

ST CHARLES RESOURCES INC.

PRESS RELEASE

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ST CHARLES RESOURCES INC. ANNOUNCES PROPOSED QUALIFYING TRANSACTION WITH EASTERN RESOURCES OOD.

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TORONTO, ON. – **St Charles Resources Inc.** (“**St Charles**” or the “**Company**”) is pleased to announce that it has entered into a binding letter of intent (the “**Letter of Intent**”) dated September 2, 2022 with Eastern Resources OOD (“**Eastern Resources**” and together with St Charles, the “**Parties**”) in respect of a proposed business combination transaction pursuant to which the Company shall acquire all of the issued and outstanding securities of Eastern Resources (the “**Proposed Transaction**”). It is anticipated that the Proposed Transaction will constitute the Company’s “Qualifying Transaction” as defined in and in accordance with Policy 2.4 – Capital Pool Companies of the Corporate Finance Manual of the TSX Venture Exchange (the “**TSXV**”). All currency references herein are in Canadian currency unless otherwise specified.

About Eastern Resources

Eastern Resources is a private gold exploration company incorporated under the laws of Bulgaria with its head office located in Sofia, Bulgaria. At the time of closing of the Proposed Transaction, Eastern Resources will have 35 common shares in the capital of Eastern Resources issued and outstanding (the “**Eastern Resources Shares**”). Eastern Resources is and has been since incorporation focused on gold exploration projects in Bulgaria.

Eastern Resources has four shareholders: Seefin Capital OOD, as represented by Mr. Sean Hasson, Balkan Mineral & Discovery EOOD, as represented by Mr. Danko JeleV, GEOPS-Bolkan Drilling Services EOOD, as represented by Mr. Vasil Andreev and Dundee Resources Ltd. a wholly owned subsidiary of Dundee Corporation.

Eastern Resources controls 100% of two quality epithermal gold projects located in the Bulgarian portion of the Western Tethyan Belt: the Kutel Gold Project and the Kostilkovo Gold Project. Management of Eastern Resources believes that its assets show potential for high-grade, good-metallurgy, low-sulfidation epithermal gold mineralisation.

The Kutel Gold Project

The Kutel Gold Project is located in the Eastern Rhodope, in the south-east of Bulgaria, approximately 150 km to the southeast of Sofia, the capital of Bulgaria, in the Municipalities of Chepelare, Smolyan Region and Laki, Plovdiv Region.

The Kutel Gold Project consists of a 15km² low-sulfidation epithermal system with additional exploration potential on a 24.4km² Kutel exploration licence area. Eastern Resources has identified a large (15km²) quartz-

adularia-illite paleogeothermal system which has been largely preserved from erosion and is supported by a strong and extensive gold-silver-arsenic-antimony surface geochemical soil response.

Multiple hydrothermal explosion breccias (also known as phreatic breccias) have been identified through geological mapping and prospecting which contain clasts of gold mineralised quartz-adularia-illite vein material which have been transported from depth to a higher elevation.

St Charles has contracted AMC Mining Consultants (Canada) Ltd. to complete a National Instrument 43-101 (“**NI 43-101**”) technical report in respect of the Kutel Gold Project and will provide additional disclosure on the project in due course.

The Kostilkovo Gold Project

The Kostilkovo Gold Project is located 270 kilometres south-east of the capital city of Bulgaria, Sofia, close to the border with Greece, in the Municipality of Ivailovgrad within the Haskovo Region. The town of Ivailovgrad is the regional centre, located 13 kilometres north-east of the Kostilkovo Gold Project.

The Kostilkovo Gold Project consists of a 10km² low-sulfidation epithermal system with additional exploration potential on a 66.18km² Chukata exploration licence area. Through a detailed analysis of historical data as well as via an extensive mapping and prospecting program, Eastern Resources has established the presence of a large (10 km²) low-sulfidation epithermal system on the project, with multiple upflow zones containing quartz-adularia-illite vein material identified. This project has not yet been fully explored and it is Eastern Resources’ opinion that additional potential for low-sulfidation epithermal systems exist on the project.

Initial metallurgical test work has demonstrated the presence of gold bearing material that has free-milling characteristics.

