BULGOLD INC.

(formerly St Charles Resources Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

In Canadian dollars

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Shareholders of
Bulgold Inc. (formerly St Charles Resources Inc.)

Opinion

We have audited the consolidated financial statements of Bulgold Inc. (formerly St Charles Resources Inc.) (hereafter "the Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of net loss and comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "FRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – change in reporting currency

We draw attention to Note 2 to the consolidated financial statements, which explains that the comparative information was translated to Canadian dollars for the year ended December 31, 2022. The consolidated financial statements of the Company for the year ended December 31, 2022, excluding the adjustments that were applied to restate comparative information relating to the change in reporting currency described in Note 2, were audited by another auditor who expressed an unmodified opinion on those statements on April 12, 2023. Our opinion is not modified in respect of this matter.

As part of our audit of the consolidated financial statements for the year ended December 31, 2023, we also audited the adjustments related to the impact of the change in reporting currency applied to the comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the change in reporting currency applied to the comparative information, we were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended December 31, 2022. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Material uncertainty related to going concern" section, we have determined that the matter described below is the key audit matter to be communicated in our report.

Accounting for the reverse acquisition

As described in Note 5 to the consolidated financial statements, on March 17, 2023, a newly formed wholly-owned subsidiary of the Company acquired 100% of the issued and outstanding shares of Eastern Resources OOD, wherein this transaction qualifies as a reverse acquisition (the "RTO Transaction").

Why this is a key audit matter

We identified the accounting for the reverse acquisition as a key audit matter because the determination of the accounting treatment and the fair value of the consideration transferred of $2,359,956, which is material to the consolidated financial statements, required significant judgment and estimates.

How the matter was addressed in the audit

Our audit procedures related to the accounting for the reverse acquisition included, but were not limited to, the following:

- We read the RTO transaction legal documents to understand the terms of the arrangement and to evaluate the proper determination of the accounting acquirer and of the accounting of the transaction as a reverse acquisition;
- With the assistance of our valuation expert, we evaluated the appropriateness of the share price assumption in the valuation of the consideration transferred;
- We evaluated the appropriateness of the expected volatility rate assumption used to determine the fair value of the stock options and warrants as part of the consideration transferred by comparing it to an expected volatility rate independently developed using the historic share trading activity of similar entities.

Information other than the consolidated financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 our 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 our 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Karine Desrochers.

Raymond Chabot Grant Thornton LLP[1]

Montréal
April 19, 2024

CPA auditor, public accountancy permit no. A127023

(in Canadian dollars)	**December 31, 2023**	**December 31, 2022**
	$	**$**
ASSETS		
Current		
Cash and cash equivalents (Note 6)	2,015,716	80,924
Sales taxes receivable	45,114	9,953
Other receivables	13,554	4,983
Prepaids and deposits	27,812	43,249
	2,102,196	139,109
Non-current		
Property and equipment (Note 7)	23,645	16,212
Exploration and evaluation assets (Note 8)	1,145,579	461,891
	1,169,224	478,103
TOTAL ASSETS	**3,271,420**	**617,212**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	211,583	38,158
Due to related parties (Note 12)	403,757	101,990
	615,341	140,148
Non-current		
Due to related parties (Note 12)	-	542,349
Provision for land restoration (Note 9)	6,115	6,069
	6,115	548,418
TOTAL LIABILITIES	621,456	688,566
EQUITY (DEFICIENCY)		
Share capital (Note 11)	4,230,654	484,475
Contributed surplus	848,299	-
Deficit	(2,433,135)	(561,338)
Cumulative translation adjustment	4,146	5,509
TOTAL EQUITY (DEFICIENCY)	**2,649,964**	**(71,354)**
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	**3,271,420**	**617,212**

Nature of operations, business combination and going concern (Note 1)

Events after the Reporting Date (Note 17)

The accompanying notes form an integral part of these consolidated financial statements.

