	70	(27)	(1)
Share-based payments	316	391	154	-	-
	<u>\$ 1,234</u>	<u>\$ 1,353</u>	<u>\$ 1,062</u>	<u>\$ (30)</u>	<u>\$ (1)</u>

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

During the year ended December 31, 2024 the Company received from and provided to Sun Valley corporate and technical related services. The Company incurred \$112,000 in expenses and charged \$40,000 to Sun Valley for services and reimbursements. The amounts are outstanding at year end December 31, 2024.

The above transactions were incurred in the normal course of business and are recorded at the exchange

Items 4.A, 5.B, 6.E and 7.A provide further details of Canagold's normal course issuer bid.

Compensation to Directors and Senior Officers and Options to Purchase Securities

Item 6 provides further details of compensation paid to, and options granted to and held by, directors and senior officers of Canagold.

Indebtedness of Directors and Senior Officers

At any time during Canagold's last completed financial year, no director, executive officer or senior officer of Canagold, proposed management nominee for election as a director of Canagold or each associate or affiliate of any such director, executive or senior officer or proposed nominee is or has been indebted to Canagold or any of its subsidiaries or is and has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Canagold or any of its subsidiaries, other than routine indebtedness and other than as disclosed in Canagold's audited financial statements and in the Form 20-F.

Interest of Insiders in Material Transactions

Other than as set forth below and in the Form 20-F and in Canagold's audited financial statements and other than transactions carried out in the ordinary course of business of Canagold or any of its subsidiaries, none of the directors or senior officers of Canagold, a proposed management nominee for election as a director of Canagold, any member beneficially owning shares carrying more than 5% of the voting rights attached to the shares of Canagold nor an associate or affiliate of any of the foregoing persons had since January 1, 2023 (being the commencement of Canagold's last audited fiscal period) any material interest, direct or indirect, in any transactions which materially affected or would materially affect Canagold or any of its subsidiaries, to the best of Canagold's knowledge.

Canagold's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which Canagold may participate, the directors of Canagold may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

7.C Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A Consolidated Statements and Other Financial Information

Canagold's audited consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB, and all dollar amounts are expressed in United States dollars unless otherwise indicated.

[Table of Contents](#)

Consolidated financial statements audited by an independent registered public accounting firm and accompanied by an audit report are comprised of the following, which are attached hereto and form a part hereof.

- (a) Consolidated Statements of Financial Position as of December 31, 2024 and 2023;
- (b) Consolidated Statements of Comprehensive Loss for each of the years ended December 31, 2024, 2023 and 2023;
- (c) Consolidated Statements of Changes in Shareholders' Equity for each of the years ended December 31, 2023, 2022 and 2021;
- (d) Consolidated Statements of Cash Flows for each of the years ended December 31, 2024, 2023 and 2022; and
- (e) Notes to the consolidated financial statements.

Canagold is not involved and has not been involved in the recent past in any legal or arbitration proceedings which may have, or had in the recent past, significant effects on Canagold's financial position or profitability, including governmental proceedings pending or known to be contemplated other than as disclosed in Canagold's continuous disclosure documents, regulatory filings, Form 20-F and consolidated financial statements for the years then ended.

Dividend Policy

During its last three completed financial years, Canagold has not declared or paid any cash dividends on its common shares and does not currently intend to pay cash dividends. Management intends for earnings, if any, to be retained to finance further growth and activities relating to the business of Canagold.

The Directors of Canagold may from time to time declare and authorize payment of such dividends, if any, as they may deem advisable and need not give notice of such declaration to any shareholder. No dividend shall be paid otherwise than out of funds and/or assets properly available for the payment of dividends and a declaration by the Directors as to the amount of such funds or assets available for dividends shall be conclusive. Canagold may pay any such dividend wholly or in part by the distribution of specific assets and in particular by paid up shares, bonds, debentures or other securities of Canagold or any other corporation or in any one or more such ways as may be authorized by Canagold or the Directors and where any difficulty arises with regard to such a distribution the Directors may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled shall be made to any shareholders on the basis of other value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees for the persons entitled to the dividend as may seem expedient to the Directors.

Any dividend declared on shares of any class by the Directors may be made payable on such date as is fixed by the Directors.

Subject to the rights of shareholders (if any) holding shares with special rights as to dividends, all dividends on shares of any class shall be declared and paid according to the number of such shares held.

The Directors may, before declaring any dividend, set aside out of the funds properly available for the payment of dividends such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which such funds of Canagold may be properly applied, and pending such application may, at the like discretion, either be employed in the business of Canagold or be invested in such investments as the Directors may from time to time think fit. The Directors may also, without placing the same in reserve, carry forward such funds, which they think prudent not to divide.

If several persons are registered as joint holders of any share, any one of them may give an effective receipt for any dividend, bonuses or other moneys payable in respect of the share.

No dividend shall bear interest against Canagold. Where the dividend to which a shareholder is entitled includes a fraction of a cent, such fraction shall be disregarded in making payment thereof and such payment shall be deemed to be payment in full.

Any dividend, bonuses or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the register, or to such person and to such address as the holder or joint holders may direct in writing. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The mailing of such cheque or warrant shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the dividend, unless such cheque or warrant shall not be paid on presentation or the amount of tax so deducted shall not be paid to the appropriate taxing authority.

Notwithstanding anything contained in Canagold's Articles of Incorporation, the Directors may from time to time capitalize any undistributed surplus on hand of Canagold and may from time to time issue as fully paid and non-assessable any unissued shares, or any bonds, debentures or debt obligations of Canagold as a dividend representing such undistributed surplus on hand or any part thereof.

Legal Proceedings

Canagold is not involved in any legal or arbitration proceedings which have, or may have had in the recent past, significant effects on Canagold's financial position or profitability other than as disclosed in Canagold's continuous disclosure documents, regulatory filings, Form 20-F and consolidated financial statements for the years then ended.

8.B Significant Changes

There has been no significant change in the financial condition of Canagold since December 31, 2024 other than as disclosed in this Form 20-F and in Canagold's continuous disclosure documents.

ITEM 9. THE OFFER AND LISTING

9.A Offer and Listing Details

Canagold's common shares are traded on the TSX in Canada under the symbol "CCM".

In the United States, Canagold's common shares are quoted for trading on the Over-the-Counter Bulletin Board through March 19, 2015 and since that date on the OTCQB Marketplace under the symbol "CRCUF".

In relation to the OTCBB and OTCQB, any quotations reflect inter-dealer prices without retail mark-up, mark-down or commission and may not represent actual transactions.

9.B Plan of Distribution

Not applicable.

9.C Markets

Since November 2, 1994, Canagold's common shares have traded on the TSX. From March 16, 1988 to June 2, 1995 and from September 1996 to February 12, 1999, Canagold's common shares traded on the Vancouver Stock Exchange ("VSE") (the VSE merged with the Alberta Stock Exchange in 2000, which became known as the Canadian Venture Exchange, and then the TSX acquired the Canadian Venture Exchange to form the TSX Venture Exchange). In February 1997, Canagold was listed for trading on the Berlin Stock Exchanges and has since voluntarily delisted from the exchange. On August 3, 1998, Canagold was listed on the Frankfurt Exchange. Management of Canagold is not aware of any trading market for Canagold's common shares in the United States apart from the United States OTC Bulletin Board, on which Canagold is quoted under the symbol CRCUF; on March 19, 2015, Canagold's common shares continued to be quoted on the OTCQB Marketplace.

9.D Selling Shareholders

Not applicable.

9.E Dilution

Not applicable.

9.F Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A Share Capital

Not applicable.

10.B Notice of Articles and Articles of Association

Canagold's Notice of Articles and articles of association, and related matters, are summarized below.

1. Canagold was incorporated under the laws of British Columbia on January 22, 1987 under the name, "Canagold Resource Corp." by registration of its Memorandum and Articles with the British Columbia Registrar of Companies. At Canagold's annual and extraordinary general meeting held in May 2005, the shareholders approved the Notice of Articles be altered to remove the application of the "Pre-Existing Company Provisions" as set forth in Table 3 of the Business Corporations Regulations under the B.C. *Business Corporations Act*, S.B.C. 2002 (the "BCBCA") and the replacement of the Articles with a new set of Articles which comply with the BCBCA. Canagold no longer has a Memorandum, which has been replaced by, in part, its Notice of Articles.

Canagold's Memorandum and Articles do not provide for any specific objects or purposes.

2. Set forth below is a summary of provisions contained in Canagold's Articles with respect to:

- (a) Director's power to vote on a proposal, arrangement or contract in which the director is materially interested:

A director who holds a disclosable interest in a contract or transaction into which Canagold has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

- (b) Directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body:

See (a), above. A director does not hold a disclosable interest in a contract or transaction merely because the contract or transaction relates to the remuneration of the director in that person's capacity as director, officer, employee or agent of Canagold or of an affiliate of Canagold.

- (c) Borrowing powers exercisable by the directors and how such borrowing powers can be varied:

Canagold, if authorized by the directors, may:

- (i) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (ii) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of Canagold or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (iii) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (iv) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of Canagold.

- (d) Retirement or non-retirement of directors under an age limit requirement:

The directors are not required to retire upon reaching a specific age.

- (e) Number of shares, if any, required for director's qualification:

A director is not required to hold any shares of Canagold.

3. All common shares of Canagold rank equally as to dividends, voting powers and participation in assets (in the event of liquidation) and in all other respects. Dividend entitlement is set by way of the shareholders status as a shareholder on the chosen record date and does not lapse over time. Each share carries one vote per share at meetings of the shareholders of Canagold. Directors do not stand for re-election on staggered terms at present. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attached to the common shares. The shares presently issued are not subject to any calls or assessments.

