

ARTISANAL GOLD COUNCIL
Financial Statements
Year Ended December 31, 2023

ARTISANAL GOLD COUNCIL
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Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Artisanal Gold Council,

Qualified Opinion

I have audited the financial statements of Artisanal Gold Council (the Society), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

Note 1 indicates that during the prior year, the Society became the 100% shareholder of a controlled for-profit enterprise. The investment in this enterprise was recorded using the cost method and has not been accounted for under the equity or consolidation method. The impact of this departure from Canadian accounting standards for not-for-profit organizations on the audited financial statements has not been determined, and while this departure may be considered to be material, it is not considered to be pervasive.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Society in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Report on Other Legal and Regulatory Matters

As required by the Society Act of British Columbia, I report that, in my opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(continues)

Independent Auditor's Report to the Directors of Artisanal Gold Council *(continued)*

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

The Accounting Agency

Victoria, British Columbia
April 10, 2024

CHARTERED PROFESSIONAL ACCOUNTANT

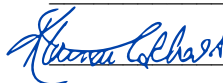
ARTISANAL GOLD COUNCIL
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 2)</i>	\$ 452,464	\$ 2,022,263
Accounts receivable	-	2,723
Project receivables <i>(Note 3)</i>	1,092,365	654,980
Public service bodies' rebate receivable	1,008	4,027
Prepaid expenses	34,283	33,436
Expense advances	422,224	305,341
Due from related parties <i>(Note 4)</i>	-	196,568
	2,002,344	3,219,338
TANGIBLE CAPITAL ASSETS <i>(Note 5)</i>	48,071	44,075
INVESTMENT <i>(Note 6)</i>	1	1
	\$ 2,050,416	\$ 3,263,414
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued charges	\$ 55,724	\$ 156,124
Wages payable	26,096	28,669
Deferred revenue <i>(Note 3)</i>	961,327	2,035,469
Due to related parties <i>(Note 4)</i>	35,969	90
	1,079,116	2,220,352
NET ASSETS		
Unrestricted net assets	971,300	1,043,062
	\$ 2,050,416	\$ 3,263,414

LEASE COMMITMENTS *(Note 7)*

APPROVED ON BEHALF OF THE BOARD

Director

 *digitally signed on 2024-Apr-15 by*
Dr. Katherina Tarnai-Lokhorst, P.Eng *Director*

See notes to financial statements

ARTISANAL GOLD COUNCIL
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
REVENUES		
Contract revenue <i>(Note 3)</i>	\$ 5,067,820	\$ 5,888,749
Expense recovery revenue (bad debt) <i>(Note 4)</i>	(100,081)	10,000
Term deposit interest <i>(Note 2)</i>	11,189	3,452
Gifts and other income	3,096	3,042
Membership fees	800	500
	<u>4,982,824</u>	<u>5,905,743</u>
EXPENSES		
Amortization of tangible capital assets <i>(Note 5)</i>	12,239	16,518
Bank charges and interest	5,594	4,949
Contractors <i>(Note 10)</i>	1,827,437	1,856,582
Currency exchange and rounding (recovery)	1,204	(117,135)
Goods, assets and supplies (plant)	164,194	826,156
Insurance	29,453	27,423
Office and sundry	114,226	40,588
Professional fees	52,453	42,993
Project expenses	1,111,453	962,052
Rent <i>(Note 7)</i>	88,634	73,699
Telephone	8,124	6,461
Travel	535,494	654,733
Wages and employee benefits <i>(Note 10)</i>	1,104,081	1,401,379
	<u>5,054,586</u>	<u>5,796,398</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (71,762)</u>	<u>\$ 109,345</u>

See notes to financial statements

ARTISANAL GOLD COUNCIL
Statement of Changes in Net Assets
Year Ended December 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 1,043,062	\$ 933,717
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(71,762)</u>	<u>109,345</u>
NET ASSETS - END OF YEAR	<u>\$ 971,300</u>	<u>\$ 1,043,062</u>

