

BULGOLD INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED JUNE 30, 2023

The following interim Management's Discussion and Analysis– quarterly highlights (“**Interim MD&A**”) of BULGOLD Inc. (formerly St Charles Resources Inc. – referred herein as “**BULGOLD**” or the “**Company**” or the “**Resulting Issuer**”) for the three months ended June 30, 2023 provides material information about the Company's business activities during the interim period and updates disclosure previously provided in the Company's management's discussion and analysis for the financial year ended December 31, 2022 (“**Annual MD&A**”).

This Interim MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 2023 (the “**Interim Financial Statements**”), as well as the Company's audited consolidated financial statements for the year ended December 31, 2022 and the period from July 16, 2021 (incorporation) to December 31, 2021 (the “**Annual Financial Statements**”), and the Company's Annual MD&A.

The effective date of this Interim MD&A is August 24, 2023.

All financial results presented in this Interim MD&A are expressed in Canadian dollars unless otherwise indicated.

Description of Business

BULGOLD was classified as a Capital Pool Company (“**CPC**”), as such term is defined in the TSX Venture Exchange (the “**TSXV**”) Policy 2.4 – Capital Pool Companies (“**CPC Policy 2.4**”), until the completion of its Qualifying Transaction (the “**Transaction**”) on March 17, 2023. The Company's Transaction consisted in a business combination with Eastern Resources OOD (“**Eastern Resources**”), a private Bulgarian gold exploration company with two gold projects located in Bulgaria and an option to acquire one gold project located in Slovakia.

On May 5, 2023, the Company changed its name to BULGOLD Inc. and consolidated its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every three (3) pre-consolidation common shares of the Company, following approval by the Company's shareholders at a special meeting of the shareholders held on April 26, 2023. On the same day, the Company began trading on the TSXV under the symbol “ZLTO” (previously traded under the symbol “SCRS”).

The number of issued and outstanding common shares and other securities presented in this Interim MD&A take into account the one (1) for three (3) consolidation of the Company's common shares implemented on May 5, 2023 as if the consolidation had been in place during the reporting period.

Immediately following the completion of the Transaction, the security holders of BULGOLD hold approximately 45.08% of the shares of the Company and the shareholders of Eastern Resources hold approximately 54.92% of the shares of the Company, on a non-diluted basis. On completion of the Transaction, Eastern Resources controlled the Company and, therefore, the Transaction was accounted for as a reverse takeover. Consequently, the Company's Interim Financial Statements reflect the acquisition of the assets and liabilities of BULGOLD and BULGOLD's listing status by Eastern Resources. The Company's Interim Financial Statements were prepared as a continuation of the financial statements of Eastern Resources but reflecting the equity instruments of BULGOLD. Consequently, the Company's statements of net loss and comprehensive loss and cash flows include results of Eastern Resources for the three-month and six-month periods ended June 30, 2023, and results of the Company for the period from March 17, 2023 to June 30, 2023 and the balance sheets as at June 30, 2023 reflects the balances of the merged entity. Comparative information is solely those of Eastern Resources.

As of the date of this Interim MD&A, the Company has 27,597,928 issued and outstanding common shares. As of June 30, 2023 the Company had \$2,667,261 in cash and cash equivalents.

Highlights

- On June 23, 2023 ("**Tranche 1**") and July 7, 2023, the Company completed a private placement in two tranches with the issuance of a total of 7,366,831 units, at \$0.30 per unit, for gross proceeds of \$2,210,049. Each unit consists of one common share of the Company and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"), with each Warrant exercisable to acquire one common share of the Company at a price of \$0.40 per share until December 23, 2024. In consideration for the services rendered by certain arm's length third parties (the "**Finder's**") in connection with the private placement, the Company paid total finder's fees of \$84,528 and issued 281,759 finder's warrants (the "**Finder's Warrants**"). Each Finder's Warrant entitles its holder to acquire one common share of the Company at a price of \$0.40 per share until December 23, 2024.
- On April 7, 2023, the Company fully reimbursed the 2022 loan amount of \$103,353 including interest of \$3,353, from Dundee Resources Ltd., a related party by reason of its 12.6% interest in the share capital of the Company.
- During the three months ended June 30, 2023, the Company incurred a loss of \$378,913 (\$0.04 per share) compared to a loss of \$93,851 during the comparative period in 2022.
- On July 19, 2023 the Company granted stock options to purchase up to 1,840,000 common shares of the Company to its directors, officers, employees, and consultants, which are valid for a period of five (5) years

from the date of initial grant at an exercise price of \$0.30 per common share. The options will vest on the following schedule: (i) one-third immediately upon grant, (ii) one-third after one (1) year from initial grant, and (iii) one-third after two (2) years from initial grant.