St Charles has contracted AMC Mining Consultants (Canada) Ltd. to complete a NI 43-101 technical report in respect of the Kostilkovo Gold Project and will provide additional disclosure on the project in due course.

Qualified Person

All scientific and technical information in this press release has been prepared or reviewed and approved by Mr. Sean Hasson, a member of the Australian Institute of Geoscientists (AIG) who is the Executive Director Exploration of Eastern Resources and a “qualified person” for the purposes of NI 43-101.

Summary of the Proposed Transaction

The Letter of Intent contemplates that the Company, Eastern Resources and the shareholders of Eastern Resources (if required pursuant to the terms of the Proposed Transaction) will enter into a definitive agreement on or before November 30, 2022 (the “**Definitive Agreement**”), pursuant to which the Company will acquire all of the issued and outstanding Eastern Resources Shares in exchange for common shares in the capital of the Company (the “**Common Shares**”). It is anticipated that the Proposed Transaction will be structured as a direct share exchange, three-cornered amalgamation, plan of arrangement or other structure based on the advice of the Parties’ respective advisers and taking into account various securities, tax, operating and other considerations.

Pursuant to the Proposed Transaction, the Company intends on issuing Common Shares to holders of Eastern Resources Shares on the basis of 952,380 Common Shares for each one (1) Eastern Resources Share, for an aggregate of 33,333,300 Common Shares issued in exchange for 100% of the issued and outstanding Eastern Resources Shares, being 35 Eastern Resources Shares. Certain Common Shares intended to be issued pursuant to

the Proposed Transaction are expected to be subject to resale restrictions and/or escrow pursuant to the policies of the TSXV, including the securities to be issued to principals (as defined under the TSXV policies).

It is anticipated that the corporation resulting from the Proposed Transaction (the “**Resulting Issuer**”) will continue under the name “BULGOLD Inc.” or such other name as the Parties may agree (the “**Name Change**”), and carry on the business of Eastern Resources. The business of the Resulting Issuer will be primarily focused on the exploration of the Kutel Gold Project, the Kostilkovo Gold Project, and acquisition of additional properties in line with its focused exploration strategy.

Completion of the Proposed Transaction is conditional upon, among other standard conditions for a transaction of this nature including, among other things: (i) the negotiation, execution and delivery of the Definitive Agreement; (ii) completion of two NI 43-101 compliant technical reports in respect of the Kutel Gold Project and the Kostilkovo Gold Project that are acceptable to the TSXV and the Company; (iii) the delivery of audited, unaudited and pro forma financial statements of each Party that are compliant with TSXV policies; (iv) Eastern Resources delivering a title opinion for each of the Kutel Gold Project and the Kostilkovo Gold Project in a form and content reasonably satisfactory to the Company; (v) receipt of all required consents and approvals for the Proposed Transaction and the Definitive Agreement; (vi) completion of satisfactory due diligence by each Party of the other Party; and (vii) TSXV acceptance. There can be no assurance that all of the necessary regulatory and shareholder approvals will be obtained or that all conditions of closing will be met.

Upon closing of the Proposed Transaction, it is anticipated that the Resulting Issuer will be listed as a Tier 2 mining issuer on the TSXV, with Eastern Resources as the Company’s primary operating subsidiary.

In accordance with the Letter of Intent, the deadline for the completion of the Proposed Transaction is February 28, 2023, or such other date as may be agreed upon by the parties in writing. Either the Company or Eastern Resources may terminate the Letter of Intent if the Definitive Agreement is not entered into on or before November 30, 2022 or such other date as agreed to by the Parties in writing.

Proposed Concurrent Financing

In connection with the Proposed Transaction, the Parties intend on completing a concurrent financing (the “**Proposed Concurrent Financing**”) of securities of the Company for gross proceeds of up to \$3,000,000, or such other amount as may be agreed upon between the Parties and at a price to be determined by the Parties in the context of the market, which shall not be less than \$0.10 or the Discounted Market Price (as such term is defined in the policies of the TSXV policies) per offered security. The Company expects the Proposed Concurrent Financing to be structured as either a common share offering, unit offering, subscription receipt offering, or such other security offering as determined by the Parties, based on discussions with investors. Other than in connection with the Proposed Concurrent Financing, neither Party will issue any shares or securities exchangeable or exercisable into shares of such Party prior to closing of the Proposed Transaction, unless otherwise agreed to by the Parties. Closing of the Proposed Transaction will not be conditional on closing of the Proposed Concurrent Financing.