4. The rights of holders of common shares may not be modified other than by vote of 2/3 of the common shares voting on such modification. The quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting. Due to the quorum requirements, the rights of holders of common shares may be modified by the votes of less than a majority of the issued common shares of Canagold. Notwithstanding the foregoing, at the annual general meeting of shareholders of Canagold held on June 2, 2017, the shareholders of Canagold approved an amendment to Canagold's articles to allow the directors of Canagold to approve, subject to the BCBCA, by directors' resolution the alteration in certain respects of the authorized share capital of Canagold. Pursuant to the amended articles, among other things, the directors of Canagold may approve by directors' resolution the creation of new classes of shares, and the subdivision or consolidation of outstanding classes of shares.

5. The directors of Canagold call all annual general meetings and extraordinary general meetings. The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any solicitor for Canagold, the auditor of Canagold and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

6. There are no limitations on the rights to own securities.

7. There are no provisions in Canagold's Articles that would have an effect on delaying, deferring or preventing a change of control other than that Canagold may remove any director before the expiration of his or her term of office only by way of special resolution.

8. There are no by-law provisions governing the ownership threshold above which shareholder ownership must be disclosed.

9. The law of British Columbia, Canada, relating to Items 2-8 is not significantly different from the law of the United States.
10. There are no conditions in the Memorandum and Articles governing changes in capital that are more stringent than is required by law.
11. The BCBCA permits an unlimited authorized share capital, and shares may be created with or without par value.
12. There are no residency requirements for directors under the BCBCA.
13. Special Resolutions of shareholders can be passed by a minimum of a two-thirds majority at a meeting of shareholders.
14. General meetings can be held outside British Columbia if the location is approved by resolution of the directors.
15. The BCBCA provides for shareholder proposals to be made at general meetings. Generally, shareholders holding at least 1% of the voting shares may submit proposals to Canagold three months prior to the anniversary of the last annual general meeting of shareholders of Canagold.
16. Under the BCBCA, dividends may be declared out of profits, capital or otherwise. As well, the BCBCA does not automatically make directors liable to Canagold for the declaration of dividends while Canagold is insolvent.
17. The BCBCA does not require that a company's offer to purchase or redeem its own shares be made on a pro-rata basis to all shareholders.

18. The BCBCA permits a company to indemnify its directors without court approval, and may also require reimbursement of expenses in certain cases for claims that are successfully defended. Defense costs may also be advanced by a company in certain cases.
19. All filings with the Registrar under the BCBCA must be made electronically.
20. Directors' and shareholders' meetings may be held by any form of communications medium permitted under the Articles, including internet chat lines and telephones. In addition, directors' consent resolutions may be passed in the manner provided under the Articles, including e-mail.
21. A company may provide financial assistance in connection with the purchase of its shares under the BCBCA.
22. A company may, in limited circumstances, amalgamate with a foreign company under the BCBCA, without the requirement to first continue the second company into British Columbia. Amalgamations do not require court approval, although court approval may still be requested.
23. The requisite majority to pass a special resolution at a meeting of shareholders is a two-thirds majority.
24. General meetings of shareholders may, if the location is approved by directors' resolution, be held outside British Columbia.
25. General Meetings of shareholders of Canagold are required to be held each calendar year and not more than 15 months after the holding of the last preceding annual general meeting.
26. Any offer by Canagold to purchase or redeem its own shares, need not be made pro-rata to all the shareholders.

27. Changes to Canagold's capital structure may be effected by ordinary resolution or a directors' resolution, subject to the BCBCA.

- (a) The following changes may be made by ordinary resolution or directors' resolution, as determined by the board of directors:
- creating or cancelling one or more classes or series of shares;
 - changing the maximum number of shares that Canagold is authorized to issue;
 - consolidating or subdividing all or any of Canagold's issued or unissued shares;
 - altering the share capital and authorized capital structure, where permitted by the BCBCA; and
- (b) The creation or removal of special rights and restrictions attaching to any class or series of shares may only be approved by special or ordinary resolution.

28. Canagold's name may be changed by ordinary resolution or resolution of the directors.

29. The removal of court approval of any agreement to indemnify a director or officer in most cases, as well as mandatory indemnification on certain eligible cases.

30. The remuneration of the auditor of Canagold may be set by the directors, without the need of seeking a resolution of the shareholders authorizing the directors to set such remuneration.

31. A director of Canagold may be removed as a director of Canagold before the expiration of the director's term of office pursuant to an ordinary resolution of the shareholders.

For further information, refer to the full text of the Notice of Articles and Articles of Canagold, which are available online at www.sedar.com as part of Canagold's publicly available filings under the heading "Other", as filed on November 10, 2005.

10.C Material Contracts

For the officers of the Company there are contracts in place with the CEO, Catalin Kilofliski, , Garry Biles, President, Colm Keogh, VP Operations and Chris Pharness, VP Sustainability and Permitting. The agreement with Catalin contains a change in control termination clause (with certain exceptions) that entitles Mr. Kilofliski with the equivalent of a 12 months compensation, approximately \$225,000, providing the Mr. Kilofliski terminates the Consulting Agreement within 90 days following a change in control. In the event of a resignation or termination within 6 months of a change in control, Mr. Biles is entitled to receive approximately CAD\$430,000 based on an amount equal to twice his estimated annual salary at the time of termination, plus the amount which equals two times the amount of any annual bonus paid to Mr. Biles within the 12-month period prior to the time of termination.

For the three years immediately preceding April 25, 2025, there were no other material contracts entered into, other than contracts entered into in the ordinary course of business, to which Canagold or any member of the group was a party, and other than as disclosed in this Form 20-F and in its continuous disclosure filings. For a description of those contracts entered into in the ordinary course of business refer to Items 4.A and 4.D.

10.D Exchange Controls

There are no governmental laws, decrees or regulations in Canada relating to restrictions on the export or import of capital, or affecting the remittance of interest, dividends or other payments to non-resident holders of Canagold's common shares. Any remittances of dividends to United States residents are, however, subject to a 15% withholding tax (10% if the shareholder is a corporation owning at least 10% of the outstanding common shares of Canagold) pursuant to Article X of the reciprocal tax treaty between Canada and the United States.

Except as provided in the Investment Canada Act (the "Act"), there are no limitations under the laws of Canada, the Province of British Columbia or in the charter or any other constituent documents of Canagold on the right of foreigners to hold or vote the common shares of Canagold.

Management of Canagold considers that the following general summary is materially complete and fairly describes those provisions of the Investment Canada Act pertinent to an investment by an American investor in Canagold.

The following discussion summarizes the principal features of the Investment Canada Act for a non-resident who proposes to acquire the common shares.

The Investment Canada Act generally prohibits implementation of a reviewable investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture (each an “entity”) that is not a “Canadian” as defined in the Investment Canada Act (a “non-Canadian”), unless after review, the Director of Investments appointed by the minister responsible for the Investment Canada Act is satisfied that the investment is likely to be of net benefit to Canada. An investment in the common shares by a non-Canadian other than a “WTO Investor” (as that term is defined by the Investment Canada Act, and which term includes entities which are nationals of or are controlled by nationals of member states of the World Trade Organization) when Canagold was not controlled by a WTO Investor, would be reviewable under the Investment Canada Act if it was an investment to acquire control of Canagold and the value of the assets of Canagold, as determined in accordance with the regulations promulgated under the Investment Canada Act, equals or exceeds \$5 million for direct acquisition and over \$50 million for indirect acquisition, or if an order for review was made by the federal cabinet on the grounds that the investment related to Canada's cultural heritage or national identity, regardless of the value of the assets of Canagold. An investment in the common shares by a WTO Investor, or by a non-Canadian when Canagold was controlled by a WTO Investor, would be reviewable under the Investment Canada Act if it was an investment to acquire control of Canagold and the value of the assets of Canagold, as determined in accordance with the regulations promulgated under the Investment Canada Act was not less than a specified amount. A non-Canadian would acquire control of Canagold for the purposes of the Investment Canada Act if the non-Canadian acquired a majority of the common shares. The acquisition of one third or more, but less than a majority of the common shares would be presumed to be an acquisition of control of Canagold unless it could be established that, on the acquisition, Canagold was not controlled in fact by the acquirer through the ownership of the common shares.

Certain transactions relating to the common shares would be exempt from the Investment Canada Act, including: (a) an acquisition of the common shares by a person in the ordinary course of that person's business as a trader or dealer in securities; (b) an acquisition of control of Canagold in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Canada Act; and (c) an acquisition of control of Canagold by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of Canagold, through the ownership of the common shares, remained unchanged.

10.E Taxation

ALL SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE INCOME AND OTHER TAX CONSEQUENCES ARISING IN THEIR PARTICULAR CIRCUMSTANCES. THE FOLLOWING IS A SUMMARY ONLY AND OF A GENERAL NATURE AND IS NOT INTENDED, NOR SHOULD IT BE CONSTRUED, TO BE LEGAL OR TAX ADVISE TO ANY PARTICULAR SHAREHOLDER.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership and disposition of Canagold's Common Shares.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from and relating to the acquisition, ownership, and disposition of Common Shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including, without limitation, specific tax consequences to a U.S. Holder under an applicable income tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences to U.S. Holders of the acquisition, ownership, and disposition of Common Shares. In addition, except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each prospective U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of Common Shares.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the conclusions described in this summary.

Scope of this Summary

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "Canada-U.S. Tax Convention"), and U.S. court decisions that are applicable, and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied retroactively. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation.