See notes to financial statements

ARTISANAL GOLD COUNCIL**Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from contracts	\$ 3,474,020	\$ 6,325,406
Cash paid to suppliers and employees	(5,257,453)	(5,758,680)
Public service bodies' rebate receivable	3,018	1,585
Bank service charges paid	(5,599)	(4,950)
Cash flow from (used by) operating activities	(1,786,014)	563,361
INVESTING ACTIVITIES		
Purchase of tangible capital assets <i>(Note 5)</i>	(16,548)	(3,577)
Proceeds on disposal of tangible capital assets <i>(Note 5)</i>	316	-
Cash flow used by investing activities	(16,232)	(3,577)
FINANCING ACTIVITY		
Due to (from) related parties <i>(Note 4)</i>	232,447	(47,917)
INCREASE (DECREASE) IN CASH FLOW	(1,569,799)	511,867
Cash - beginning of year	2,022,263	1,510,396
CASH - END OF YEAR	\$ 452,464	\$ 2,022,263
CASH CONSISTS OF:		
Cash and cash equivalents <i>(Note 2)</i>	\$ 452,464	\$ 2,022,263

See notes to financial statements

ARTISANAL GOLD COUNCIL

Notes to Financial Statements

Year Ended December 31, 2023

PURPOSE OF THE SOCIETY

Artisanal Gold Council (the "Society") is a charity incorporated provincially under the Society Act of British Columbia. The Society is exempt from the payment of income tax under Section 149 of the Income Tax Act.

The purpose of the Society is to assist in creating sustainable development in artisanal and small-scale gold mining communities.

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash and cash on deposit, less cheques issued and outstanding and term deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Amounts Due To/From Related Parties

The Society's related party balances are classified as current liabilities when there are no fixed terms of repayment.

Tangible Capital Assets

Tangible capital assets acquired for direct use in donor-funded projects are expensed in the year of acquisition as the Society is not entitled to ownership. Those that are not project-specific are capitalized and amortized over their estimated useful lives.

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer	55% declining balance method
Furniture and equipment	20% declining balance method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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ARTISANAL GOLD COUNCIL

Notes to Financial Statements

Year Ended December 31, 2023

1. ACCOUNTING POLICIES *(continued)*

Financial Instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, project receivables, amounts due to and from related parties, investment in Artisanal Gold Ventures Ltd. and accounts payable and accrued charges.

The Society's financial instruments are initially measured at fair value when issued or acquired. At each subsequent reporting date, the Society measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Use of Estimates

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses;
- reported amounts of assets and liabilities; and,
- disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the Society may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as accrued charges.

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ARTISANAL GOLD COUNCIL
Notes to Financial Statements
Year Ended December 31, 2023

1. ACCOUNTING POLICIES (continued)

Revenue Recognition

Artisanal Gold Council follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Funds received in excess of project expenses are deferred and recognized as contract revenue when the expenses are incurred.

Project expenses in excess of funds received are reported as project receivables.

Funds received from the reimbursement of expenses paid by the Society are recognized as revenue when the expenses are incurred.

Term deposit interest income is accrued and recognized as revenue when the interest is earned.

Gifts are recorded as income when the amount is considered collectible.

Revenue from one year memberships is recognized as revenue when collected.

All other revenue is recognized as revenue when it is earned.

Foreign Currency Translation Method

The Society uses the current rate method that translates assets, liabilities, revenues and expenses in a manner that retains their bases of measurement in terms of foreign currency. In particular, assets and liabilities are translated at the exchange rate in effect at the balance sheet date and revenue and expenses are translated at the exchange rate in effect on the dates on which such items are recognized in income during the period.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Investment in a Controlled For-Profit Enterprise

The Society's owns 100% of the outstanding voting shares of Artisanal Gold Ventures Ltd., a controlled for-profit enterprise. The investment is accounted for using the cost method. The investment has not been accounted for using either the equity or consolidation method. The impact of this departure from Canadian accounting standards for not-for-profit organizations has not been determined, and accordingly, has resulted in a qualified opinion for this audit engagement.

