

**AU GOLD CORP.**

*(An Exploration Stage Company)*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the six months ended September 30, 2022 and 2021**

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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.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(Expressed in Canadian dollars)**

	Note	September 30, 2022 (Unaudited)	March 31, 2022 (Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 298,356	\$ 1,209,130
Receivables		36,031	3,950
Prepaid expenses		2,122	68,930
		<u>336,509</u>	<u>1,282,010</u>
<b>Non-current</b>			
Exploration and evaluation assets	4	1,520,213	700,034
Reclamation bond		71,000	71,000
		<u>\$ 1,927,722</u>	<u>\$ 2,053,044</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables	7	\$ 33,502	\$ 59,927
		<u>33,502</u>	<u>59,927</u>
<b>SHAREHOLDER'S EQUITY</b>			
Common shares	5	2,723,406	2,723,406
Reserves	5	74,256	74,256
Deficit		(903,442)	(804,545)
		<u>1,894,220</u>	<u>1,993,117</u>
		<u>\$ 1,927,722</u>	<u>\$ 2,053,044</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 October 27, 2022. They are signed on the Company's behalf by:

**"Mark T. Brown"**

Mark T. Brown, Director

**"Scott Trebilcock"**

Scott Trebilcock, Director

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

**AU GOLD CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
**(Unaudited, expressed in Canadian dollars)**

	Note	For the three months ended		For the six months ended	
		September 30, 2022		September 30, 2022	
		2022	2021	2022	2021
<b>Administrative expenses</b>					
Accounting and audit	7	\$ 20,640	\$ 34,370	\$ 38,218	\$ 62,770
Bank charges and interest		142	74	142	167
Consulting	7	21,450	8,408	45,450	19,058
Filing and transfer agent fees		3,104	3,047	7,028	7,997
Insurance		1,710	-	3,148	-
Legal		1,327	28	1,697	(8,101)
Marketing and shareholders communication		(558)	818	742	818
Office and miscellaneous		3,534	-	3,839	136
Project investigation		-	156	-	1,619
		<u>51,349</u>	<u>46,901</u>	<u>100,264</u>	<u>84,464</u>
<b>Other Items</b>					
Interest income		-	-	1,367	-
		<u>-</u>	<u>-</u>	<u>1,367</u>	<u>-</u>
<b>Total comprehensive loss for the period</b>		<u>\$ 51,349</u>	<u>\$ 46,901</u>	<u>\$ 98,897</u>	<u>\$ 84,464</u>
<b>Basic and diluted loss per share</b>	6	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
<b>Weighted average number of common shares outstanding</b>		<u>32,905,824</u>	<u>32,905,824</u>	<u>32,905,824</u>	<u>32,905,824</u>

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

**AU GOLD CORP.**  
**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		Deficit
<b>Balance at March 31, 2021 (Audited)</b>		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)
<b>Balance at September 30, 2021</b>		32,905,824	2,723,406	54,900	12,206	67,106	(737,950)	2,052,562
Share-based payments	5	-	-	7,150	-	7,150	-	7,150
Net loss and comprehensive loss		-	-	-	-	-	(66,595)	(66,595)
<b>Balance at March 31, 2022 (Audited)</b>		32,905,824	2,723,406	62,050	12,206	74,256	(804,545)	1,993,117
Net loss and comprehensive loss		-	-	-	-	-	(98,897)	(98,897)
<b>Balance at September 30, 2022</b>		<b>32,905,824</b>	<b>\$ 2,723,406</b>	<b>\$ 62,050</b>	<b>\$ 12,206</b>	<b>\$ 74,256</b>	<b>\$ (903,442)</b>	<b>\$ 1,894,220</b>

