

AU GOLD CORP.
(formerly Schooner Capital Corporation)
(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2021 and 2020

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

AU GOLD CORP.
(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	September 30, 2021 (Unaudited)	March 31, 2021 (Audited)
ASSETS			
Current			
Cash	11	\$ 1,469,653	\$ 1,731,878
Receivables		1,674	333
Prepaid expenses		13,660	13,618
		<u>1,484,987</u>	<u>1,745,829</u>
Non-current			
Exploration and evaluation assets	5	603,970	412,480
		<u>\$ 2,088,957</u>	<u>\$ 2,158,309</u>
LIABILITIES			
Current			
Trade and other payables	8	\$ 36,395	\$ 21,283
		<u>36,395</u>	<u>21,283</u>
SHAREHOLDER'S EQUITY			
Common shares	6	2,723,406	2,723,406
Reserves	6	67,106	67,106
Deficit		(737,950)	(653,486)
		<u>2,052,562</u>	<u>2,137,026</u>
		<u>\$ 2,088,957</u>	<u>\$ 2,158,309</u>

Nature of Operations and Going Concern (Note 1)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 22, 2021. They are signed on the Company's behalf by:

"Mark T. Brown"

Mark T. Brown, Director

"Scott Trebilcock"

Scott Trebilcock, Director

AU GOLD CORP.

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

(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, expressed in Canadian dollars)

	Note	For the three months ended September 30		For the six months ended September 30	
		2021	2020	2021	2020
Administrative expenses					
Accounting and audit	8	\$ 34,370	\$ 437	\$ 62,770	\$ 4,181
Bank charges		74	36	167	94
Consulting	8	8,408	-	19,058	-
Filing and transfer agent fees		3,047	-	7,997	-
Legal		28	3,634	(8,101)	6,250
Marketing and shareholders communication		747	81	747	81
Office and miscellaneous		-	-	136	-
Investor relations		-	-	71	-
Project investigation		156	-	1,619	-
		<hr/>		<hr/>	
Net loss before income taxes		46,830	4,188	84,464	10,606
Income taxes		-	-	-	-
		<hr/>		<hr/>	
Total comprehensive loss for the period		\$ 46,830	\$ 4,188	\$ 84,464	\$ 10,606
		<hr/>		<hr/>	
Basic and diluted loss per share	7	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
		<hr/>		<hr/>	
Weighted average number of common shares outstanding		32,905,824	12,975,012	32,905,824	10,573,467
		<hr/>		<hr/>	

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

AU GOLD CORP.
(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited, expressed in Canadian dollars)

	Note	Common Shares		Reserves			Total shareholder's equity*	
		Number of common shares*	Amount*	Equity- settled employee benefits*	Finder's warrants*	Total*		
Balance at March 31, 2020 (Audited)		7,578,948	\$ 89,079	\$ -	\$ -	\$ -	\$ (10,072)	\$ 79,007
Shares issued for debt	6	5,396,064	109,851	-	-	-	-	109,851
Net loss and comprehensive loss		-	-	-	-	-	(10,606)	(10,606)
Balance at September 30, 2020		12,975,012	198,930	-	-	-	(20,678)	178,252
Property option payment	5, 6	336,635	16,832	-	-	-	-	16,832
Consolidation of Ponderosa's common shares	4	(6,655,823)	-	-	-	-	-	-
Shares deemed issued pursuant to QT	4	4,750,000	475,000	-	-	-	-	475,000
Private placement - common shares	6	11,000,000	1,100,000	-	-	-	-	1,100,000
Private placement - flow-through shares	6	10,000,000	1,000,000	-	-	-	-	1,000,000
Share issue costs	6	-	(117,356)	-	12,206	12,206	-	(105,150)
Property option payment	5, 6	500,000	50,000	-	-	-	-	50,000
Share-based payments	6	-	-	54,900	-	54,900	-	54,900
Net loss and comprehensive loss		-	-	-	-	-	(632,808)	(632,808)
Balance at March 31, 2021 (Audited)		32,905,824	2,723,406	54,900	12,206	67,106	(653,486)	2,137,026
Net loss and comprehensive loss		-	-	-	-	-	(84,464)	(84,464)
Balance at September 30, 2021		32,905,824	\$ 2,723,406	\$ 54,900	\$ 12,206	\$ 67,106	\$ (737,950)	\$ 2,052,562

*For purposes of consistency and presentation, the continuity of both the issued share capital and the related accounting values is that of Ponderosa.