- On August 7, 2023 the Company received the final approval from the Ministry of Environment and Waters for its submitted two-year work programme for its first exploration licence extension (i.e., Year 4 & 5). This date (with Year 4 commencing August 7, 2023) now becomes the 'Effective Date' for the Chukata exploration licence (of which the Kostilkovo Gold Project is part thereof) and allows the Company to commence exploration activity on the property for a further two-year period.

Exploration activities

Bulgaria

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 the 24.4km² Kutel exploration licence area. BULGOLD 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.

Exploration diamond drilling commenced on the Kutel Gold Project late in the quarter with one diamond drill rig.

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 the 66.18km² Chukata exploration licence area. Through a detailed analysis of historical data as well as via an extensive mapping and prospecting program, BULGOLD 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 BULGOLD's opinion that additional potential for low-sulfidation epithermal systems exist on the project.

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Slovakia

On October 22, 2022, BULGOLD entered into a cooperation agreement and a transfer of exploration area agreement with Green View s.r.o. pursuant to which the Company has an option to acquire 100% interest in a particular area of land located in the Slovak Republic to prospect for gold and silver exploration in exchange for EUR 100.

During the previous reporting period, the Company was informed by Green View s.r.o. that the Lutila exploration area had been granted by the Slovak Ministry of Environment (Department of State Geological Administration), with an effective date of March 23, 2023. The Lutila exploration area is located in Central Slovakia and 5km south of the historic Kremnica quartz-adularia gold deposit. The Lutila exploration licence covers an area of 32.2km² and has been granted for an initial 4-year period.

During the quarter, the Company has been working on incorporating a Slovak subsidiary (Stredné Slovensko s.r.o.). It is expected that the Company's Slovak subsidiary will be set up and operational during Q3, 2023. The first order of business for Stredne Slovensko s.r.o. will be to exercise the option agreement with Green View s.r.o. in relation to the Lutila exploration licence.

Qualified Person

Sean Hasson, the Company's President and CEO and a qualified person pursuant to National Instrument 43-101, has reviewed and approved the scientific and technical data contained in this Interim MD&A.

Financial Review

The Company incurred a net loss of \$1,182,914 (\$0.11 per share) during the six months ended June 30, 2023.

Expenses incurred during the three months ended June 30, 2023, include professional fees of \$213,582, comprising of legal fees of \$144,807, audit fees of \$39,268 and other accounting and consulting fees of \$29,507. Further expenses include travel expenses of \$27,268 and stock exchange listing fees of \$16,713. The Company realized finance income of \$10,877 on cash investments and incurred finance expenses of \$36,483 (realized exchange loss and interest on loans from related parties).

Investing Activities

During the six months ended June 30, 2023, in accordance with its accounting policy on exploration expenditures, the Company capitalized an amount of \$125,341 to its exploration and evaluation assets (\$59,290 during the comparative six month period in 2022) with the increase in investment related to activities on the Kutel exploration project. In addition, other capital expenditures (computer equipment and technical equipment for exploration activities) for the six month period in June 30, 2023 and 2022 were \$10,758 and \$2,431, respectively.

Financing activities

The Private Placement closing of Tranche 1 provided cash of \$1,659,999 which was partially offset by issuance costs of \$104,223 (which includes legal fees of \$57,728, finder's fees of \$46,025 and some nominal bank fees) and the repayment to Dundee Resources of the \$100,000 loan advanced in 2022 plus accrued interest.

Liquidity and Capital Resources

As at June 30, 2023, the Company had a working capital of \$2,584,856 compared to a working capital deficit of \$1,039 as at December 31, 2022. The increase in working capital is mainly attributable to the cash and cash equivalents of \$1,781,069 acquired on the reverse acquisition as well as proceeds from the company's private placement of \$1,659,999 (partially offset by share issue expenses of \$104,223, including legal fees, finder's fees and listing fees related to same).