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

**AU GOLD CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited; expressed in Canadian dollars)

		<b>For the six months ended</b>	
	<b>Note</b>	<b>September 30, 2022</b>	
<b>Cash provided by (used for):</b>		<b>2022</b>	<b>2021</b>
<b>Operating activities</b>			
Net loss		\$ (98,897)	\$ (84,464)
Changes in non-cash working capital items:			
Receivables		(32,081)	(1,341)
Prepaid expenses		66,808	(42)
Trade and other payables		(26,425)	13,032
Cash used in operating activities		(90,595)	(72,815)
<b>Investing activities</b>			
Exploration and evaluation assets	4	(820,179)	(208,040)
BC METC received		-	18,630
Cash used in investing activities		(820,179)	(189,410)
<b>Net decrease in cash</b>		(910,774)	(262,225)
<b>Cash - beginning of the period</b>		1,209,130	1,731,878
<b>Cash - end of the period</b>		\$ 298,356	\$ 1,469,653

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

## AU GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Au Gold Corp. (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 10<sup>th</sup> floor, 595 Howe Street, Vancouver, BC V6C 2T5.

On December 21, 2020, the Company completed the share exchange transaction with Ponderosa Exploration Ltd. ("Ponderosa") 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, on December 24, 2020, the Company began trading 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, 2022		March 31, 2022	
Deficit	\$	(903,442)	\$	(804,545)
Working capital	\$	303,007	\$	1,222,083



**AU GOLD CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**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, 2022.

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, 2022. 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, 2022 are not necessarily indicative of the results that may be expected for the current fiscal year ending March 31, 2023.

**AU GOLD CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**4. 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 <sup>(1)</sup>	-	-
1st anniversary	25,000 <sup>(3)</sup>	500,000 <sup>(2)</sup>	\$ 100,000 <sup>(4)</sup>
2nd anniversary	25,000 <sup>(5)</sup>	-	-
3rd anniversary	25,000 <sup>(6)</sup>	-	-
5th anniversary	-	-	\$ 1,000,000
<b>TOTAL</b>	<b>\$ 100,000</b>	<b>500,000</b>	

(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.

(3) Paid.

(4) Completed.

(5) Paid on January 13, 2021.

(6) Paid on March 21, 2022.

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 compliant 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) 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).

**AU GOLD CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

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**4. EXPLORATION AND EVALUATION ASSETS, (Continued)**

**Ponderosa Property**, (continued)

*DEX Option Agreement*, (continued)

- 2) 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 4<sup>th</sup> 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).
- 3) Incur \$500,000 exploration expenditures by the 3<sup>rd</sup> anniversary date, including 500 meters of drilling. In May 2022, the Company met this requirement and had notified DEX regarding its earn-in to a 60% interest in the property. The Company and DEX are currently working together on a joint venture agreement to advance the project as a joint venture.

**AU GOLD CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION ASSETS, (Continued)****Ponderosa Property, (continued)****Exploration and Evaluation Assets**

	<b>Ponderosa</b>		
	<b>EAB</b>	<b>DEX</b>	<b>Total</b>
<b>Balance at March 31, 2021</b>	<b>\$ 259,138</b>	<b>\$ 153,342</b>	<b>\$ 412,480</b>
<b>Additions during the year</b>			
Acquisition costs:			
Option payments	-	25,000	25,000
Exploration expenditures:			
Accommodation, travel and meals	8,579	31,720	40,299
Assays	15,885	19,529	35,414
Aircraft charter	3,491	3,491	6,982
Field equipment and tools	2,947	5,317	8,264
Reporting and drafting	560	560	1,120
Prospecting and inspection	2,100	5,100	7,200
Environmental consulting	27,404	27,404	54,808
Labour	14,622	14,622	29,244
Geological	25,996	36,146	62,142
Maps	3,315	3,315	6,630
Geological survey	2,963	2,963	5,926
Sampling and analysis	461	461	922
Field supplies and maps	6,933	8,316	15,249
	115,256	183,944	299,200
<b>Less:</b>			
BC Mineral Exploration Tax Credit	(11,646)	-	(11,646)
<b>Balance at March 31, 2022</b>	<b>362,748</b>	<b>337,286</b>	<b>700,034</b>
<b>Additions during the period</b>			
Exploration expenditures:			
Accommodation, travel and meals	-	24,653	24,653
Sampling & Analysis	-	2,496	2,496
Assays	-	58,365	58,365
Field Supplies	-	28,372	28,372
Safety	-	258	258
Environmental Consulting	-	31,809	31,809
Drilling	-	428,954	428,954
Geological Consulting	1,313	130,503	131,816
Geological Survey	-	4,715	4,715
Equipment Rental	-	57,770	57,770
Fuel/Auto	-	33,133	33,133
Tools & Equipment	-	8,678	8,678
Labour	-	9,160	9,160
	1,313	818,866	820,179
<b>Balance at September 30, 2022</b>	<b>\$ 364,061</b>	<b>\$ 1,156,152</b>	<b>\$ 1,520,213</b>