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

AU GOLD CORP.
(Formerly Schooner Capital Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited; expressed in Canadian dollars)

		For the six months ended September 30	
	Note	2021	2020
Cash provided by (used for):			
Operating activities			
Net loss	\$	(84,464)	\$ (10,606)
Items not involving cash:			
Flow through recovery		-	(7,500)
Changes in non-cash working capital items:			
Receivables		(1,341)	4,466
Prepaid expenses		(42)	-
Trade and other payables		13,032	9,320
Shareholder's loan		-	3,414
Cash (used in) provided by operating activities		(72,815)	(906)
Investing activities			
Exploration and evaluation assets	4	(208,040)	(1,738)
BC METC received		18,630	-
Cash (used in) investing activities		(189,410)	(1,738)
Financing activities			
Shareholder's loan	8	-	(22,389)
Cash (used in) financing activities		-	(22,389)
Net (decrease) in cash		(262,225)	(25,033)
Cash - beginning of the period		1,731,878	30,178
Cash - end of the period		\$ 1,469,653	\$ 5,145
<i>Supplemental disclosure with respect to cash flows:</i>			
Common shares issued pursuant to exploration expenses	\$	-	\$ 30,373
Common shares issued pursuant to settlement of accounts payable and shareholder's loan	\$	-	\$ 109,851

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

AU GOLD CORP.**(Formerly Schooner Capital Corporation)**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2021 and 2020

(Unaudited; expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Au Gold Corp. (formerly Schooner Capital Corporation) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on December 7, 2017 as a Capital Pool Corporation defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company's registered office is 10th floor, 595 Howe Street, Vancouver, BC V6C 2T5.

On December 21, 2020, the Company completed the share exchange transaction with Ponderosa Exploration Ltd. ("Ponderosa"; formerly 1201361 B.C. Ltd.) (Note 4) which constituted the Company's QT. Ponderosa was incorporated under the Business Corporations Act (British Columbia) on March 15, 2019 and its principal business focus is the exploration and development of gold and mineral prospects in Canada. Upon completion of the QT, the Company began trading under its new name on the Exchange with the symbol "AUGC".

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statement of financial position. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Adverse financial market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. Accordingly, these material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company had the following deficit and working capital:

	September 30, 2021	March 31, 2021
Deficit	\$ (737,950)	\$ (653,486)
Working capital	\$ 1,448,592	\$ 1,724,546

2. BASIS OF PREPARATION

(a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

(b) Basis of Measurement

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

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company’s most recent annual financial statements for the year ended March 31, 2021.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended March 31, 2021. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the six-month period ended September 30, 2021 are not necessarily indicative of the results that may be expected for the current fiscal year ending March 31, 2022.

4. QUALIFYING TRANSACTION

On December 21, 2020, Ponderosa and Schooner Capital Corporation (“Schooner”) completed a Share Exchange Agreement, whereby Schooner acquired all of the issued and outstanding securities of Ponderosa. The transaction allowed Ponderosa to obtain a public listing by completing a reverse take-over transaction whereby Ponderosa, substantively and for accounting purposes, was considered to be the acquiring and the continuing entity.

Pursuant to the term of the Share Exchange Agreement, Schooner issued common shares (i.e., of the resulting issuer) to the pre-existing shareholders of Ponderosa on the basis of one new share for each two shares of Ponderosa then outstanding, for a total issuance of 6,655,823 common shares. Schooner’s pre-existing issued share capital comprised 4,750,000 common shares.

In connection with the transaction, the resulting issuer completed a concurrent financing (see Note 6) totaling \$2,100,000.