U.S. Holders

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of Canagold's Common Shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) acquire Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold Common Shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) are required to accelerate the recognition of any item of gross income with respect to Common Shares as a result of such income being recognized on an applicable financial statement; or (i) own, have owned or will own (directly, indirectly, or by attribution) 10% or more of the total combined voting power or value of the outstanding shares of the Company. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Income Tax Act (Canada) (the "Tax Act"); (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Common Shares in connection with carrying on a business in Canada; (d) persons whose Common Shares constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of Common Shares.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds Common Shares, the U.S. federal income tax consequences to such entity or arrangement and the partners (or other owners or participants) of such entity or arrangement generally will depend on the activities of the entity or arrangement and the status of such partners (or owners or participants). This summary does not address the tax consequences to any such partner (or owner or participants). Partners (or other owners or participants) of entities or arrangements that are classified as partnerships or as "pass-through" entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership and disposition of Common Shares.

Passive Foreign Investment Company Rules

PFIC Status of the Company

If the Company were to constitute a “passive foreign investment company” under the meaning of Section 1297 of the Code (a “PFIC”, as defined below) for any year during a U.S. Holder’s holding period, then certain potentially adverse rules would affect the U.S. federal income tax consequences to a U.S. Holder as a result of the acquisition, ownership and disposition of Common Shares. The Company may be a PFIC for the current tax year and may be a PFIC in future tax years. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by the Company (or any subsidiary of the Company) concerning its PFIC status. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of the Company and each subsidiary of the Company.

In any year in which the Company is classified as a PFIC, a U.S. Holder will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621 annually.

The Company generally will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the Company is passive income (the “PFIC income test”) or (b) 50% or more of the value of the Company’s assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the “PFIC asset test”). “Gross income” generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

For purposes of the PFIC income test and PFIC asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and PFIC asset test described above, and assuming certain other requirements are met, “passive income” does not include certain interest, dividends, rents, or royalties that are received or accrued by the Company from certain “related persons” (as defined in Section 954(d)(3) of the Code) also organized in Canada, to the extent such items are properly allocable to the income of such related person that is not passive income.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of the Company's direct or indirect equity interest in any company that is also a PFIC (a "Subsidiary PFIC"), and will generally be subject to U.S. federal income tax on their proportionate share of (a) any "excess distributions," as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by the Company or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of Common Shares. Accordingly, U.S. Holders should be aware that they could be subject to tax under the PFIC rules even if no distributions are received and no redemptions or other dispositions of Common Shares are made.

Default PFIC Rules Under Section 1291 of the Code

If the Company is a PFIC for any tax year during which a U.S. Holder owns Common Shares, the U.S. federal income tax consequences to such U.S. Holder of the acquisition, ownership, and disposition of Common Shares will depend on whether and when such U.S. Holder makes an election to treat the Company and each Subsidiary PFIC, if any, as a "qualified electing fund" or "QEF" under Section 1295 of the Code (a "QEF Election") or makes a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election"). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder."

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of Common Shares and (b) any "excess distribution" received on the Common Shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the Common Shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of Common Shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess distribution" received on Common Shares or with respect to the stock of a Subsidiary PFIC, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the respective Common Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income (and not eligible for certain preferred rates). The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the Company is a PFIC for any tax year during which a Non-Electing U.S. Holder holds Common Shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such Common Shares were sold on the last day of the last tax year for which the Company was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which the holding period of its Common Shares begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its Common Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, for any tax year in which the Company is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to the Company generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents "earnings and profits" of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Common Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the Common Shares in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder's holding period for the Common Shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Common Shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder makes a QEF Election but does not make a "purging" election to recognize gain as discussed in the preceding sentence, then such U.S. Holder shall be subject to the QEF Election rules and shall continue to be subject to tax under the rules of Section 1291 discussed above with respect to its Common Shares. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

[Table of Contents](#)

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which the Company qualifies as a PFIC.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if the Company does not provide the required information with regard to the Company or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules of Section 1291 of the Code discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Common Shares are marketable stock. The Common Shares generally will be “marketable stock” if the Common Shares are regularly traded on (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the U.S. Exchange Act, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be “regularly traded” for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Provided that the Common Shares are “regularly traded” as described in the preceding sentence, the Common Shares are expected to be marketable stock. However, each U.S. Holder should consult its own tax advisor in this matter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Common Shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such Common Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder’s holding period for the Common Shares for which the Company is a PFIC and such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Common Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares, as of the close of such tax year over (b) such U.S. Holder’s adjusted tax basis in such Common Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder’s adjusted tax basis in the Common Shares, over (b) the fair market value of such Common Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

[Table of Contents](#)

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Common Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the Code and Treasury Regulations.

A U.S. Holder makes a Mark-to-Market Election by attaching a completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Common Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Common Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to avoid the application of the default rules of Section 1291 of the Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC to its shareholder.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Common Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Common Shares are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses Common Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Common Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with its own tax advisors regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

General Rules Applicable to the Ownership and Disposition of Common Shares

The following discussion describes the general rules applicable to the ownership and disposition of the Common Shares but is subject in its entirety to the special rules described above under the heading “Passive Foreign Investment Company Rules.”

Distributions on Common Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Common Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current and accumulated “earnings and profits” of the Company, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates if the Company is a PFIC for the tax year of such distribution or the preceding tax year. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares and thereafter as gain from the sale or exchange of such Common Shares. (See “Sale or Other Taxable Disposition of Common Shares” below). However, the Company may not maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may have to assume that any distribution by the Company with respect to the Common Shares will constitute ordinary dividend income. Dividends received on Common Shares by corporate U.S. Holders generally will not be eligible for the “dividends received deduction.” Subject to applicable limitations and provided the Company is eligible for the benefits of the Canada-U.S. Tax Convention or the Common Shares are readily tradable on a United States securities market, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Sale or Other Taxable Disposition of Common Shares

Upon the sale or other taxable disposition of Common Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder's tax basis in such Common Shares sold or otherwise disposed of. A U.S. Holder's tax basis in Common Shares generally will be such holder's U.S. dollar cost for such Common Shares. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the Common Shares have been held for more than one year.

Preferential tax rates currently apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Considerations

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Common Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income that is subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, each U.S. Holder should consult its own U.S. tax advisors regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain thresholds. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Common Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, Common Shares will generally be subject to information reporting and backup withholding tax if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF COMMON SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR OWN PARTICULAR CIRCUMSTANCES.

Certain Canadian Federal Income Tax Considerations

A brief description of certain provisions of the tax treaty between Canada and the United States is included below, together with a brief outline of certain taxes, including withholding provisions, to which United States security holders are subject under existing laws and regulations of Canada. The consequences, if any, of provincial, state and local taxes are not considered.

The following information is general, and security holders should seek the advice of their own tax advisors, tax counsel or accountants with respect to the applicability or effect on their own individual circumstances of the matters referred to herein and of any provincial, state, or local taxes.

The discussion under this heading summarizes the principal Canadian federal income tax consequences of acquiring, holding and disposing of shares of common stock of Canagold for a shareholder of Canagold who is not a resident of Canada but is a resident of the United States and who will acquire and hold shares of common stock of Canagold as capital property for the purposes of the *Income Tax Act* (Canada) (the “Canadian Tax Act”). This summary does not apply to a shareholder who carries on business in Canada through a “permanent establishment” situated in Canada or performs independent personal services in Canada through a fixed base in Canada if the shareholder’s holding in Canagold is effectively connected with such permanent establishment or fixed base. This summary is based on the provisions of the Canadian Income Tax Act and the regulations thereunder and on an understanding of the administrative practices of Canada Revenue Agency, and takes into account all specific proposals to amend the Canadian Tax Act or regulations made by the Minister of Finance of Canada as of the date hereof. It has been assumed that there will be no other relevant amendment of any governing law although no assurance can be given in this respect. This discussion is general only and is not a substitute for independent advice from a shareholder’s own Canadian and U.S. tax advisors.

The provisions of the Canadian Tax Act are subject to income tax treaties to which Canada is a party, including the Canada-United States Income Tax Convention (1980), as amended (the “Convention”).

Dividends on Common Shares and Other Income

Under the Canadian Tax Act, a non-resident of Canada is generally subject to Canadian withholding tax at the rate of 25 percent on dividends paid or deemed to have been paid to him or her by a corporation resident in Canada. The Convention limits the rate to 15 percent if the shareholder is a resident of the United States and the dividends are beneficially owned by and paid to such shareholder, and to 5 percent if the shareholder is also a corporation that beneficially owns at least 10 percent of the voting stock of the payor corporation.

The amount of a stock dividend (for tax purposes) would generally be equal to the amount by which the paid up or stated capital of Canagold had increased by reason of the payment of such dividend. Canagold will furnish additional tax information to shareholders in the event of such a dividend. Interest paid or deemed to be paid on Canagold's debt securities held by non-Canadian residents may also be subject to Canadian withholding tax, depending upon the terms and provisions of such securities and any applicable tax treaty.

The Convention generally exempts from Canadian income tax dividends paid to a religious, scientific, literary, educational or charitable organization or to an organization operated exclusively to administer or provide pension, retirement or employee benefit fund, if the organization is a resident of the United States and is generally exempt from income tax under the laws of the United States provided it is not carrying on a trade or business.

Dispositions of Common Shares

Under the Canadian Tax Act, subject to certain restrictions, a taxpayer's capital gain or capital loss from a disposition of a share of common stock of Canagold is the amount, if any, by which his or her proceeds of disposition exceed (or are exceeded by, respectively) the aggregate of his or her adjusted cost base of the share and reasonable expenses of disposition. The capital gain or loss must be computed in Canadian currency using a weighted average adjusted cost base for identical properties. Fifty percent of the capital gains net of losses are included in income. The amount by which a shareholder's capital loss exceeds the capital gain in a year may be deducted from a capital gain realized by the shareholder in the three previous years or any subsequent year, subject to certain restrictions in the case of a corporate shareholder.