**AU GOLD CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**5. SHARE CAPITAL****a. Authorized**

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

**b. Common share issuances**

During the six months ended September 30, 2022:

The Company did not issue any common shares.

During the year ended March 31, 2022:

The Company did not issue any common shares.

**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, 2022, 1,080,000 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, 2022, 2,845,366 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, 2022 are summarized as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>March 31, 2022</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired / Cancelled</b>	<b>September 30, 2022</b>		
June 27, 2023	\$ 0.10	475,000	-	-	-	475,000		
December 21, 2025	\$ 0.10	2,300,000	-	-	-	2,300,000		
March 23, 2027	\$ 0.10	150,000	-	-	-	150,000		
Options outstanding		2,925,000	-	-	-	2,925,000		
Options exercisable		2,925,000	-	-	-	2,925,000		
Weighted average exercise price	\$	0.10	\$	-	\$	-	\$	0.10

As at September 30, 2022, the weighted average contractual remaining life of options is 2.89 years (March 31, 2022 – 3.39 years). The weighted average fair value of stock options granted during the six months ended September 30, 2022 was \$Nil (September 30, 2021 - \$Nil).

**AU GOLD CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**5. SHARE CAPITAL, (Continued)****d. Stock options, (Continued)**

Stock option transactions and the number of stock options for the year ended March 31, 2022 are summarized as follows:

Expiry date	Exercise price	March 31, 2021	Granted	Exercised	Expired / Cancelled	March 31, 2022
June 27, 2023	\$ 0.10	-	475,000	-	-	475,000
December 21, 2025	\$ 0.10	-	2,300,000	-	-	2,300,000
March 23, 2027	\$ 0.10	-	150,000	-	-	150,000
Options outstanding		-	2,925,000	-	-	2,925,000
Options exercisable		-	2,925,000	-	-	2,925,000
Weighted average exercise price	\$	-	\$ 0.10	\$	-	\$ 0.10

The weighted average assumptions used to estimate the fair value of options for the six months ended September 30, 2022 and 2021 were as follows:

	2022	2021
Expected dividend yield	-	-
Expected stock price volatility	-	-
Risk-free interest rate	-	-
Forfeiture rate	-	-
Expected life of options	-	-

**e. Warrants**

The continuity of warrants for the six months ended September 30, 2022 is as follows:

Expiry date	Exercise price	March 31, 2022	Issued	Exercised	Expired	September 30, 2022	
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, 2022, the weighted average contractual remaining life of warrants is 0.22 years (March 31, 2022 – 0.73 years).

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Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**5. SHARE CAPITAL, (Continued)****e. Warrants, (Continued)**

The continuity of warrants for the year ended March 31, 2022 is as follows:

Expiry date	Exercise price	March 31, 2021	Issued	Exercised	Expired	March 31, 2022
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

**f. Finder's warrants**

The continuity of finder's warrants for the six months ended September 30, 2022 is as follows:

Expiry date	Exercise price	March 31, 2022	Issued	Exercised	Expired	September 30, 2022
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, 2022, the weighted average contractual remaining life of finder's warrants is 0.22 years (March 31, 2022 – 0.73 years).