Upon completion of the transaction and the closing of the concurrent financing, the resulting issuer has 32,905,824 shares issued and outstanding.

In accounting for the acquisition as a reverse takeover, no goodwill or intangible asset in respect to Schooner’s stock exchange listing has been recorded. For accounting purposes, Ponderosa, the legal subsidiary, has been treated as the accounting acquirer, and Schooner, the legal parent, has been treated as the accounting acquiree in these consolidated financial statements. Schooner’s assets, and liabilities are included in these consolidated financial statements at their carrying values, which were considered to represent their current fair values. Schooner’s results of operations have been included from December 22, 2020, the date of completion of the acquisition.

The QT did not constitute a business combination under IFRS 3. The QT is accounted for in these consolidated financial statements as a continuation of the financial statements of Ponderosa, subject to a deemed issuance of shares and re-capitalization of the resulting issuer’s equity. The excess of the estimated fair value of Schooner’s pre-transaction common shares over the current carrying value of its net identifiable assets was allocated to Listing expense. The acquisition was measured based on the current fair value of Schooner’s 4,750,000 common shares outstanding deemed reissued at \$0.10 per share, allocated to its net identifiable assets as follows:

Cash	\$ 174,016
Other current assets	264
Trade and other payables	<u>(50,704)</u>
Total fair value of assets acquired by Ponderosa	123,576
Listing expense	<u>351,424</u>
Fair value of Schooner’s pre-transaction common shares	<u>\$ 475,000</u>

AU GOLD CORP.**(Formerly Schooner Capital Corporation)**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2021 and 2020

(Unaudited; expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS**Ponderosa Property**

The Ponderosa property comprises four claims which have been optioned from two separate parties on different terms. The claims are contiguous and the agreements are summarized below.

EAB Option Agreement

On April 5, 2019, the Company entered into an option agreement to earn a 100% interest in 3 claims near Merritt, British Columbia (the "EAB Option Agreement") which forms part of the Ponderosa Property. To earn the 100% interest, the Company is to pay, in aggregate, a total of \$100,000 and issue 500,000 common shares to the optionors and complete exploration work over a four-year period, as follows:

	Cash	Shares	Cumulative Exploration Work Commitments
Date of execution	\$ 25,000 ⁽¹⁾	-	-
1st anniversary	25,000 ⁽³⁾	500,000 ⁽²⁾	\$ 100,000 ⁽⁴⁾
2nd anniversary	25,000 ⁽⁵⁾	-	-
3rd anniversary	25,000	-	-
5th anniversary	-	-	\$ 1,000,000
TOTAL	\$ 100,000	500,000	

⁽¹⁾ Paid⁽²⁾ The Company must be publicly listed and issue the common shares upon getting publicly listed. On April 6, 2020, the Company and the optionors agreed to amend the deadline to October 6, 2020. On October 6, 2020, the Company and the optionors agreed to further amend the deadline. On December 21, 2020, the 500,000 shares were issued upon the completion of the QT at a value of \$25,000.⁽³⁾ Paid.⁽⁴⁾ Completed.⁽⁵⁾ Paid on January 13, 2021.

Following the exercise of the option, the optionors are also entitled to receive an additional 500,000 common shares upon the completion of a NI 43-101 maiden resource report and another 500,000 common shares issued upon the completion of a bankable feasibility study.

Upon commencement of commercial production, the Company will pay the optionors a 2% net smelter royalty ("NSR") where the Company can purchase one-half (1%) of the NSR for \$1,000,000.