The Company funds its activities through equity financing. The current cash on hand is expected to be sufficient to meet the Company's obligations and general and administrative expenses for at least twelve months from the end of the reporting period. The Company will need to raise additional funds to pursue the exploration and development of its projects. There can be no assurance that management will be able to secure additional financing, or that such additional financing will be available to the company or that it will be available on terms which are acceptable to the Company.

Outstanding securities

As of August 24, 2023, the company has 27,597,928 issued and outstanding common shares, 3,683,415 share purchase warrants exercisable at a price of \$0.40 until December 23, 2024, 281,759 finder's warrants exercisable at a price of \$0.40 until December 23, 2024, 666,666 compensation options exercisable at a price of \$0.30 until April 2027 and 2,752,000 stock options exercisable at of \$0.30 until July 20, 2028.

Shares subject to escrow

As at June 30, 2023, 75% of the issued and outstanding seed shares (1,840,000 seed shares) are held in escrow pursuant to the terms of Escrow Agreements dated February 11, 2022 (seed shares) between the

Company, TSX Trust Company, and the holders of the seed shares. In accordance with the CPC Policy 2.4, 25% of these securities were released on the date of the final Qualifying Transaction Exchange bulletin and an additional 25% will be released on each of the dates that are 6, 12 and 18 months from the Transaction date of March 17, 2023.

Shares issued to the Company's President and CEO resulting from the completion of the Transaction (3,174,600 shares) are being held in escrow with 5% of these shares released on completion of the Transaction and the remainder to be released over a period of 36 months as per the Surplus Security Escrow Agreement for a Tier 2 Issuer. Shares issued to non-principal security holders resulting from the completion of the Transaction (6,349,200 shares) are also being held in escrow with 10% of these shares released on completion of the Transaction and the remainder to be released over a period of 36 months as per the Value Security Escrow Agreement for a Tier 2 Issuer.

Financial Risk Factors

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include liquidity risk and credit risk. Where material, these risks are reviewed and monitored by the board of directors.

Other Risks Factors

The Company has no history of earnings and expects to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. Substantial expenditures are required to identify mineral deposits.

The Company's activities are highly speculative due to the nature of mineral exploration generally. The Company's projects are in the early exploration stage. Few properties that are explored are ultimately developed into producing mines. Resource exploration and development is characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate.

Risk factors relating to the Resulting Issuer and risks related to mining operations are fully described in the Company's filing statement, dated as of February 23, 2023, filed on SEDAR.

Cautionary note regarding forward information

This Interim MD&A contains "forward-looking information", within the meaning of applicable securities laws. Generally, forward-looking information or statements can be identified by the use of forward-looking terminology such as "plans", "expects", "budget", "scheduled", "estimates", "intends", "anticipates" or "believes", or variations of such words or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Such forward-looking statements in this Interim MD&A include, but are not limited to: the Company's exploration and financing plans; references to the potential of the Kutel Gold Project and the Kostilkovo Gold Project; the exercise of the option in relation to the Lutilla exploration licence; the likelihood of discovering resources; any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements; the timing and amount of estimated exploration expenditures and capital raises for the Company; the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; the liquidity of the common shares in the capital of the Company; and any other events or conditions that may occur in the future.

Forward-looking information is not historical facts. Forward-looking information is based on the reasonable assumptions, estimates, analyses and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Despite a careful process to prepare and review the forward-looking information, forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by the forward-looking information for various reasons discussed throughout this Interim MD&A and there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, including the inherent uncertainty of mineral exploration; risks related to title to mineral properties; and credit, market, currency, operational, commodity, geopolitical, liquidity and funding risks generally, including changes in economic conditions, interest rates or tax rates and general market and economic conditions. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this Interim MD&A. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this Interim MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information or future events or otherwise, except as may be required by law. Accordingly, readers

should not place undue reliance on forward-looking information and such statements and information contained in this Interim MD&A are expressly qualified by this cautionary statement.

Additional Information and Continuous Disclosure

Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR+ (www.sedarplus.com).