The continuity of finder's warrants for the year ended March 31, 2022 is as follows:

Expiry date	Exercise price	March 31, 2021	Issued	Exercised	Expired	March 31, 2022
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

The weighted average assumptions used to estimate the fair value of finder's warrants for the six months ended September 30, 2022 and 2021 were as follows:

	2022	2021
Expected dividend yield	-	-
Expected stock price volatility	-	-
Risk-free interest rate	-	-
Forfeiture rate	-	-
Expected life of options	-	-

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Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**6. 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, 2022 was based on the loss attributable to common shareholders of \$98,897 (for the six months ended September 30, 2021 - \$84,464) and the weighted average number of common shares outstanding of 32,905,824 (for the six months ended September 30, 2021 - 32,905,824).

**7. RELATED PARTY TRANSACTIONS**

Amounts in accounts payable:	Services for:	For the six months ended		As at	As at
		September 30, 2022	September 30, 2021	September 30, 2022	March 31, 2022
Private company owned by the Chief Executive Officer (a)	Prospecting, inspection and consulting fee	\$ 48,425	\$ 18,150	\$ 7,098	\$ 36,239
Private company owned by the Exploration Manager (b)	Geological consulting and project investigation	123,550	29,228	2,756	12,110
Private company controlled by a director of the Company (c)	Accounting and management services	38,218	32,250	14,112	5,030
<b>Total</b>		<b>\$ 210,193</b>	<b>\$ 79,628</b>	<b>\$ 23,966</b>	<b>\$ 53,379</b>

(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.



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Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**7. RELATED PARTY TRANSACTIONS, (Continued)**

For the six months ended September 30, 2022:

	Short-term employee benefits	Post- employment benefits	Other long-term benefits	Terminati on benefits	Other expenses	Share-based payments <sup>(1)</sup>	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 Wengzynowski Exploration Manager	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Total:</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>

For the six months ended September 30, 2021:

	Short-term employee benefits	Post- employment benefits	Other long-term benefits	Terminati on benefits	Other expenses	Share-based payments <sup>(1)</sup>	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 Wengzynowski Exploration Manager	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Total:</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>

Share-based payments are the fair values of the stock options granted during the six months ended September 30, 2022 and 2021 calculated using the Black-Scholes Option Pricing Model (see Note 5(d)).

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Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**8. FINANCIAL INSTRUMENTS****Fair value measurements**

	September 30, 2022	March 31, 2022
<b>Financial assets</b>		
<i>Amortized cost</i>		
Cash and cash equivalents	\$ 298,356	\$ 1,209,130
<b>Financial liabilities</b>		
<i>Other liabilities, measured at amortized cost</i>		
Accounts payable and accrued liabilities	\$ 33,502	\$ 59,927

**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, 2022 and March 31, 2022, 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.

**At September 30, 2022**

<b>Assets</b>		<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>
Cash	\$	298,356	\$	-	\$	-	\$	298,356
<b>Total</b>	<b>\$</b>	<b>298,356</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>298,356</b>
<b>Liabilities</b>		<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>
Trade and other payables	\$	33,502	\$	-	\$	-	\$	33,502
<b>Total</b>	<b>\$</b>	<b>33,502</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>33,502</b>

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Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**8. FINANCIAL INSTRUMENTS, (Continued)****Fair value hierarchy, (Continued)****At March 31, 2022**

<b>Assets</b>		<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>
Cash	\$	1,209,130	\$	-	\$	-	\$	1,209,130
Total	\$	1,209,130	\$	-	\$	-	\$	1,209,130
<b>Liabilities</b>		<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>
Trade and other payables	\$	59,927	\$	-	\$	-	\$	59,927
Total	\$	59,927	\$	-	\$	-	\$	59,927

**Financial risk factors**

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

**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, 2022, the Company had a working capital of \$303,007 (March 31, 2022 – \$1,222,083) 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.

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As at September 30, 2022 and 2021

(Unaudited; expressed in Canadian dollars)

**9. CAPITAL MANAGEMENT**

The Company manages its cash and cash equivalents, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.