DEX Option Agreement

On September 6, 2019, the Company entered into an option agreement to earn a 60% interest in one claim near Merritt, British Columbia (the "DEX Option Agreement") which forms part of the Ponderosa Property. To earn the 60% interest, the Company must:

- 1) Incur \$500,000 exploration expenditures by the 3rd anniversary date, including 500 meters of drilling;
- 2) Issue common shares equal to 5% of the issued and outstanding common shares of the Company on a fully diluted basis on the date of the execution of the agreement (328,947 shares were issued – see Note 6(b));

AU GOLD CORP.
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Notes to the Condensed Consolidated Interim Financial Statements
As at September 30, 2021 and 2020
(Unaudited; expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS, (Continued)

DEX Option Agreement, (Continued)

- 3) Issue additional common shares so that the optionor owns 5% of the issued and outstanding common shares of the Company on a fully-diluted basis immediately before the “Liquidity Event”, where the Liquidity Event must occur by the 4th anniversary date and such event constituted the Company becoming publicly-owned by way of a reverse takeover or initial public offering. This calculation of additional common shares to the optionor did not include any common shares issued in direct connection with the Liquidity Event itself, but did include any common shares of the Company issued in connection with settling any debt obligations of the Company existing at the time of the Liquidity Event. On December 21, 2020, the Company issued 336,635 shares to the optionor to satisfy this condition in connection with the Liquidity Event (see Note 4).

Exploration and Evaluation Assets

	Ponderosa		
	EAB	DEX	Total
Balance at March 31, 2020	\$ 126,624	\$ 62,100	\$ 188,724
Additions during the year			
Acquisition costs:			
Option payments	100,000	16,832	116,832
Exploration expenditures:			
Accommodation, travel and meals	915	915	1,830
Assays	-	2,497	2,497
Field equipment and tools	44	44	88
Reporting and drafting	840	840	1,680
Prospecting and inspection	3,180	4,380	7,560
Environmental consulting	8,301	7,950	16,251
Geological	6,875	25,087	31,962
Geological consulting	18,217	18,217	36,434
Maps	43	1,749	1,792
Geological survey	12,549	12,550	25,099
Sampling and analysis	52	52	104
Field supplies and maps	128	129	257
	<u>151,144</u>	<u>91,242</u>	<u>242,386</u>
Less:			
BC Mineral Exploration Tax Credit	(18,630)	-	(18,630)
Balance at March 31, 2021	259,138	153,342	412,480
Additions during the period			
Exploration expenditures:			
Government bond	35,500	35,500	71,000
Accommodation, travel and meals	5,738	5,738	11,475
Assays	113	3,121	3,234
Aircraft charter	3,491	3,491	6,983
Field equipment and tools	1,729	1,729	3,458
Environmental consulting	13,799	13,799	27,598
Labour	11,125	11,125	22,250
Geological	17,847	17,847	35,694
Maps	2,515	2,515	5,030
Geological survey	1,519	1,519	3,038
Sampling and analysis	125	125	250
Field supplies and maps	740	740	1,481
	<u>94,240</u>	<u>97,250</u>	<u>191,490</u>
Balance at September 30, 2021	\$ 353,378	\$ 250,592	\$ 603,970

6. SHARE CAPITAL

a. Authorized

There are an unlimited number of common shares without par value.

b. Common share issuances

During the year ended March 31, 2021:

The Company settled \$9,648 of a shareholder's loan by issuing 385,924 common shares at \$0.025 per share prior to the QT.

The Company settled \$52,133 due to related party by issuing 2,606,625 common shares at \$0.02 per share prior to the QT and settled another \$48,070 in trade and other payables by issuing 2,403,515 common shares at \$0.02 per share prior to the QT.

The Company issued 336,635 common shares at a fair value of \$0.05 immediately prior to the QT to satisfy the Liquidity Event condition per the DEX Option Agreement (see Note 5); and issued 500,000 common shares at a fair value of \$0.10 immediately following the QT to satisfy the EAB Option Agreement (see Note 5).

On December 21, 2020, the Company closed a non-brokered private placement of 10,000,000 flow-through common shares (the "FT Shares") at a price of \$0.10 per FT Share (the "FT Financing") and 11,000,000 units (the "Units") at a price of \$0.10 per Unit (the "Unit Financing" and together with the FT Financing, the "Concurrent Financing") for aggregate gross proceeds of \$2,100,000. The Units are comprised of one Share and one-half of one common share purchase warrant (each full warrant, a "Warrant"). Each Warrant is exercisable to acquire a common share at a price of \$0.15 per share for a period of two years expiring on December 21, 2022. Under the residual value approach, no value was assigned to the warrant component of the Units.