The proceeds of the Proposed Concurrent Financing are expected to be used to finance (i) exploration and other expenses relating to the Kutel Gold Project and the Kostilkovo Gold Project; and (ii) the working capital requirements of the Resulting Issuer.

Summary of Financial Information

The following table presents selected financial statement information on the financial condition and results of operations for Eastern Resources. Such information is derived from the audited financial statements of Eastern

Resources for the years ended December 31, 2021 and 2020 and the unaudited financial statements for the six-month period ended June 30, 2022. The information provided herein should be read in conjunction with Eastern Resources' financial statements, which will be contained in the filing statement to be filed on SEDAR in connection with the Proposed Transaction.

	As at and for the six-month period ended June 30, 2022 (unaudited) \$	As at and for the year ended December 31, 2021 (audited) \$	As at and for the year ended December 31, 2020 (audited) \$
Revenue	94,524	0	0
Expenses	(46,072)	(25,286)	(46,060)
Net Income (Loss)	48,453	(25,286)	(46,060)
Current Assets	382,512	49,629	43,802
Other Assets	384,027	282,099	304,189
Total Assets	766,539	331,727	347,991
Current Liabilities	470,394	324,158	459,328
Other Liabilities	20,846	185,813	20,846
Total Liabilities	491,240	509,971	480,174
Total Shareholders' Equity (Deficiency)	275,299	(178,244)	(132,183)
Total Liabilities and Equity	766,539	331,727	347,991

Note: The figures above were converted from Bulgarian Leva to Canadian dollars at an exchange rate of 0.67 CAD to 1.00 BGN, being the exchange rate as of June 30, 2022 as published on the Exchange Rates UK website, rounded to two (2) decimal places.

Summary of Proposed Directors and Officers of the Resulting Issuer

Subject to TSXV approval, the proposed board of directors of the Resulting Issuer may be reconstituted to consist of six (6) directors, all of whom will be nominated by the Parties mutually. Accordingly, all other existing directors and officers of the Company will resign at or prior to the closing of the Proposed Transaction. It is expected that at closing of the Proposed Transaction, the following directors and officers will be appointed to the board of the Resulting Issuer:

Mr. James Crombie, Executive Chairman and Director (Nassau, Bahamas)

James Crombie graduated from the Royal School of Mines, London, in 1980 with a Bachelor of Science (Honours) in mining engineering, having been awarded the Anglo American scholarship. Mr. Crombie held various positions with DeBeers Consolidated Mines and the Anglo American Corporation in South Africa and Angola between 1980 and 1986. He spent the following 13 years as a mining analyst and investment banker with Shepards, Merrill Lynch, James Capel & Co. and finally with Yorkton Securities.

Mr. Crombie has over 20 years serving as management and/or board member to several public mining companies listed on the Toronto Stock Exchange or the TSXV in Canada, in Australia and in the United Kingdom. Mr. Crombie was Vice President, Corporate Development of Hope Bay from 1999 to 2002, President and Chief Executive Officer of Ariane Gold Corp. from 2002 to 2003, President, CEO and Director of Palmarejo until the merger with Coeur d'Alene Mines Corporation in 2007, President, CEO and Director of Avala Resources Ltd.,

Dunav Resources Ltd. and Reunion Gold Corporation, and Director of Torex Gold Resources Inc. and Ariane Silver Corporation.

Mr. Crombie is currently the President, Chief Executive Officer and Director of the Company, Director and Chief Executive Officer of Odyssey Resources Limited, a Canadian company trading on the NEX trading board of the TSXV and a non-executive director of Nickel Mines Limited, an Australian listed company.