Under the Canadian Tax Act, a non-resident of Canada is subject to Canadian tax on taxable capital gains, and may deduct allowable capital losses, realized on a disposition of "taxable Canadian property". Shares of common stock of Canagold will constitute taxable Canadian property of a shareholder at a particular time if the shareholder used the shares in carrying on business in Canada, or if at any time in the five years immediately preceding the disposition 25% or more of the issued shares of any class or series in the capital stock of Canagold belonged to one or more persons in a group comprising the shareholder and persons with whom the shareholder and persons with whom the shareholder did not deal at arm's length and in certain other circumstances.

The Convention relieves United States residents from liability for Canadian tax on capital gains derived on a disposition of shares unless:

- (a) the value of the shares is derived principally from “real property” in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production;
- (b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding the disposition, and at any time during the 10 years immediately preceding, the disposition and the shares were owned by him or her when he or she ceased to be resident in Canada; or
- (c) the shares formed part of the business property of a “permanent establishment” that the holder has or had in Canada within the 12 months preceding the disposition.

10.F Dividends and Paying Agents

Not applicable.

10.G Statement by Experts

Not applicable.

10.H Documents on Display

We are subject to the informational requirements of the Exchange Act and file reports and other information with the SEC. You may read and copy any of our reports and other information at, and obtain copies upon payment of prescribed fees from, the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, the SEC maintains a Website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at <http://www.sec.gov>. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

We are required to file reports and other information with the securities commissions in Canada. You are invited to read and copy any reports, statements or other information, other than confidential filings, that we file with the provincial securities commissions. These filings are also electronically available from the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") (www.sedar.com), the Canadian equivalent of the SEC's electronic document gathering and retrieval system.

We "incorporate by reference" information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this Form 20-F and more recent information automatically updates and supersedes more dated information contained or incorporated by reference in this Form 20-F.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements to shareholders.

We will provide without charge to each person, including any beneficial owner, to whom a copy of this Annual Report on Form 20-F has been delivered, on the written or oral request of such person, a copy of any or all documents referred to above which have been or may be incorporated by reference in this Annual Report on Form 20-F (not including exhibits to such incorporated information that are not specifically incorporated by reference into such information). Requests for such copies should be directed to us at the following address: Suite #1250 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. Canagold is required to file financial statements and other information with the Securities Commission in each of the Provinces of Canada, except Quebec, electronically through SEDAR which can be viewed at www.sedar.com.

10.I Subsidiary Information

Not applicable.

10.J Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Canagold's audited consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB, and all dollar amounts are expressed in United States dollars unless otherwise indicated.

Quantitative and qualitative disclosures about market risk are provided in Canagold's audited consolidated financial statements for the year ended December 31, 2024 and the notes thereto.

Item 3.D provides information concerning risk factors.

Management of Capital

Canagold is an exploration stage company and this involves a high degree of risk. Canagold 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. Canagold'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 Canagold is not subject to any externally imposed capital requirements.

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

Canagold 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 Canagold's short-term obligations while maximizing liquidity and returns of unused capital.

Although Canagold 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. Canagold 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 Canagold's approach to capital management during the year ended December 31, 2024.

Management of Financial Risk

Canagold 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 value 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 Canagold'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.

(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 December 31, 2024, the Company had a working capital (current assets less current liabilities) of \$151,000 (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 2025.

(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:

	2024	2023
Cash	\$ 677	\$ 2,811
Marketable securities	218	1,534
Receivables and prepaids	247	924
Accounts payable and accrued liabilities	(828)	(652)
Lease liability	(150)	(215)
Deferred compensation liability	(422)	(244)
Net financial assets (liabilities)	\$ (258)	\$ 4,158

Based upon the above net exposure as at December 31, 2024 and assuming all other variables remain constant, a 10% (2023 - 10%) depreciation or appreciation of the U.S. dollar relative to the Canadian dollar could result in a decrease (increase) of approximately \$35,000 (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 December 31, 2024 and assuming all other variables remain constant, a net increase or decrease of 10% in the market prices of the underlying securities would increase or decrease respectively net (loss) income by \$22,000 (2023 - \$153,000).

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**A. – D.**

Not Applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

14.A - D

None.

14.E Use of Proceeds

Not Applicable.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation was carried out under the supervision of and with the participation of Canagold's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of Canagold's disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act). Based on that evaluation the CEO and the CFO have concluded that as of the end of the period covered by this report, Canagold's disclosure controls and procedures were adequately designed and effective to give reasonable assurance that: (i) information required to be disclosed by Canagold in reports that it files or submits to the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms; and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to Canagold's management, including its CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

B. Management's Report on Internal Control over Financial Reporting

Canagold's management, including the CEO and CFO, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Canagold have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Canagold's controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Canagold;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Canagold's assets that could have a material effect on the annual financial statements or interim financial statements; and
- statement of management's responsibility for establishing and maintaining adequate internal control over financial reporting.

Management conducted an evaluation of the design and operation of Canagold's internal control over financial reporting as of December 31, 2023 based on the criteria in a framework developed by Canagold's management pursuant to and in compliance with the SEC's *Guidance Regarding Management's Report on Internal Control Over Financial Reporting Under Section 13(a) or 15(d) of the Securities Exchange Act of 1934*, Release No. 33-8810 and based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO 2013 framework). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based upon its assessment, management, including Canagold's Chief Executive Officer and Chief Financial Officer, concluded that, as of December 31, 2024, Canagold's internal control over financial reporting was effective.

C. Attestation Report of the Registered Public Accounting Firm

This Annual Report on Form 20-F does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to Section 404(c) of the Sarbanes-Oxley Act of 2002, as amended, which provides that issuers that are not an "accelerated filer" or "large accelerated filer" are exempt from the requirement to provide an auditor attestation report.

D. Changes in Internal Controls over Financial Reporting

There were no changes in Canagold's internal controls over financial reporting identified in connection with the evaluation described above that occurred during the period covered by this annual report that has materially affected or is reasonably likely to materially affect Canagold's internal control over financial reporting.

ITEM 16. [RESERVED]

16A. Audit Committee Financial Expert

Canagold's Board of Directors has determined that Mr. Andrew Trow qualifies as an audit committee financial expert (as defined in Item 407(d)(5)(ii) of Regulation S-K under the Exchange Act) and is independent (as determined under Exchange Act Rule 10A-3 and Section 803A of the NYSE American Company Guide).

16B. Code of Ethics

Canagold has adopted a formal written code of ethics as posted on its website at https://www.canagoldresources.com/_resources/governance/Code-of-Ethics.pdf?v=0.752.

Directors, including the director/employee of Canagold, are subject to the laws of the Province of British Columbia, Canada, whereby they are required to act honestly, in good faith and in the best interests of Canagold. Also, Canagold's legal counsel is available to the management of Canagold to provide a high standard of due care in the activities of Canagold and to provide guidance when needed.

Canagold expects all directors, officers and employees to abide by the following code of ethics which have been communicated to them:

- act with honesty and integrity and in an ethical manner resolve any actual or apparent conflicts of interest between personal and professional relationships;
- ensure that any public filings or announcements, whether they are statutory or regulatory filings or other documents submitted for public disclosure and communication, are accurate, complete, fair, timely and understandable in all material respects, taking into consideration applicable standards and regulations;
- comply with applicable laws, rules and regulations; and
- prompt internal reporting of any violations, whether actual or potential, in the code of ethics.

During the fiscal year ended December 31, 2024, Canagold did not substantively amend, waive or implicitly waive any provision of the Code with respect to any of the directors, officers or employees subject to it.

16.C Principal Accountant Fees and Services

The following table discloses accounting fees and services of Canagold:

(Stated in terms of Canadian dollars)

Financial Year End	Audit ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2024	CAD\$90,000	\$Nil	CAD\$6,000	Nil
December 31, 2023	CAD\$81,000	\$Nil	CAD\$4,500	Nil

The Audit Committee pre-approved all services to be performed by the auditors including certain non-audit services requested by management for the 2025 fiscal year until the next Audit Committee meeting concerning the financial statements for the year ended December 31, 2025, which services are not prohibited services under the independence requirements of the Securities and Exchange Commission or professional standards in Canada or the United States.

The Audit Committee pre-approves all non-audit services to be performed by the auditor in accordance with the Audit Committee Charter. There were no hours expended on the principal accountant's engagement to audit Canagold's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees.

16.D Exemptions from the Listing Standards for Audit Committees

Not applicable.

16.E Purchases of Equity Securities by the Company and Affiliated Purchasers

None.

16.F Change in Company's Certifying Accountant

None.

16.G Corporate Governance

Not applicable.

16.H Mine Safety Disclosure

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities with respect to mining operations and properties in the United States that are subject to regulation by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). During the year ended December 31, 2024, Canagold had no mines in the United States that were subject to regulation by the MSHA under the Mine Act.

16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

16J. Insider Trading Policies

Not applicable.

16K. Cybersecurity

To Canagold's knowledge, it has not experienced any material losses relating to disruptions to its information technology systems. Canagold has implemented ongoing policies, controls and practices to manage and safeguard Canagold and its stakeholders from internal and external cybersecurity threats and to comply with changing legal requirements and industry practice. In particular, a third party IT firm with required expertise has been engaged to monitor and manage the Company's IT infrastructure. The Audit and Risk Committee is also actively engaged in the ongoing discussion and governance of this critical area of the business.

Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, Canagold cannot assure that its information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures or defects.

PART III**ITEM 17. FINANCIAL STATEMENTS**

Not Applicable

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of Canagold have been prepared in accordance with IFRS as issued by the IASB, and all dollar amounts are expressed in United States dollars unless otherwise indicated.