In consideration for introducing certain subscribers to the Concurrent Financing, the Company paid cash finder's fees of \$105,150, and issued 1,051,500 non-transferrable finder's warrants ("Finder's Warrants") to certain finders. Each Finder's Warrant entitles the holder to acquire one common share at a price of \$0.10 for a period of two years expiring on December 21, 2022. The value of the finder's warrants was determined to be \$12,206 calculated using the Black-Scholes option pricing model.

6. SHARE CAPITAL, (Continued)

c. Escrow shares

2,400,000 common shares were placed in escrow in accordance with the escrow agreement dated June 11, 2018, where 10% of the escrowed common shares were released on December 21, 2020 and 15% every six months thereafter. As at September 30, 2021, 1,800,000 common shares were held in escrow.

6,323,033 common shares were placed in escrow in accordance with the escrow agreement dated December 21, 2020, where 10% of the escrowed common shares were released on December 21, 2020 and 15% every six months thereafter. As at September 30, 2021, 4,742,276 common shares were held in escrow.

d. Stock options

Stock option transactions and the number of stock options for the six months ended September 30, 2021 are summarized as follows:

Expiry date	Exercise price	March 31, 2021	Granted	Exercised	Expired / Cancelled	September 30, 2021
June 27, 2023	\$ 0.10	475,000	-	-	-	475,000
December 21, 2025	\$ 0.10	2,300,000	-	-	-	2,300,000
Options outstanding		2,775,000	-	-	-	2,775,000
Options exercisable		2,775,000	-	-	-	2,775,000
Weighted average exercise price	\$ 0.10			\$ -	\$ -	\$ 0.10

As at September 30, 2021, the weighted average contractual remaining life of options is 3.80 years (March 31, 2021 – 4.30 years). The weighted average fair value of stock options granted during the six months ended September 30, 2021 was \$nil (September 30, 2020 - \$nil).

The weighted average assumptions used to estimate the fair value of options for the six months ended September 30, 2021 were as follows:

	2021	2020
Expected dividend yield	-	-
Expected stock price volatility	-	-
Risk-free interest rate	-	-
Forfeiture rate	-	-
Expected life of options	-	-

6. SHARE CAPITAL, (Continued)

e. Warrants

The continuity of warrants for the six months ended September 30, 2021 is as follows:

Expiry date	Exercise price	March 31, 2021	Issued	Exercised	Expired	September 30, 2021		
December 21, 2022	\$ 0.15	5,500,000	-	-	-	5,500,000		
Warrants outstanding		5,500,000	-	-	-	5,500,000		
Weighted average exercise price	\$	0.15	\$	-	\$	-	\$	0.15

As at September 30, 2021, the weighted average contractual remaining life of warrants is 1.22 years (March 31, 2021 – 1.73 years).

f. Finder's warrants

The continuity of finder's warrants for the six months ended September 30, 2021 is as follows:

Expiry date	Exercise price	March 31, 2021	Issued	Exercised	Expired	September 30, 2021		
December 21, 2022	\$ 0.10	1,051,500	-	-	-	1,051,500		
Finders' warrants outstanding		1,051,500	-	-	-	1,051,500		
Weighted average exercise price	\$	0.10	\$	-	\$	-	\$	0.10

As at September 30, 2021, the weighted average contractual remaining life of finder's warrants is 1.22 years (March 31, 2021 – 1.73 years).

The weighted average assumptions used to estimate the fair value of finder's warrants for the six months ended September 30, 2021 were as follows:

	2021	2020
Expected dividend yield	-	-
Expected stock price volatility	-	-
Risk-free interest rate	-	-
Forfeiture rate	-	-
Expected life of options	-	-

7. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six months ended September 30, 2021 was based on the loss attributable to common shareholders of \$84,464 (for the six months ended September 30, 2020 - \$10,606) and the weighted average number of common shares outstanding of 32,905,824 (for the six months ended September 30, 2020 – 10,573,467).