Mr. Sean Hasson, President, Chief Executive Officer and Director (Sofia, Bulgaria)

Mr. Sean Hasson commenced working on the West Australian gold mines when he was nineteen years of age and since then has had extensive experience in exploration and project development management, quality control program management and corporate development activities. Sean has previously worked in both exploration and mining capacities on Archean greenstone gold and base metal projects in Western Australia and northern Canada and has had extensive exposure to epithermal and porphyry environments in South America, the Philippines and more recently in the Western Tethyan belt of Eastern Europe where he has been involved in the discovery and definition of 7.2Mozs Au and 1.4Mt Cu (NI 43-101) for various projects over the last twenty years. Sean resides in Sofia, Bulgaria and is a Member of the Australian Institute of Geoscientists (AIG), and a qualified person for the purposes of National Instrument 43-101.

Dr. Mihaela Maria Barnes, Independent Director (Mallorca, Spain)

Dr Mihaela Maria Barnes earned her Ph.D. in International Law from the Graduate Institute of International and Development Studies, Geneva. She also holds an LL.M. in International and European Law (specialization: International Trade and Investment Law) from the University of Amsterdam as well as undergraduate degrees, legal qualifications and experience in both common law and civil law. Dr Barnes was a Visiting Fellow at the Lauterpacht Centre for International Law, University of Cambridge and a member of the Coordinating Committee of the European Society of International Law Interest Group on Business and Human Rights. She has published extensively in peer-reviewed journals on various topics of international law, business and human rights and sustainability. A revised version of her Ph.D. dissertation (State-Owned Entities and Human Rights: The Role of International Law) was published by Cambridge University Press in November 2021. Dr Barnes has acted as a consultant on matters of corporate governance, business and human rights, sustainability and international law.

Mr. Colin Jones, Independent Director (Auckland, New Zealand)

Mr. Colin Jones has over 40 years' experience as a mining, exploration and consulting geologist. He is experienced in a number of different geological environments and has worked on all continents on producing mines, as part of feasibility teams and as an explorationist. Colin has managed large exploration and due diligence projects, and has undertaken numerous bankable technical audits, technical valuations, independent expert reports and due diligence studies worldwide, most of which were on behalf of major international resource financing institutions and banks. Colin resides in New Zealand and acts as Technical Adviser to a number of other resource investment groups, primarily Orimco Pty. Ltd. in Perth. Colin was formerly Principal and Manager Audits with RSG Global based in Perth. More recently Colin was Executive Vice President with Dundee Resources Ltd. based in Toronto.

Mr. Laurence (Laurie) Marsland, Independent Director (Sofia, Bulgaria)

Mr. Laurie Marsland is a graduate of the Western Australia Institute of Technology where he completed a Bachelor of Applied Science in Mechanical Engineering and attended the Stanford Sloan Fellows Program at the Stanford University Graduate School of Business where he completed a Master of Science in Management degree. Mr. Marsland is a Fellow of the Institution of Engineers Australia, a Chartered Professional Engineer and has forty years of diverse international experience in mining project evaluation, development, and operations. He has

undertaken various roles including Chief Executive Officer, Chief Operating Officer, Vice President Project Development and Director. He relocated to Sofia, Bulgaria where in 2004 he assumed the role of Chief Operating Officer for Dundee Precious Metals.

Mr. Jeff Pennock, Chief Financial Officer (Sofia, Bulgaria)

Mr. Jeff Pennock has over 35 years of business experiences in multiple industries with experience in Canada, Europe and Africa. He has earned both Canadian and US Accounting designations. Mr. Pennock has approximately 20 years of leadership success with various companies in the mining and exploration sector.

In addition to the foregoing, a sixth director identified by Eastern Resources may be appointed to the Board on closing. Additional information on the board and management of the Resulting Issuer will be provided once identified.

Summary of Insiders of the Resulting Issuer other than Directors and Officers

Mr. Danko Jeleu, Insider (Sofia, Bulgaria)

Mr. Danko Jeleu is a shareholder of Eastern Resources and is expected to hold over 10% of the issued and outstanding shares of the Resulting Issuer upon completion of the Proposed Transaction.

Mr. Vasil Andreev, Insider (Plovdiv, Bulgaria)

Mr. Vasil Andreev is a shareholder of Eastern Resources and is expected to hold over 10% of the issued and outstanding shares of the Resulting Issuer upon completion of the Proposed Transaction.