The following financial statements and related schedules are included in this Item:

Financial Statements		
1.1	Report of Independent Registered Public Accounting Firm dated March 27, 2025	100-101
1.2	Consolidated statements of financial position as at December 31, 2024 and 2024 together with the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for each of the years ended December 31, 2024, 2023, and 2023.	102-106

ITEM 19. EXHIBITS

Exhibits	
Exhibit #	Description
1-1	Notice of Articles and Articles (Business Corporations Act of British Columbia), previously filed as Exhibit 2.1 in the Form 20-F with the SEC on July 12, 2005 and incorporated herein by reference
1-2	Shareholders Right Plan dated April 30, 2005, previously filed as Exhibit 2.2 in the Form 20-F with the SEC on July 12, 2005 and incorporated herein by reference
2-1	Description of Registered Securities
8-1	List of Material Subsidiaries
12-1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Catalin Kilofliski)
12-2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Mihai Draguleasa)
13-1	Certification pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Catalin Kilofliski)
13-2	Certification pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Mihai Draguleasa)

SIGNATURE

Canagold hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

DATED at Vancouver, British Columbia, Canada, as of April 30, 2025.

CANAGOLD RESOURCES LTD.

Per:

/s/ Catalin Kilofliski

Catalin Kilofliski, Chief Executive Officer



CANAGOLD RESOURCES LTD.

Consolidated Financial Statements

(expressed in United States dollars)

Years ended December 31, 2024, 2023 and 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and Directors of
Canagold Resources Ltd.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Canagold Resources Ltd. (the “Company”), as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive loss, changes in shareholders’ equity, and cash flows for the years ended December 31, 2024 and 2023, and the related notes and schedules (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years ended December 31, 2024 and 2023, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.



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Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of Impairment Indicators of Mineral Property

As described in Note 7 to the financial statements, the carrying amount of the Company's mineral property interest was \$31,300,000 as of December 31, 2024. As more fully described in Note 2 and 3 to the financial statements, management assesses its mineral property interest for indicators of impairment at each reporting period or when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The principal considerations for our determination that the assessment of impairment indicators of the Company's mineral property interest is a critical audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the mineral property, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate its asset. 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 mineral property.

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

- Obtaining and assessing management's impairment analysis.
- Evaluating the intent for the mineral property through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the mineral property interest are in good standing.

We have served as the Company's auditor since 2023.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

March 27, 2025



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE SHAREHOLDERS AND DIRECTORS OF CANAGOLD RESOURCES LTD.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2022 of Canagold Resources Ltd. (the "Company") and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with IFRS Accounting Standards, as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has a net loss of \$2.7 million for the year ended December 31, 2022 and as at that date, an accumulated deficit of \$52.8 million. As stated in Note 1 to the consolidated financial statements, this condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that casts substantial doubt on the Company's ability to continue as a going concern.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current-period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Smythe LLP

Smythe LLP
Chartered Professional Accountants

We have served as the Company's auditor since 2008.

Vancouver, Canada
PCAOB ID 731
March 24, 2023

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CANAGOLD RESOURCES LTD.

Consolidated Statements of Financial Position
(expressed in thousands of United States dollars)

	Notes	December 31,	
		2024	2023
ASSETS			
CURRENT ASSETS			
Cash		\$ 676	\$ 2,811
Marketable securities	6	218	1,534
Receivables and prepaids	15	247	924
Total Current Assets		1,141	5,269
NON-CURRENT ASSETS			
Mineral property interests	7	31,300	27,508
Mineral property deposits		107	152
Equipment	8	197	297
Total Non-Current Assets		31,604	27,957
Total Assets		\$ 32,745	\$ 33,226
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	12	\$ 928	\$ 652
Lease liability, current	9(c)	62	62
Total Current Liabilities		990	714
LONG TERM LIABILITIES			
Deferred compensation liability	10(c)	422	244
Lease liability, long term	9(c)	88	153
Deferred income tax liability	15	1,265	1,377
Total Long Term Liabilities		1,775	1,774
Total Liabilities		2,765	2,488
SHAREHOLDERS' EQUITY			
Share capital	10(b)	91,688	88,768
Reserve for share-based payments		593	656
Accumulated other comprehensive loss		(5,669)	(3,170)
Deficit		(56,632)	(55,516)
Total Shareholders' Equity		29,980	30,738
Total Liabilities and Shareholders' Equity		\$ 32,745	\$ 33,226

Nature of operations and going concern (Note 1)

Subsequent events (Note 16)

Commitment (Note 14)

Refer to the accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

/s/ Sofia Bianchi

Director

/s/ Andrew Trow

Director

CANAGOLD RESOURCES LTD.

Consolidated Statements of Comprehensive Loss
(expressed in thousands of United States dollars)

		Years ended December 31,		
	Notes	2024	2023	2022
Expenses:				
Amortization	8	\$ 81	\$ 89	\$ 60
Corporate development	11 and 12	126	152	112
Employee and director remuneration	12	475	598	700
General and administrative	11	458	403	837
Shareholder relations		-	-	384
Share-based payments	10(c) and 12	316	391	154
Operating loss		(1,456)	(1,633)	(2,247)
Interest and other income		148	65	1
Foreign exchange (loss) gain		71	36	172
Change in fair value of marketable securities	6	(143)	(364)	(425)
Gain on sale of long term investments	7(b)(i)	-	738	-
Impairment of mineral property interest	7(a)(ii) and 7(b)(ii)	-	(1,898)	-
Mineral property option income	7(b)(iii)	12	12	545
Interest and finance charges	9(b), (c) and (d)	(12)	(38)	(71)
Net loss before income tax		(1,380)	(3,082)	(2,025)
Income tax recovery	9(a)	258	32	719
Deferred income tax expense	15	-	-	(1,399)
Net loss for the year		(1,122)	(3,050)	(2,705)
Other comprehensive income (loss):				
Item that will or may be reclassified to profit or loss:				
Foreign currency translation adjustment		(2,499)	820	(1,941)
Comprehensive loss for the year		\$ (3,621)	\$ (2,230)	\$ (4,646)
Basic and diluted loss per share		\$ (0.01)	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding - Basic and Diluted		170,349,397	145,864,736	89,358,246

Refer to the accompanying notes to the consolidated financial statements.

CANAGOLD RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Equity

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

	Share Capital		Reserve for Share- Based Payments	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
	Number of Shares	Amount				
Balance, December 31, 2021	82,509,596	\$ 77,753	\$ 1,676	\$ (2,049)	\$ (51,087)	\$ 26,293
Private placement	8,750,000	2,151	-	-	-	2,151
Exercise of share appreciation rights	45,629,798	5,873	-	-	-	5,873
Share issue expenses	-	(312)	-	-	-	(312)
Share-based payments	-	-	154	-	-	154
Cancellation and expiration of stock options	-	-	(1,015)	-	1,015	-
Comprehensive loss for the year	-	-	-	(1,941)	(2,705)	(4,646)
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 issuance expense	-	(12)	-	-	-	(12)
Share based payments	-	-	152	-	-	152
Cancellation and expiration of stock options	-	-	(311)	-	311	-
Comprehensive income (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
Conversion of RSUs to shares	906,302	165	(165)	-	-	-
Share issuance expense	-	(26)	-	-	-	(26)
Share based payments	-	-	108	-	-	108
Expiration of stock options	-	-	(6)	-	6	-
Comprehensive loss for the year	-	-	-	(2,499)	(1,122)	(3,621)
Balance, December 31, 2024	174,495,696	\$ 91,688	\$ 593	\$ (5,669)	\$ (56,632)	\$ 29,980

Refer to the accompanying notes to the consolidated financial statements.

CANAGOLD RESOURCES LTD.

Consolidated Statements of Cash Flows

(expressed in thousands of United States dollars)

	Notes	Years ended December 31,		
		2024	2023	2022
Cash provided from (used by):				
Operations:				
Net loss		\$ (1,122)	\$ (3,050)	\$ (2,705)
Items not involving cash:				
Accrued interest	9(c)	12	38	31
Amortization	8	81	89	60
Share-based payments	10(c)	316	391	154
Change in fair value of marketable securities		143	364	425
Income tax recovery	9(a)	(258)	(34)	(719)
Deferred tax recovery	15	-	-	1,399
Gain on long term investment	77(b)(i)	-	(738)	-
Write-off of mineral property interest	7(a)(ii) and 7(b)(ii)	-	1,898	-
Mineral property option income	7(b)(iii)	-	-	505
Unrealized foreign exchange cash		-	(32)	-
		(828)	(1,074)	(850)
Changes in non-cash working capital items:				
Receivables and prepaids		663	221	(847)
Accounts payable and accrued liabilities		(198)	(880)	367
Net cash used by operating activities		(364)	(1,733)	(1,330)
Financing:				
Proceeds from loans		-	-	1,940
Repayment of loan		-	-	(1,940)
Issuance of common shares, net of share issuance costs		3,016	3,303	8,249
Exercise of stock options		-	-	-
Exercise of warrants		-	-	-
Lease payments		(62)	(63)	(42)
Cash provided from financing activities		2,954	3,240	8,207
Investing:				
Proceeds from disposition of marketable securities		1,110	159	325
Sale of long term investments		-	1,600	-
Expenditures for mineral properties, net of recoveries		(5,670)	(4,542)	(4,486)
Expenditures for leasehold improvements and equipment		-	(5)	(117)
Cash used by investing activities		(4,560)	(2,788)	(4,278)
Unrealized foreign exchange gain (loss) on cash		(165)	267	(782)
(Decrease) increase in cash		(2,135)	(1,014)	1,817
Cash, beginning of year		2,811	3,825	2,008
Cash, end of year		\$ 676	\$ 2,811	\$ 3,825

Refer to the accompanying notes to the consolidated financial statements.

CANAGOLD RESOURCES LTD.