On behalf of the Board,

/s/ Sean Hasson

Sean Hasson, Director

/s/ Vanessa Cook

Vanessa Cook, Director

	Years ended December 31,	
(in Canadian dollars)	**2023**	**2022**
	$	$
Expenses and other items		
Share-based compensation	187,868	-
Salaries and benefits	258,615	100,768
Professional and contractor fees	569,836	282,373
Registration and shareholder information	47,885	-
Travel and representation	61,664	-
Other operating expenses	52,542	-
Depreciation	1,530	(24)
Cost of Listing (Note 5)	734,269	-
Operating Loss	**1,914,209**	**383,117**
Net Finance Expense (Income)	(42,411)	26,479
Net loss	**1,871,798**	**409,596**
Other comprehensive loss		
Item not subsequently reclassified to income		
Foreign currency translation adjustment	1,363	1,085
Net loss and comprehensive loss	**1,873,160**	**410,681**
Basic and diluted loss per share	0.08	0.04
Weighted average number of shares basic and diluted	22,076,328	10,793,637

The accompanying notes form an integral part of these consolidated financial statements.

(in Canadian dollars)	**Number of issued and outstanding common shares**	**Share Capital $**	**Contributed Surplus $**	**Deficit $**	**Cumulative Translation Adjustment $**	**Total Equity (Deficiency) $**
Balance at December 31, 2022	**9,120,000**	**484,475**	**-**	**(561,338)**	**5,509**	**(71,354)**
Acquisition of Mineral Properties (note 5)	11,111,097	2,188,800	171,156	-	-	2,359,956
Private Placements	7,366,831	1,763,955	446,094	-	-	2,210,049
Issuance Costs	-	(206,576)	43,181	-	-	(163,395)
Share Based Compensation			187,868			187,868
Net loss for the year	-	-	-	(1,871,798)	-	(1,871,798)
Translation adjustment	-	-	-	-	(1,363)	1,363
Balance at December 31, 2023	**27,597,928**	**4,230,654**	**848,299**	**(2,433,135)**	**4,146**	**2,649,964**

	Number of issued and outstanding common shares	**Share Capital $**	**Contributed Surplus $**	**Deficit $**	**Cumulative Translation Adjustment $**	**Total Equity (Deficiency) $**
Balance at December 31, 2021	**2,453,333**	**22**	**-**	**(151,742)**	**6,594**	**(145,126)**
Shares issued for cash	-	484,452	-	-	-	484,452
Initial public offering	6,666,667					
Net loss for the year	-	-	-	(409,596)	-	(409,596)
Translation adjustment	-	-	-	-	(1,085)	(1,085)
Balance at December 31, 2022	**9,120,000**	**484,475**	**-**	**(561,338)**	**5,509**	**(71,354)**

The accompanying notes form an integral part of these consolidated financial statements.

(in Canadian dollars)	**Years ended December 31,** **2023** $	**2022** $
Operating Activities		
Net Loss	(1,871,798)	(409,596)
Adjustments for Non-Cash Items		
Share-based compensation	187,868	-
Depreciation	1,530	(24)
Cost of Listing (Note 5)	734,269	-
Finance expense on shareholder loans (note 12)	24,473	20,548
Adjustments for other Working Capital Items		
Increase in Sales Tax Receivable	(33,657)	(9,789)
Increase in Accounts Receivable	(8,570)	(4,760)
Decrease (Increase) in Prepaid Expenses	15,437	(43,249)
Increase in Accounts Payable	13,679	(20,257)
Cash flow from Operating Activities	**(936,770)**	**(359,126)**
Investing Activities		
Cash acquired on acquisition of mineral projects in Bulgaria (note 5)	1,781,069	-
Additions to Exploration and evaluation assets (note 8)	(683,688)	(75,227)
Acquisition of Property and equipment	(6,056)	(15,076)
Cash flow from Investing Activities	**1,091,325**	**(90,303)**
Financing Activities		
Issuance of Shares (note 11)	2,210,049	484,452
Issuance Costs (note 11)	(163,395)	-
Repayment of Amounts due to Related Parties (note 12)	(240,582)	95,634
Cash flow from Financing Activities	**1,806,072**	**579,087**
Net Increase in Cash and Cash Equivalents	**1,960,628**	**129,657**
Effect of exchange rate fluctuation on cash	(25,836)	10 367
Opening Cash and Cash Equivalents	80,924	47,900
Closing Cash and Cash Equivalents	**2,015,716**	**80,924**
Supplemental Information		
Addition of non-cash current assets on reverse acquisition (Note 5)	1,504	-
Addition of property and equipment on reverse acquisition (Note 5)	2,907	-
Assumption of accounts payable and accrued liabilities on reverse acquisition (Note 5)	(159,793)	-