Government assistance

The Society recognizes government grants when there is reasonable assurance that the grant will be received, and that the Society will comply with the conditions of the grant. Government grants receivable are recorded in general receivables on the Society's statement of financial position. The Society recognizes government grants as revenue in the statement of operations in the same period as the expenses for which the grant is intended to compensate.

ARTISANAL GOLD COUNCIL
Notes to Financial Statements
Year Ended December 31, 2023

2. CASH AND CASH EQUIVALENTS

	2023	2022
Cash balances with banks	\$ 452,464	\$ 2,022,263
Cheques issued and outstanding	-	-
	\$ 452,464	\$ 2,022,263

The Society has access to a \$200,000 overdraft limit with the Toronto-Dominion Bank, with interest payable at prime plus 3% per annum. At December 31, 2023, \$0 (2022 - \$0) of the overdraft was in use.

3. PROJECT RECEIVABLES AND DEFERRED REVENUE

	2023	2022
<u>Main sources of revenue</u>		
Catalyste+	\$ 24,070	\$ -
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	-	373,172
European Partnership for Responsible Minerals (EPRM)	273,611	201,846
Global Environment Facility (GEF)	857,834	493,799
National Resource Defence Council (NRDC)	269,437	336,275
Organization of American States (OAS)	69,023	13,320
Swiss Development Corp (SDC)	146,492	71,900
United Nations Environment Programme (UNEP)	1,865,401	1,578,782
United Nations Industrial Development Organization (UNIDO)	1,204,206	1,613,341
United States Department of State (USDOS)	357,746	836,946
World Bank Group	-	369,368
	\$ 5,067,820	\$ 5,888,749

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ARTISANAL GOLD COUNCIL

Notes to Financial Statements

Year Ended December 31, 2023

3. PROJECT RECEIVABLES AND DEFERRED REVENUE *(continued)*

	2023	2022
<u>Project receivables</u>		
GEF GOLD - Contribution Towards the Elimination of Mercury and Improvement of the Gold Supply Chain in the Artisanal and Small Scale Gold Mining Sector, in Burkina Faso	\$ 453,997	\$ 282,296
NRDC - Global Knowledge Management and Exchange of Programme Projects Results Through Networking and Outreach Activities for the GEF GOLD Programme	66,097	164,308
SDC - Preparation phase of the responsible gold panning (OR) promotion project - Phase I	-	34,273
UNIDO - GEF GOLD Mongolia-Philippines: Contribution Toward the Elimination of Mercury in the Artisanal and Small Scale Gold Mining (ASGM) Sector: From Miners to Refiners	572,271	-
USDOS - Identify Appropriate Technologies and Business Models for Mercury-Free Gold Production in Artisanal and Small Scale Gold Mining Sector, in Guyana	-	8,521
USDOS - Increased Transparency and Control of Mercury in Peru	-	62,409
USDOS - Reducing Mercury Use and Increasing Transparency in Papua New Guinea's Artisanal and Small-scale Gold Mining Sector	-	14,566
USDOS - Abating Mercury Emissions via Mobile Processing Units for Small-Scale Gold Processing in Suriname	-	7,082
World Bank Group - Supporting Artisanal Gold Formalization in Burkina Faso	-	81,525
	<u>\$ 1,092,365</u>	<u>\$ 654,980</u>

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ARTISANAL GOLD COUNCIL
Notes to Financial Statements
Year Ended December 31, 2023