Consolidated Statements of Cash Flows

(expressed in thousands of United States dollars)

	Years ended December 31,		
	2024	2023	2022
Non-cash financing and investing activities:			
Fair value of marketable securities received from option on mineral property interests	\$ -	\$ 1,192	\$ 376
Fair value allocated to lease liability:	-	-	273
Expiration of stock options	6	311	1,015
Income taxes paid	36	-	-
Interest paid	-	-	36
Conversion of RSUs to shares	165	-	-
Mineral property costs included in account payable	783	498	774

Refer to the accompanying notes to the consolidated financial statements.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

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 \$1.1 million in 2024 (2023 - \$3.1 million and 2022 - \$2.7 million) and has a deficit of \$56.6 million as at December 31, 2024 (2023 – 55.5 million and 2022 - \$52.8 million). In addition, the Company has negative cash flows from operations. These consolidated 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 may cast substantial doubt about the Company’s ability to continue as a going concern. These consolidated 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board.

(b) Approval of consolidated financial statements:

These consolidated financial statements were approved by the Company’s Board of Directors on March 27, 2025.

(c) Basis of presentation:

These consolidated 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 consolidated 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:

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

2. Basis of Presentation (continued)**(d) Functional currency and presentation currency: (continued)**

- Monetary assets and liabilities at the exchange rate at the consolidated 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 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 a cumulative translation adjustment in other comprehensive income (loss), which is included in accumulated other comprehensive loss.

(e) Critical accounting estimates and judgments:

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to make estimates, assumptions and judgments 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 consolidated 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 judgments 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 and the variables used in the determination of the fair value of stock based compensation granted. 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 these consolidated 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 judgment 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.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

2. Basis of Presentation (continued)

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

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. The Company is also entitled to refundable mining tax credits on qualified resource expenditures incurred in Canada. Differences in judgment 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 or refundable tax credits not being recoverable. The Company accrues for refundable mining tax credits when management is reasonably assured that the amount is collectable.

At the end of each reporting period, the Company assesses each of its mineral resource 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.

3. Material Accounting Policy Information

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

(a) Basis of consolidation:

These consolidated 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.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

3. Material Accounting Policy Information (continued)**(b) Financial instruments:****(i) Financial assets:***Initial recognition and measurement*

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that: (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and (iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit and loss are carried in the consolidated statements of financial position at fair value with changes in fair value therein, recognized in profit or loss. Associated transaction costs are recognized in profit or loss in the period in which it arises.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method.

Financial assets at fair value through other comprehensive income ("FVTOCI")

Financial assets carried at FVTOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTOCI are included in other comprehensive income or loss in the period in which they arise.

(ii) Derecognition:

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The contractual rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

3. Material Accounting Policy Information (continued)**(b) Financial instruments: (continued)****(iii) Financial liabilities:**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

(iv) Fair value hierarchy

The Company 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 value of financial assets and financial liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial 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.

(c) Impairment of non-financial assets:

The carrying amounts of non-current assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and is recorded as an expense in profit or loss.

The recoverable amount is the higher of an asset's "fair value less costs to sell" for the asset's highest and best use, and "value-in-use". Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined. "Fair value less costs to sell" is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less incremental costs directly attributable to disposal of the asset, excluding financing costs and income tax expenses. For mining assets this would generally be determined based on the present value of the estimated future cash flows arising from the continued development, use or eventual disposal of the asset. In assessing these cash flows and discounting them to the present value, assumptions used are those that an independent market participant would consider appropriate. In assessing "value-in-use", the estimated future cash flows expected to arise from the continuing use of the assets in their present form and from their disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

For the purposes of impairment testing, mineral property interests are allocated to cash-generating units to which the exploration or development activity relates. 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 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 periods. A reversal of an impairment loss is recognized immediately in profit or loss.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

3. Material Accounting Policy Information (continued)**(d) Mineral property interest:**

All costs related to investments in mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. The costs related to a mineral property from which there is production, together with the costs of mining equipment, will be amortized using the unit-of-production method. When there is little prospect of further work on a property being carried out by the Company or its partners or when a property is abandoned or when the capitalized costs are not considered to be economically recoverable, the related property costs are written down to the amount recoverable.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of a property option agreement. As the property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Property option payments are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale or property option of the Company's property interest is recorded as a reduction of the mineral property cost. The Company recognizes in income those costs that are recovered on mineral property interests when amounts received or receivable are in excess of the carrying amount.

The amounts shown for mineral property interests represent costs incurred to date and include advance net smelter return ("NSR") royalties, less recoveries and write-downs, and are not intended to reflect present or future values.

(e) Equipment:

Leasehold improvements, office equipment and furnishings, and right-of-use assets are recorded at cost, and are amortized as follows:

Leasehold improvements	Straight line over lease term
Office equipment	Double declining rate of 30%
Office furnishings	Double declining rate of 20%
Right-of-use	Straight line over lease term

Additions during the year are amortized on a pro-rated basis.

(f) Proceeds on unit offerings:

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. Consideration received on the exercise of warrants is recorded as share capital and any related reserve for share-based payments is transferred to share capital.

(g) Non-monetary transactions:

Common shares issued for consideration other than cash are valued based on the fair market value of the goods or services received and if not determinable, the common shares are valued at their quoted market price at the date of issuance.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

3. Material Accounting Policy Information (continued)**(h) Flow-through common shares:**

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through shares into: (i) a flow-through share premium equal to the excess, if any, which investors pay for the flow-through common share over the market price of common shares on closing date and which is recognized as a liability; and (ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability or tax recovery for the amount of tax reduction renounced to the shareholders.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through share proceeds.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as a finance expense until paid.

(i) Share-based payments:

The Company has an Omnibus plan that is described in Note 10(c). Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to the reserve for share-based payments. Consideration received on the exercise of stock options is recorded as share capital and the related reserve for share-based payments is transferred to share capital. Upon expiry, the recorded fair value is transferred from reserve for share-based payments to deficit.

The Company has a share appreciation rights plan, which provides stock option holders the right to receive the number of common shares that are equal in value to the intrinsic value of the stock options at the date of exercise. Amounts transferred from the reserve for share-based payment to share capital are based on the ratio of shares actually issued to the number of stock options originally granted. The remainder is transferred to deficit.

(j) Environmental rehabilitation:

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of mineral property interests and equipment, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

3. Material Accounting Policy Information (continued)**(j) Environmental rehabilitation: (continued)**

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit or loss as incurred.

(k) Earnings (loss) per share:

Basic earnings (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. The treasury stock method is used to calculate diluted earnings (loss) per common share amounts. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of the diluted per common share amount assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share presented is the same as basic loss per share as the effect of outstanding options and warrants in the loss per common share calculation would be anti-dilutive.

(l) Provisions:

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(m) Income taxes:

The Company follows the asset and liability method for accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and losses carried forward. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized to the extent that recovery is considered probable.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

3. Material Accounting Policy Information (continued)**(n) Right-of-use asset and lease liability:**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset ("ROU asset") and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions:

- (i) The Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months; or
- (ii) For leases of low value.

The payments for such leases are recognized in the consolidated statements of loss and comprehensive loss over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of loss and comprehensive loss.

(o) Mining exploration tax recoveries:

The Company recognizes mining exploration tax recoveries in the period in which there is reasonable expectation, based on management's estimate, of receiving a refund. The amount of refundable mining tax credits receivable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

(p) Adoption of new accounting standards:

IFRS 18, issued by the IASB in April 2024, is a new standard on "Presentation and Disclosure in Financial Statements" that replaces IAS 1 and is effective from January 1, 2027, with earlier application permitted. The Company has not early adopted IFRS 18.

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.

The Company is not subject to any external capital requirements.

There were no changes in the Company’s approach to capital management during the year ended December 31, 2024.

5. Management of Financial Risk

The Company has classified its financial instruments as follows:

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

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

5. Management of Financial Risk (continued)

The fair values of the Company's cash, receivables and accounts payable and accrued liabilities approximate their carrying values due to the short terms to maturity. 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. Lease liabilities are measured at amortized cost. There were no transfers between levels 1, 2 or 3 during the years ended December 31, 2024 and 2023.

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 cash and certain receivables, 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 December 31, 2024, the Company had a working capital (current assets less current liabilities) of \$151,000 (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. The Company will need additional funding to advance its projects.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

5. Management of Financial Risk (continued)

(b) Liquidity risk: (continued)

The following schedule provides the contractual obligations related to the lease liability payments (Notes 9(c)) as at December 31, 2024 and 2023:

	Payments due by Period				
	Total	Less than 1 year	(CAD\$000)		
			1-3 years	3-5 years	After 5 years
Basic office lease	\$ 235	\$ 87	\$ 148	\$ -	\$ -
Total, December 31, 2024	\$ 235	\$ 87	\$ 148	\$ -	\$ -
Basic office lease	\$ 321	\$ 86	\$ 175	\$ 60	\$ -
Total, December 31, 2023	\$ 321	\$ 86	\$ 175	\$ 60	\$ -

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

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

5. Management of Financial Risk (continued)**(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 of comprehensive loss as its functional currency is the Canadian dollar, and fluctuations in the U.S. dollar would impact its cumulative translation adjustment as its 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:

	December 31,	
	2024	2023
Cash	\$ 589	\$ 2,811
Marketable securities	218	1,534
Receivables and prepaids	247	924
Accounts payable and accrued liabilities	(828)	(652)
Lease liability	(150)	(215)
Deferred compensation liability	(422)	(244)
Net financial assets (liabilities)	\$ (346)	\$ 4,158

Based upon the above net exposure as at December 31, 2024 and assuming all other variables remain constant, a 10% (2023 - 10%) depreciation or appreciation of the U.S. dollar relative to the Canadian dollar could result in a decrease (increase) of approximately \$35,000 (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.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

5. Management of Financial Risk (continued)**(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 year-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 December 31, 2024 and assuming all other variables remain constant, a net increase or decrease of 10% in the market prices of the underlying securities would increase or decrease respectively net (loss) income by \$22,000 (2023 - \$153,000).