8. SHAREHOLDER'S LOAN AND RELATED PARTY TRANSACTIONS

Amounts in accounts payable:	Services for:	For the six months ended		As at	As at
		September 30, 2021	September 30, 2020	September 30, 2021	March 31, 2021
Private company owned by the Chief Executive Officer (a)	Prospecting, inspection and consulting fee	\$ 18,150	\$ -	\$ -	\$ -
Private company owned by the Exploration Manager (b)	Geological consulting and consulting fee	29,228	-	13,535	7,055
Private company controlled by a director of the Company (c)	Accounting and management services	32,250	-	17,611	5,250
Total		\$ 79,628	\$ -	\$ 31,147	\$ 12,305

(a) Marc Blythe, the Chief Executive Officer, president, and director of the Company is the owner of this private company.

(b) Bill Wengzynowski, the exploration manager, is the owner of this private company.

(c) Mark T. Brown, a director of the Company, is the president of this private company.

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

AU GOLD CORP.**(Formerly Schooner Capital Corporation)**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2021 and 2020

(Unaudited; expressed in Canadian dollars)

8. SHAREHOLDER'S LOAN AND RELATED PARTY TRANSACTIONS, (Continued)

For the six months ended September 30, 2021:

	Short-term employee benefits	Post- employmen t benefits	Other long-term benefits	Terminati on benefits	Other expenses	Share-based payments ⁽¹⁾	Total
Marc Blythe Chief Executive Officer, Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Winnie Wong Chief Financial Officer, Corporate Secretary	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Mark T. Brown Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Garrett Ainsworth Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Neil Burns Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Scott Trebilcock Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Bill Wegzynowski Exploration Manager	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Total:	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

For the six months ended September 30, 2020:

	Short-term employee benefits	Post- employmen t benefits	Other long-term benefits	Terminati on benefits	Other expenses	Share-based payments ⁽¹⁾	Total
Marc Blythe Chief Executive Officer, Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Total:	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

(1) Share-based payments are the fair values of the stock options granted during the six months ended September 30, 2021 and 2020 calculated using the Black-Scholes Option Pricing Model (see Note 6(d)).

9. FINANCIAL INSTRUMENTS

Fair value measurements

	September 30, 2021	March 31, 2021
Financial assets		
<i>Amortized cost</i>		
Cash and cash equivalents	\$ 1,469,653	\$ 1,731,878
Financial liabilities		
<i>Other liabilities, measured at amortized cost</i>		
Accounts payable and accrued liabilities	\$ 36,395	\$ 21,283

Fair value hierarchy

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

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

As at September 30, 2021 and March 31, 2021, the Company's financial instruments are comprised of cash and cash equivalents, trade and other payables. The carrying value of cash and cash equivalents, trade and other payables approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and cash equivalents, receivables, payables and accrued liabilities. It is management's opinion that: (i) the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments, and (ii) the fair values of these financial instruments approximate their carrying values unless otherwise noted in these consolidated condensed interim financial statements.

As the Company is currently in the exploration phase none of its financial instruments are exposed to commodity price risk; however, the Company's ability to obtain long-term financing and its economic viability may be affected by commodity price volatility.

AU GOLD CORP.

(Formerly Schooner Capital Corporation)

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2021 and 2020

(Unaudited; expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS, (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the balance sheet date. At September 30, 2021, the Company had a working capital of \$1,448,592 (March 31, 2021 – \$1,724,546) which will provide sufficient capital to meet its short-term financial obligations.

Management of industry risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity-based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

10. CAPITAL MANAGEMENT

The Company currently does not produce any revenue and has relied on existing balances of cash and cash equivalents, and capital financing to fund its operations. The Company's current capital consists of equity funding raised through issuances of common shares and a deficit incurred through operations.

The Company relies upon management to manage capital in order to safeguard the Company's ability to continue as a going concern, to pursue the exploration and development of unproven mineral properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company manages its capital structure in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and holdings of cash; and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Company's approach to capital management during the six months ended September 30, 2021.

The Company is not subject to externally imposed capital restrictions.