3. PROJECT RECEIVABLES AND DEFERRED REVENUE (continued)

	2023	2022
<u>Deferred revenue</u>		
EPRM - Scalable Trade in Artisanal Gold (STAG)	\$ 162,202	\$ 435,813
GEF - GEF Gold Mongolia-Philippines: Contribution Toward the Elimination of Mercury in the Artisanal and Small Scale Gold Mining (ASGM) Sector: From Miners to Refiners	-	435,778
GEF GOLD - Contribution Towards the Elimination of Mercury and Improvement of the Gold Supply Chain in the Artisanal and Small Scale Gold Mining Sector, in Burkina Faso	-	1,151,132
OAS - Inter-state Collaboration on Better Monitoring and Control of the Regional Mercury Trade	11,738	12,746
UNE - GEF GOLD Mongolia-Philippines: Contribution Toward the Elimination of Mercury in the Artisanal and Small Scale Gold Mining (ASGM) Sector: From Miners to Refiners	448,546	-
UNIDO - Colombia Choco contract	37,866	-
USDOS - Identify Appropriate Technologies and Business Models for Mercury-Free Gold Production in Artisanal and Small Scale Gold Mining Sector, in Guyana	64,281	-
USDOS - Reducing Mercury Use and Increasing Transparency in Papua New Guinea's Artisanal and Small-scale Gold Mining Sector	139,123	-
SDC - Preparation phase of the responsible gold panning (OR) promotion project - Phase 1	87,438	-
FCIL - Burkina Faso	10,133	-
	<u>\$ 961,327</u>	<u>\$ 2,035,469</u>

Contract revenue is externally restricted by the granting organizations. Amounts received from granting organizations are to be used solely for the projects the money was granted for and per the restrictions outlined in contracts.

- Expenses incurred in excess of advances received over the life of the project are recorded as project receivables at year end.
- Advances received in excess of expenses over the life of the project are deferred to be consumed in the next fiscal year when expenses are incurred.

ARTISANAL GOLD COUNCIL
Notes to Financial Statements
Year Ended December 31, 2023

4. RELATED PARTIES

	<u>2023</u>	<u>2022</u>
<u>Related party transactions</u>		
Artisanal Gold Enterprises Inc.		
<i>Rent recovery</i>		
Rental of portion of the Society's office and use of Society's staff, included in expense recovery revenue (bad debt)	(100,081)	10,000
	<u>\$ (100,081)</u>	<u>\$ 10,000</u>

Artisanal Gold Ventures Ltd. is a profit-orientated enterprise 100% controlled by the Society. The director of Artisanal Gold Ventures Ltd. is the previous executive director of the Society.

The previous Executive Director of Artisanal Gold Council is a shareholder of Artisanal Gold Enterprises Inc. The directors of Artisanal Gold Enterprises Inc. are the previous executive director of the Society, and a previous employee of the Society.

These transactions are in the normal course of operations and are measured at the carrying amount, which cost adjusted for depreciation or impairment.

Due to (from) related parties

The amounts due to (from) related parties are without repayment terms, interest and are unsecured. As the amounts have no set repayment terms, they have all be classified as current.

The amounts from Artisanal Gold Ventures Ltd. and Artisanal Gold Enterprises Inc. arose from a start-up loan provided to the enterprise and amounts payable for expenses incurred.

	<u>2023</u>	<u>2022</u>
<i>Current portion due from related party</i>		
Due from Artisanal Gold Ventures Ltd.	\$ -	\$ 177,012
Due from Artisanal Gold Enterprises Inc.	-	19,556
	<u>\$ -</u>	<u>\$ 196,568</u>

The amount due from the previous Executive Director is repayment of expenses incurred on behalf of the organization in the regular course of business. The amount due to Artisanal Gold Ventures Ltd. is the consideration payable for the purchase of the 100 Class A Voting Common shares without par value of the enterprise.