The accompanying notes form an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS, BUSINESS COMBINATION AND GOING CONCERN

BULGOLD Inc. (formerly St Charles Resources Inc.) (the "Company" or "BULGOLD") was incorporated on July 16, 2021, under the Ontario *Business Corporations Act* and was, at that date, 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"). The Company's common shares are listed on the TSX Venture Exchange ("TSXV").

On September 2, 2022, the Company entered into a binding letter of intent with Eastern Resources OOD ("Eastern Resources") in respect of a business combination transaction. Eastern Resources was a private gold exploration company incorporated under the laws of Bulgaria with its head office located in Sofia, Bulgaria. Eastern Resources then controlled 100% of two gold exploration projects located in Bulgaria, on the Bulgarian portion of the Western Tethyan Belt, being the Kutel Gold Project and the Kostilkovo Gold Project. The business combination with Eastern Resources, which constituted the Company's Qualifying Transaction, was completed on March 17, 2023.

For accounting purposes, it has been determined that BULGOLD was the accounting acquiree and Eastern Resources was the accounting acquiror since the former shareholders of Eastern Resources now control BULGOLD, based on the guidance of IFRS 10 – Consolidated Financial Statements and IFRS 3 – Business Combinations, to identify the accounting acquirer (Note 5). These consolidated financial statements are prepared as a continuation of the financial statements of Eastern Resources but reflecting the equity instruments of BULGOLD. Consequently, the annual consolidated statements of net loss and comprehensive loss and cash flows include results of Eastern Resources for the year ended December 31, 2023 and results of the Company for the period from March 17, 2023 to December 31, 2023 and the consolidated statement of financial position at December 31, 2023 reflects the balances of the merged entity. Comparative information included herein is solely those of Eastern Resources.

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 pre-consolidation common shares of the Company (Note 11), following approval by the Company's shareholders at a special meeting of the shareholders held on April 26, 2023. On May 5, 2023, the Company began trading on the TSXV under the new symbol "ZLTO" (was previously "SCRS").

Going concern

These consolidated financial statements have been prepared on the basis of the going concern assumption, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards") applicable to a going concern, as described in the following paragraph. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

As at December 31, 2023, the Company had working capital of $1,486,855 including cash and cash equivalents of $2,015,716. The Company has an accumulated deficit of $2,433,135 ($561,338 as at December 31, 2022), has incurred a net loss of $1,871,798 for the year then ended and a net cash outflow from operations of $936,770. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its obligations and to fund its exploration and evaluation programs and pay general and administration costs. Any future funding shortfall may be met in a number of ways, including the issuance of new equity instruments, cost reductions and other measures.

While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding or initiatives will be available to the Company or that they will be available on terms acceptable to the Company. If Management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements.

2. CHANGE IN REPORTING CURRENCY OF EASTERN RESOURCES

Given that the reporting currency of the Company is the Canadian dollar, the presentation of Eastern Resource's comparative numbers was changed from the Bulgarian Lev to the Canadian dollar. Consequently, the comparative results of operations and assets and liabilities of Eastern Resources were translated to Canadian dollars using the current rate method. Under this method, revenues and expenses are translated using the rates in effect at the date of the transaction, assets and liabilities are translated using the exchange rate at the end of the period and equity accounts are translated at the historical exchange rates. All resulting exchange differences are credited to other comprehensive loss and are reported in a separate component of shareholders' equity.

3. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. The summary of the material accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below.