Sponsorship of the Qualifying Transaction

The Company has engaged iA Capital Markets, a division of iA Private Wealth Inc. (the “**Proposed Sponsor**”) to act as sponsor for the Proposed Transaction. The Proposed Sponsor is currently in the process of undertaking customary due diligence review, following which it intends on delivering a sponsorship report in accordance with Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV and in substance and form acceptable to the TSXV.

Subject to completion of satisfactory due diligence, the Proposed Sponsor has agreed to act as sponsor in connection with the Proposed Transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

Filing Statement

In connection with the Proposed Transaction and pursuant to the requirements of the TSXV, the Company intends on filing a filing statement on its issuer profile on SEDAR (www.sedar.com), which will contain relevant details relating to the Proposed Transaction, the Company, Eastern Resources and the Resulting Issuer.

Trading Halt

Trading of the Common Shares has been halted as a result of the announcement of the Proposed Transaction and the Company expects that trading will remain halted pending closing of the Proposed Transaction, subject to the earlier resumption upon TSXV acceptance of the Proposed Transaction and the filing of required materials in accordance with TSXV policies.

Other information relating to the Proposed Transaction

The Proposed Transaction will not constitute a “Non-Arm’s Length Qualifying Transaction” within the meaning of Policy 2.4 of the TSXV. The Proposed Transaction is not a “related party transaction” as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and is not subject to Policy 5.9 of the TSXV.

The Proposed Transaction may require the approval of the shareholders of Eastern Resources. If required, Eastern Resources intends on holding a meeting of its shareholders to seek all necessary approvals and disclosing the details thereof once available.

In connection with the Proposed Transaction, McMillan LLP is acting as legal counsel to the Company and Fasken Martineau DuMoulin LLP is acting as legal counsel to Eastern Resources.

Additional information concerning the Proposed Transaction, the Company, Eastern Resources and the Resulting Issuer will be provided in a subsequent news release and in the filing statement to be filed by the Company in connection with the Proposed Transaction, which will be available in due course under the Company’s SEDAR profile.

About St Charles Resources Inc.

St Charles Resources Inc. is designated as a Capital Pool Company under TSXV Policy 2.4. The Company has not commenced commercial operations and has no assets other than cash. The Company’s objective is to identify and evaluate businesses or assets with a view to completing a “Qualifying Transaction” as defined in and in accordance with Policy 2.4 – Capital Pool Companies of the Corporate Finance Manual of the TSXV. Any proposed Qualifying Transaction must be approved by the TSXV and, in the case of a non-arm’s length Qualifying Transaction, must also receive majority approval of the minority shareholders. Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a proposed Qualifying Transaction.

For further information regarding the Company and the Proposed Transaction, please contact James Crombie, President, Chief Executive Officer and Director of the Company, at 514-825-4222.

For further information regarding Eastern Resources and the Proposed Transaction, please contact Sean Hasson, at +359 2 989 2361.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward Looking Information

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain acts, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information in this press release may include, without limitation, statements relating to: the completion of the Proposed Transaction and the timing thereof, the execution of the Definitive Agreement, the proposed business of the Resulting Issuer, the completion of the Proposed Concurrent Financing and the use of proceeds therefrom, references to the potential of the Kutel Gold Project and the Kostilkovo Gold Project, the completion of NI 43-101 technical reports, the proposed directors and officers of the Resulting Issuer, the completion of the Name Change, completion of satisfactory due diligence by the Proposed Sponsor, TSXV sponsorship requirements, shareholder and regulatory approvals, and future press releases and disclosure.

These statements are based upon assumptions that are subject to significant risks and uncertainties, including risks regarding the mining industry, commodity prices, market conditions, general economic factors, management’s ability to manage and to operate the business, and explore and develop the projects, of the Resulting Issuer, and the equity markets generally. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance of each of the Company and Eastern Resources may differ materially from those anticipated and indicated by these forward-looking statements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although each of the Company and Eastern Resources believes that the expectations reflected in forward looking statements are reasonable, they can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, each of the Company and Eastern Resources disclaims any intention and assume no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.