	<u>2023</u>	<u>2022</u>
<i>Current portion due to related party</i>		
Due to Artisanal Gold Ventures Ltd.	\$ 35,969	\$ -
Due to previous Executive Director	-	89
Due to Artisanal Gold Ventures Ltd.	-	1
	<u>\$ 35,969</u>	<u>\$ 90</u>

ARTISANAL GOLD COUNCIL
Notes to Financial Statements
Year Ended December 31, 2023

5. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2022 Balance	Additions	Disposals	2023 Balance
Computers	\$ 79,456	\$ 16,547	\$ 918	\$ 95,085
Furniture and equipment	157,682	-	-	157,682
	<u>\$ 237,138</u>	<u>\$ 16,547</u>	<u>\$ 918</u>	<u>\$ 252,767</u>

<u>Accumulated Amortization</u>	2022 Balance	Amortization	Accumulated Amortization on Disposals	2023 Balance
Computers	\$ 69,401	\$ 4,816	\$ -	\$ 74,217
Furniture and equipment	123,662	7,423	601	130,479
	<u>\$ 193,063</u>	<u>\$ 12,239</u>	<u>\$ 601</u>	<u>\$ 204,696</u>

<u>Net book value</u>	2023	2022
Computers	\$ 20,868	\$ 10,055
Furniture and equipment	27,203	34,020
	<u>\$ 48,071</u>	<u>\$ 44,075</u>

6. INVESTMENT

The investment consists of 100 Class A Voting Common shares without par value of Artisanal Gold Ventures Ltd. The investment is recorded at a cost of \$0.01 per share, for total consideration of \$1.

As described in Note 1, Artisanal Gold Ventures Ltd. is a controlled for-profit enterprise which is accounted for using the cost method. The investment has not been accounted for using either the equity or consolidation method. The impact of this departure from Canadian accounting standards for not-for-profit organizations has not been determined, and accordingly, has resulted in a qualified opinion for this audit engagement.

7. LEASE COMMITMENTS

During 2016, the Society entered into a long term lease for its premises that expires on September 01, 2024. The lease has an option to renew for an addition term of three years.

Under the lease, the Society is required to pay an annual base rent of \$40,138 for the first four years of the five-year term. In addition to the above base rent, the Society must pay for its proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises. The estimated additional costs for 2023 are \$9.50 per square foot, for a total annual cost \$27,237.

The Society has agreement to end the lease and vacate before July 1, 2024. The estimated five-year repayment schedule is as follows:

2024	\$ 33,688
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ARTISANAL GOLD COUNCIL

Notes to Financial Statements

Year Ended December 31, 2023

8. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2023.

(a) Credit risk

The Society has determined that the financial assets with credit risk exposure are accounts receivable since failure of any of these parties to fulfil their obligations could result in financial losses for the Society.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its funders and accounts payable.

(c) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its interest rate for the overdraft limit for the operating account.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

9. TRADEMARKS

The executive director of the Society holds a trademark for the term "Artisanal Gold", which was registered in 2012. The trademark has a life of 15 years, expiring in 2027, with the option to renew for an additional 15 years. It is the Society's aim to continue to renew the trademark for the life of the Society. The trademark is not recorded on the face of the financial statements as it has a nominal value. The trademark has been disclosed in the notes as it represents possible future gains if it were to be sold or if the Society were to be compensated for improper use by third parties.

In 2017, the executive director of the Society received approval for a trademark registration for the design of the Society's logo. During 2019, the application was abandoned pursuant to section 36 of the Trademark Act. During 2020, a new application to trademark the logo was formalized and approved in May 2022.

ARTISANAL GOLD COUNCIL

Notes to Financial Statements

Year Ended December 31, 2023

10. DISCLOSURES UNDER THE SOCIETIES ACT

On November 28, 2016, the new British Columbia Societies Act ("Act") came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors and the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Society paid no remuneration to its directors.

During the year, no subcontractors received remuneration from the Society in excess of \$75,000.

During the year, six employees received remuneration from the Society in excess of \$75,000 each, for total remuneration of \$727,273.

11. ECONOMIC DEPENDENCE

The Society is economically dependent on the United Nations their continued support of its projects.