The Board of Directors approved these audited annual consolidated financial statements on April 19, 2024.

Basis of measurement

These consolidated financial statements were prepared on a historical cost basis and on an accrual basis.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the accounts of the Company and of its wholly owned subsidiaries. The Company has two wholly owned direct subsidiaries, being Eastern Resources (UK) Ltd., which itself wholly owns Eastern Resources (in Bulgaria) and Stredné Slovensko s.r.o., a Slovakian company incorporated on July 19, 2023.

Foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of BULGOLD. The functional currency of Eastern Resources (UK) is the Canadian Dollar and the functional currency of Eastern Resources (Bulgaria) is the Bulgarian Lev, while the functional currency for Stredné Slovensko s.r.o is the Euro. The functional currencies of BULGOLD and its subsidiaries have remained unchanged during the reporting years.

Monetary assets and liabilities denominated in a foreign currency other than the functional currency of each entity are translated at the exchange rate in effect at the reporting date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Revenues and expenses denominated in a foreign currency are translated at the average rate in effect during the year except for depreciation which is translated at the historical rate. Gains and losses on exchange arising from the translation of foreign operations are recorded in profit or loss.

On consolidation, assets and liabilities of BULGOLD's subsidiaries are translated into Canadian dollars at the closing rate in effect at the reporting date. Income and expenses are translated into Canadian dollars at the average rate over the reporting years. Exchange differences are presented as other comprehensive income and recognized in the currency translation adjustment reserve in equity.

Financial instruments

Recognition and derecognition: Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or when it expires.

Classification and initial measurement of financial assets

As of December 31, 2023, the Company classifies its financial assets at amortised cost. The financial assets of the Company include cash and cash equivalents and other receivables.

Measurement at initial recognition

The Company initially recognizes the financial assets according to their fair value increased by the costs directly associated with the financial asset.

Subsequent measurement

Assets held for collecting contractual cash flows, where such cash flows are only payments of the principal and interest, are measured at their amortised cost. Interest income is reported as finance income by applying the effective interest rate method. Any profit or loss arising on derecognition is directly recognized in the profit or loss and is presented in other profit/(loss) together with the foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of net loss and comprehensive loss.

Impairment

The Company applies IFRS 9's impairment requirements by using forward-looking information to recognise expected credit losses. The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1);
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2); and
- Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

Financial liabilities

The Company's financial liabilities include trade and other payables and due to related parties. Financial liabilities are initially measured at fair value and where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Accounting Standards Issued but not yet applied

Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2023. These updates are not expected to have a significant impact on the Company and are therefore not discussed herein.

Cash and cash equivalents

Cash and cash equivalents include deposits held with banks and short-term investments with original maturities of three months or less.

Exploration and evaluation assets

The Company capitalises costs for exploration and evaluation assets when it determines that those assets may be successful in finding specific mineral resources. Costs are accumulated on a field-by-field basis. Costs directly associated with an exploration licence area are capitalised until the determination of reserves is evaluated.

Expenditures included in the initial measurement of exploration and evaluation assets relate to the acquisition of rights to explore, and expenditures for topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

No depreciation and/or amortization is charged during the exploration and evaluation phase.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out based on specific projects or geographical areas.

An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply: a) The right to explore the areas has expired or will expire in the near future with no expectation of renewal; b) No further exploration or evaluation expenditures in the area are planned or budgeted; c) No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the areas; or d) Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

Income taxes

When applicable, income tax on the profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized directly in equity.

Current tax is the expected tax payable on the taxable profit for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination which affects tax or accounting profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date and which are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right and intention to set off current tax assets and liabilities from the same taxation authority.

Equity

Share capital represents the amount received on the issue of shares, less issuance costs. Contributed surplus includes charges related to stock options and warrants until such equity instruments are exercised. Deficit includes all current and prior year losses. Cumulative translation adjustment includes the impact of converting the accounts of the Company's foreign operations into Canadian dollars.