6. Marketable Securities

	December 31,	
	2024	2023
Balance, begin of period	\$ 1,534	\$ 855
Fair value of marketable securities received from options on mineral property interests	-	1,192
Disposition of marketable securities at fair value	(1,110)	(159)
Change in fair value of marketable securities	(143)	(364)
Foreign currency translation adjustment	(63)	10
Balance, end of period	<u>\$ 218</u>	<u>\$ 1,534</u>

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

7. Mineral Property Interest

	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
Acquisition	12	-	-	-	12
Foreign currency translation adjustment	(18)	-	-	-	(18)
Balance, December 31, 2024	3,921	-	-	-	\$ 3,921
Deferred Exploration Expenditures:					
Balance, December 31, 2023	23,581	-	-	-	23,581
Additions:					
Exploration:					
Assays and sampling	60	-	-	-	60
Community and social	233	-	-	-	233
Drilling	1,183	-	-	-	1,183
Environmental	1,339	-	-	-	1,339
Feasibility	1,310	-	-	-	1,310
Field, camp, supplies	535	-	-	-	535
General, administrative, sundry	46	-	-	-	46
Local labour	175	-	-	-	175
Machinery and equipment	62	-	-	-	62
Metallurgy	38	-	-	-	38
Recovery of taxes	(133)	-	-	-	(133)
Rental and storage	61	-	-	-	61
Salaries	698	-	-	-	698
Transportation	597	-	-	-	597
Utilities	4	-	-	-	4
Foreign currency translation adjustment	(2,410)	-	-	-	(2,410)
Balance December 31, 2024	27,379	-	-	-	27,379
Mineral property interest:					
Balance, December 31, 2024	\$ 31,300	\$ -	\$ -	\$ -	\$ 31,300

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

7. Mineral Property Interest (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
Sale of investment	-	-	(655)	-	(655)
Foreign currency translation adjustment	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 adjustment	598	-	-	-	598
Balance December 31, 2023	23,581	-	-	-	23,581
Mineral property interest:					
Balance, December 31, 2023	\$ 27,508	\$ -	\$ -	\$ -	\$ 27,508

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

7. Mineral Property Interest (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. Acquisition costs at December 31, 2024 include a reclamation bond for \$209,000 (2022 - \$227,000).

(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.

(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 December 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 four 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:

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

7. Mineral Property Interest (continued)**(b) United States: (continued)****(i) Fondaway Canyon (Nevada): (continued)**

	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)
	<u>\$ 2,000</u>		<u>\$ 2,000</u>	

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 Canyon and Dixie Comstock. The Company recorded a gain of \$738,000 in the 2023 Consolidated statement of comprehensive loss.

(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"), a subsidiary of Nevada King Gold Corp, 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 2024 (2023 - \$12,000) which was recognized as mineral property option income.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

7. Mineral Property Interest (continued)**(b) United States: (continued)****(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 cash). 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 2022 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.

(c) Expenditure options:

As at December 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 (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	-	-
	<u>\$ 1,000</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>150,000</u>

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

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

7. Mineral Property Interest (continued)**(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.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

(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
Foreign currency translation adjustment	(10)	(5)	(32)	(47)
Balance, December 31, 2024	109	62	249	420
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	23	5	53	81
Foreign currency translation adjustment	(4)	(7)	(17)	(28)
Balance, December 31, 2024	51	59	113	223
Net book value:				
Balance, December 31, 2023	\$ 87	\$ 6	\$ 204	\$ 297
Balance, December 31, 2024	\$ 58	\$ 3	\$ 136	\$ 197

The Company has a lease agreement for its headquarter office space in Vancouver, British Columbia. Its office lease term ended in July 2022 and a new office lease term started in September 2022 for a different office. The lease was set up as a right-of-use asset under the IFRS rules and 6.60% discount rate was used.

9. Liabilities**(a) Flow Through Premium Liability**

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.

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.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

9. Liabilities (continued)**(a) Flow Through Premium Liability (continued)**

Balance, December 31, 2021	198
Add:	
Excess of subscription price over fair value of flow through common shares	561
Foreign currency translation adjustment	(8)
Less:	
Income tax recovery	(719)
Balance, December 31, 2022	32
Less:	
Income tax recovery	(32)
Foreign currency translation adjustment	-
Balance, December 31, 2023	\$ -
Add:	
Excess of subscription price over fair value of flow through common shares	\$ 261
Foreign currency translation adjustment	(3)
Less:	
Income tax recovery	(258)
Balance, December 31, 2024	-

There is no remaining obligation to incur qualified expenditures as at December 31, 2024 (2023 – NIL).

(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 was 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 and 2024	\$ -
Current portion	\$ -
Long term portion	-
Balance, December 31, 2023 and 2024	\$ -

- (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.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

(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 years ended December 31, 2024 and 2023 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	12
Foreign currency translation	(15)
Less:	
Payments	(62)
Balance, December 31, 2024	\$ 150
Current portion	
Long term portion	\$ 62
Balance, December 31, 2024	88
	150

(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.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

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 May 29, 2024, the Company converted 906,302 vested restricted share units ("RSUs") into common shares and issued 906,302 common shares to the officers of the Company.
- (ii) 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 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\$353,000.
- (iii) 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.
- (ii) 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.
- (iii) 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. 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.
- (iv) 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 common shares for gross proceeds of CAD\$280,000. On January 18, 2022, the Company closed the second tranche for 4.05 million flow through common shares for gross proceeds of CAD\$2.03 million.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

10. Share Capital (continued)

(c) Omnibus incentive plan:

The Company has an omnibus incentive compensation plan implemented in 2023. Pursuant to the omnibus plan, at December 31, 2024, the Company currently has 7,449,570 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.

i) Stock Options:

The continuity of outstanding stock options for the year ended December 31, 2024 and 2023 is as follows:

	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	900,000	\$ 0.50
Expired during 2024	(40,000)	\$ 0.30
Outstanding balance, at December 31, 2024	860,000	\$ 0.51
Exercise price range		\$0.50 - \$0.52

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

Options Outstanding and Exercisable				
Exercise Prices (CAD\$)	Weighted Average Number Outstanding at 31-Dec-24	Weighted Average Remaining Contractual Life (Number of Years)		Exercise Prices (CAD\$)
\$ 0.50	60,000	0.49	\$	0.50
\$ 0.50	300,000	1.48	\$	0.50
\$ 0.52	500,000	1.53	\$	0.52
	860,000	1.44	\$	0.51

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

10. Share Capital (continued)

(c) Omnibus incentive plan: (continued)

During the year ended December 31, 2024, the Company recognized share-based payments of \$Nil (2023 - \$Nil and 2022 - \$154,000), net of forfeitures, based on the fair value of stock options that were earned by the provision of services during the year.

No stock options were granted during the years ended December 31, 2024, 2023 and 2022.

i) Performance share units

No performance share units (PSUs) were granted during the years ended December 31, 2024, 2023 and 2022. Total PSUs available for granting are 1,000,000.

ii) Restricted share units

There are 5,822,480 restricted share units ("RSUs") available for granting under the Omnibus plan as at December 31, 2024.

222,598 RSUs were granted to the officers of the Company during the year ended December 31, 2024. The share price on grant date was CAD \$0.30. These RSUs vest over a period of one year.

1,600,000 RSUs were granted to the officers of the Company during the year ended December 31, 2023. The share price on grant date was CAD \$0.230. These RSUs vest over a period of two years. During the year ended December 31, 2024, 906,302 vested RSUs were converted to common shares and 238,776 RSUs were cancelled.

For accounting purposes, the Company amortizes the share-based compensation expense over the vesting period. The Company recognized a share-based compensation expense of \$108,347 for the year ended December 31, 2024 (2023 - \$152,069).

The following is the RSUs continuity schedule as of December 31, 2024:

Balance December 31, 2022	-
RSUs granted	1,600,000
Balance December 31, 2023	1,600,000
RSUs granted	222,598
RSUs vested and converted to shares	(906,302)
RSUs expired/forfeited	(238,776)
Balance December 31, 2024	677,520

iii) Deferred share units

There are 330,488 available deferred share units ("DSUs") under the Omnibus plan as at December 31, 2024,

632,257 DSUs were granted to the directors of the Company during the year ended December 31, 2024 (share price on grant date was CAD \$0.30).

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

10. Share Capital (continued)

(c) Omnibus incentive plan: (continued)

1,537,255 DSUs were granted to the directors of the Company during the year ended December 31, 2023 (share price on grant date was CAD \$0.23).

These granted DSUs vested immediately, the Company accounts initially, based on the share price of the Company on the grant date, for a share-based compensation expense of and a corresponding share-based compensation liability. At each period end, the Company revalues the value of the outstanding DSUs to current market share price of the Company and adjusts accordingly the share based compensation and deferred compensation liability. For the year ended December 31, 2024 the Company recognized a share based compensation of \$207,844 (December 31, 2023 - \$244,000) in connection with DSUs grants and revaluation of the outstanding DSUs to market value.

The following is the DSUs continuity schedule as of December 31, 2024:

	DSUs outstanding	Deferred compensation liability at year end
Balance December 31, 2022	-	-
DSUs granted	1,537,255	-
Balance December 31, 2023	1,537,255	244,000
DSUs granted	632,257	
Balance December 31, 2024	2,169,512	422,000

There were no conversions of DSUs to shares or cancelation of DSUs during the years ended December 31, 2024 and 2023.