Share-based payment transactions

The Company uses the fair value-based method of accounting for share-based payment arrangements. The fair value of share-based payments to directors, officers, employees and consultants with employee-related functions is recognized as an expense over the vesting period with a corresponding increase to contributed surplus. The fair value of warrants, in respect of an equity financing, are recognized as a share issue expense with a corresponding increase to contributed surplus. The fair value of the options granted is measured using the Black- Scholes option pricing model and taking into account an estimated forfeiture rate and the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. Upon the exercise of share-based payments, the proceeds received, net of any direct expenses, as well as the related compensation expense previously recorded as contributed surplus, are credited to share capital.

Allocation of proceeds of equity financing

The Company allocates the proceeds from an equity financing between common shares and share purchase warrants based on the relative fair values of each instrument. The fair value of the common shares is calculated by using the TSXV share price on the date of the issuance and is accounted for in share capital and the fair value of the share purchase warrants is determined using the Black-Scholes valuation model and is accounted for in contributed surplus.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. Dilutive potential common shares are deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares. The assumed proceeds from these instruments are regarded as having been received from the issue of common shares at the average market price of its shares during the period.

Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS Accounting Standards requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which will require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Exploration and evaluation assets

Determining if there are any facts and circumstances indicating loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated.

In assessing impairment, management makes estimates and assumptions regarding future circumstances, whether an economically viable operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development, and renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the capitalized amount is written-off in the statement of comprehensive loss in the period information becomes available.

Share-based compensation

Management assesses the fair value of warrants and stock options using the Black-Scholes valuation model. The Black-Scholes model requires management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected stock option life. As well, management must make assumptions about anticipated forfeitures based on the historical actions of stock option plan participants.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 1 for more information.

Recognition of deferred income tax assets

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, Management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

5. ACQUISITION OF MINERAL PROJECTS IN BULGARIA

On March 17, 2023, the Company completed its Qualifying Transaction (the "Transaction") with Eastern Resources. In accordance with the business combination agreement dated January 31, 2023, the Transaction was effected by way of a share exchange whereby BULGOLD, on behalf of Eastern Resources (UK) Ltd. ("AcquireCo"), a newly formed wholly-owned subsidiary of BULGOLD incorporated under the laws of the United Kingdom, issued a total of 11,111,097 common shares to acquire 100% of the issued and outstanding common shares of Eastern Resources (the "Eastern Resources Shares").

In accordance with IFRS 3, Business Combinations, the substance of the acquisition is a reverse acquisition as the shareholders of Eastern Resources owned the majority of the voting rights of the Company following the Transaction and the majority of the senior management and members of the board of directors of BULGOLD being drawn predominantly from Eastern Resources, will have the authority and responsibility for planning, directing and controlling the activities of BULGOLD.

Years ended December 31, 2023 and 2022 (audited, in Canadian dollars)

As BULGOLD did not qualify as a business according to the definition in IFRS 3, this Transaction does not constitute a business combination; rather it is treated as a deemed issuance of shares by Eastern Resources for the net assets of BULGOLD and BULGOLD`s listing status and these condensed consolidated financial statements reflect the acquisition of the assets and liabilities of BULGOLD.

As a share-based payment transaction, the Company measures the goods or services received at the more reliable measure of the fair value of the goods and services received, or the fair value of the equity instruments granted. Management has determined that the fair value of the deemed equity instruments granted was the more reliable measure, which resulted in a total consideration of $2,359,956, calculated based on the fair value of the equity instruments of BULGOLD.

The acquired shares represent the outstanding shares of BULGOLD at March 16, 2023 recorded at their deemed fair value of $0.24 per share, being the trading price of BULGOLD's shares immediately preceding the announcement of the business combination. The acquired stock options represent the outstanding stock options of BULGOLD at March 16, 2023. The stock options were valued using the Black-Scholes valuation model using an expected volatility of 85% (based on the volatility of comparable entities), a risk-free interest rate of 3.6%, an expected life of approximately 1.8 years, and an expected dividend yield of 0%. The acquired warrants represent the outstanding warrants of BULGOLD at March 16, 2023. The warrants were valued using the Black-Scholes valuation model using an expected volatility of 85% (based on the volatility of comparable entities), a risk-free interest rate of 3.3%, an expected life of approximately 4.1 years, and an expected dividend yield of 0%.