During the year ended December 31, 2024 the Company had no warrants issued, expired or exercised.

During the year ended December 31, 2023, the Company had the following warrant activity:

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

During the year ended December 31, 2022, the Company had the following warrant activity:

Exercise Prices (CAD\$)	Expiry Dates	Outstanding at December 31, 2021	Issued	Exercised	Expired	Outstanding at December 31, 2022
\$ 0.65	October 7, 2022	4,000,000	-	-	(4,000,000)	-
\$ 0.65	November 12, 2022	6,500,000	-	-	(6,500,000)	-
\$ 0.65	November 12, 2022	385,200	-	-	(385,200)	-
\$ 0.75	October 28, 2023	638,510		-	-	638,510
		11,523,710	-	-	(10,885,200)	638,510

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

11. General and Administrative

	Years ended December 31		
	2024	2023	2022
Corporate Development			
Geology and technical review	\$ -	\$ -	\$ 21
Salaries and remuneration	39	33	91
Sundry	-	7	-
Travel and conferences	87	112	-
	<u>\$ 126</u>	<u>\$ 152</u>	<u>\$ 112</u>
General and Administrative:			
Accounting and audit	\$ 90	\$ 67	\$ 61
Legal	13	38	73
Office and sundry	156	141	152
Properties related expenses and taxes	51	-	-
Regulatory	68	71	446
Rent	59	52	46
Travel	21	34	59
	<u>\$ 458</u>	<u>\$ 403</u>	<u>\$ 837</u>

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 consolidated financial statements, the Company had the following general and administrative costs with related parties during the years ended December 31, 2024, 2023 and 2022:

	Years ended December 31,			Net balance receivable (payable) as at December 31,	
	2024	2023	2022	2024	2023
Key management compensation:					
Executive salaries and remuneration ⁽¹⁾	\$ 833	\$ 803	\$ 647	\$ (13)	\$ -
Severance	-	73	191	-	-
Directors fees	85	86	70	(27)	(1)
Share-based payments	316	391	154	-	-
	<u>\$ 1,234</u>	<u>\$ 1,353</u>	<u>\$ 1,062</u>	<u>\$ (30)</u>	<u>\$ (1)</u>

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

Note 9(d) provides further details regarding a demand loan with a former director and bridge loan from Sun Valley.

During the year ended December 31, 2024 the Company received from and provided to Sun Valley corporate and technical related services. The Company incurred \$112,000 in expenses and charged \$40,000 to Sun Valley for services and reimbursements. The amounts are outstanding at year end December 31, 2024.

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

13. Segment Disclosures

The Company has one operating segment, being mineral exploration. As at December 31, 2024 and 2023 all of the Company's non-current assets were located in Canada.

14. Commitment

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 December 31, 2024, the Company is committed to the following payments for base rent at its corporate head office in Vancouver, BC, as follows:

	<u>Amount</u> <u>(CAD\$000)</u>
Year:	
2025	\$ 87
2026	\$ 88
2027	\$ 60
	<u>\$ 235</u>

15. Taxes

The Company is subject to corporate income taxes and other provincial and federal mining and sales taxes. There is a \$179,000 receivables amount reported on the Statement of Financial Position of the Company comprised of taxes receivable from the Canadian tax authorities (federal GST 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 December 31, 2024, the Company has a deferred tax liability of \$1.265 million, resulted mainly from timing difference between the accounting and tax values of the mineral properties expenditures.

Income taxes

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

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

15. Taxes (continued)

Income taxes (continued)

	2024	2023	2022
Loss for the year	\$ (1,125)	\$ (3,097)	\$ (1,306)
Expected income tax (recovery)	\$ (304)	\$ (836)	\$ (353)
Change in statutory, foreign tax, foreign exchange rates and other	131	(178)	102
Permanent difference	105	146	(155)
Share issue cost	(7)	(3)	-
Adjustment to prior years provision versus statutory tax returns	(140)	476	864
Change in unrecognized deductible temporary differences	215	395	941
Total income tax expense (recovery)	\$ -	\$ -	\$ 1,399
Current income tax	\$ -	\$ -	\$ -
Deferred tax expense	\$ -	\$ -	\$ 1,399

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

	2024	2023	2022
Deferred Tax Assets (liabilities)			
Mineral property interests	\$ (2,651)	\$ (1,881)	\$ (1,919)
Equipment	106	115	-
Non-capital losses	1,280	389	520
Net deferred tax liability	\$ (1,265)	\$ (1,377)	\$ (1,399)

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:

	2024	Expiry Date Range	2023	Expiry Date Range	2022	Expiry Date Range
Temporary Differences						
Mineral property interests	\$ 3,217	No expiry date	\$ 3,667	No expiry date	\$ -	No expiry date
Equipment	854	No expiry date	888	No expiry date	1,644	No expiry date
Lease liability	150	No expiry date	215	No expiry date	-	No expiry date
Share issue costs	175	2045 to 2048	297	2044 to 2047	689	2044 to 2047
Marketable securities	1,022	No expiry date	916	No expiry date	211	No expiry date
Allowable capital losses and other	105	No expiry date	87	No expiry date	357	No expiry date
Non-capital losses available for future period	13,708	See below	13,067	See below	12,048	See below
Canada	12,278	2030 to 2044	12,653	2030 to 2043	10,772	2030 to 2043
USA	1,430	No expiry date	414	No expiry date	1,276	No expiry date

CANAGOLD RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the Years ended December 31, 2024, 2023 and 2022

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

16. Subsequent events

In February 2025, 58,481 RSUs were cancelled.

On March 4, 2025, the Company closed a private placement for 9,200,000 flow through common shares at a price of CAD\$0.35 per share for gross proceeds of CAD\$3.2 million.

HEAD OFFICE

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Vancouver, BC, Canada, V6C 2T6

Telephone: (604) 685-9700

Facsimile: (604) 685-9744

Website: www.canagoldresources.com**DIRECTORS**

Sofia Bianchi
Carmen Letton
Andrew Trow
Kadri Dagdelen
Michael Doyle

OFFICERS

Catalin Kilofliski ~ Chief Executive Officer
Michael Doyle ~ Chief Technical Officer
Garry Biles ~ President and Chief Operating Officer
Mihai Draguleasa ~ Chief Financial Officer and Corporate Secretary
Colm Keogh ~ Vice President Operations
Chris Pharness ~ Vice President Sustainability and Permitting

**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

DESCRIPTION OF REGISTERED SECURITIES

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

All common shares of the Company rank equally as to dividends, voting powers and participation in assets and in all other respects. Each share carries one vote per share at meetings of the shareholders of the Company. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attached to the common shares. The shares presently issued are not subject to any calls or assessments

LIST OF MATERIAL SUBSIDIARIES

Canagold carries on its business in large part through its subsidiaries. Canagold has a number of direct or indirect wholly or majority owned subsidiaries as follows:

New Polaris Gold Mines Ltd. (“New Polaris”) (formerly Golden Angus Mines Ltd. - name change effective April 21, 1997) is a corporation formed through the amalgamation of 2820684 Canada Inc. (“2820684”), a former wholly-owned subsidiary of Canagold incorporated under the Canada Business Corporation Act on May 13, 1992, and Suntac Minerals Inc. Canagold owns 100% of the issued and outstanding shares.

AIM U.S. Holdings Corp. is a corporation duly incorporated in the State of Nevada, USA, on March 14, 2017. Canagold owns 100% of its issued and outstanding shares.

American Innovative Minerals, LLC (“AIM”) is a limited liability company existing pursuant to the laws of Nevada, USA, on January 20, 2011. Canagold owns 100% membership interest in AIM.

CERTIFICATIONS

I, Catalin Kilofliski, certify that:

1. I have reviewed this annual report on Form 20-F of Canagold Resources Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Canagold as of, and for, the periods presented in this report;
4. Canagold's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Canagold and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Canagold, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of Canagold's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in Canagold's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, Canagold's internal control over financial reporting; and
5. Canagold's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Canagold's auditors and the audit committee of Canagold's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Canagold's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in Canagold's internal control over financial reporting.

DATED at Vancouver, British Columbia, Canada, as of April 30, 2025.

/s/ Catalin Kilofliski

Catalin Kilofliski, Chief Executive Officer

CERTIFICATIONS

I, Mihai Draguleasa, certify that:

1. I have reviewed this annual report on Form 20-F of Canagold Resources Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Canagold as of, and for, the periods presented in this report;
4. Canagold's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Canagold and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Canagold, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of Canagold's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in Canagold's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, Canagold's internal control over financial reporting; and
5. Canagold's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Canagold's auditors and the audit committee of Canagold's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Canagold's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in Canagold's internal control over financial reporting.

DATED at Vancouver, British Columbia, Canada, as of April 30, 2025.

/s/ Mihai Draguleasa

Mihai Draguleasa, Chief Financial Officer

**Certification of Chief Executive Officer pursuant to
Title 18, United States Code, Section 1350, as adopted pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002**

I, Catalin Kilofliski, Chief Executive Officer of Canagold Resources Ltd. ("Canagold"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. The Annual Report on Form 20-F of Canagold Resources Ltd. for the year ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Canagold.

Vancouver, Canada

/s/ Catalin Kilofliski
Catalin Kilofliski

April 30, 2025

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Canagold and will be retained by Canagold and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer pursuant to
Title 18, United States Code, Section 1350, as adopted pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002**

I, Mihai Draguleasa, Chief Financial Officer of Canagold Resources Ltd. ("Canagold"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. The Annual Report on Form 20-F of Canagold Resources Ltd. for the year ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Canagold.

Vancouver, Canada

by: /s/ Mihai Draguleasa
Mihai Draguleasa

April 30, 2025

Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Canagold and will be retained by Canagold and furnished to the Securities and Exchange Commission or its staff upon request.