Consideration transferred	**$**
Fair value of BULGOLD shares (9,120,000 shares)	2,188,800
Fair value of BULGOLD stock options (912,000 stock options)	76,470
Fair value of BULGOLD warrants (666,666 warrants)	94,686
	2,359,956

Estimated fair value of the net assets acquired	**$**
Cash	1,781,069
Accounts receivable	1,504
Property and equipment	2,907
Accounts payable and accrued liabilities	(159,793)
	1,625,687
Cost of listing	734,269
	2,359,956

The excess of the consideration transferred over the net assets acquired in the amount of $734,269 has been charged to net loss and was presented as Cost of listing.

Following the closing of the Transaction, the issued and outstanding stock options and warrants of BULGOLD Inc. continue to be in effect and are deemed to be issued as part of the Transaction.

Years ended December 31, 2023 and 2022 (audited, in Canadian dollars)

6. CASH AND CASH EQUIVALENTS

As at December 31, 2023, cash and cash equivalents includes $1,525,000 of guaranteed investment certificates (GICs). One 60-day GIC for $675,000 matures on February 26, 2024 at a rate of 5.44% and a 60-day GIC for $850,000 matures on January 27, 2024 at a rate of 5.61%. Cash and cash equivalents includes an amount of $12,422 held in a bank account in favor of the Ministry of Energy of Bulgaria to cover requirements for future environmental rehabilitation work and / or if the Company fails to complete the previously agreed work programs.

7. PROPERTY AND EQUIPMENT

Assets subject to depreciation and amortization are as follows:

	Service vehicles	Other equipment	Total
	$	$	$
Cost			
Balance at December 31, 2021	-	1,763	1,763
Additions	14,811	2,684	17,495
Net exchange differences	-	(37)	(37)
Balance at December 31, 2022	14,811	4,410	19,221
Additions	10,611	7,667	18,278
Net exchange differences	114	34	148
Balance at December 31, 2023	25,536	12,112	37,647
Accumulated depreciation and amortization			
Balance at December 31, 2021	-	617	617
Depreciation and amortization	1,314	1,068	2,382
Net exchange differences	-	11	11
Balance at December 31, 2022	1,314	1,696	3,010
Depreciation and amortization	5,544	5,444	10,988
Net exchange differences	10	(5)	5
Balance at December 31, 2023	6,868	7,134	14,002
Carrying Value			
At December 31, 2022	13,497	2,715	16,212
At December 31, 2023	18,668	4,977	23,645

Years ended December 31, 2023 and 2022 (audited, in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

Amounts invested in exploration and evaluation assets not subject to depreciation and amortization are as follows:

Exploration and Evaluation Assets	Chukata	Kutel	Total
Balance at December 31, 2021	325,828	6,836	332,664
Investment Additions	76,685	49,376	126,061
FX Difference	3,101	65	3,166
Balance at December 31, 2022	405,614	56,277	461,891
Investment Additions	223,030	457,113	680,143
FX Difference	3,113	432	3,545
Balance at December 31, 2023	631,757	513,822	1,145,579

As of December 31, 2023 only costs related to projects in Bulgaria, were capitalized. The Chukata exploration license, in Bulgaria is valid until August 7, 2025.

An annex to the current Kutel Exploration Licence, in Bulgaria, was concluded with the Ministry of Energy (MoE) on January 4, 2024. The MoE and the Ministry of Environment and Waters (MoEW) are currently reviewing the Company's submitted two-year work program. Once the MoE approves the work program, then the MoEW needs to provide final approval which then becomes the 'effective date' for the Kutel Exploration Licence and allows for two further years of exploration.

On October 7, 2022, Eastern Resources (Bulgaria) entered into a cooperation agreement and a transfer of exploration area agreement with Green View s.r.o., an arm's length privately held Slovakian company, pursuant to which the Company has an option to acquire a 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. In Q2 of 2023, 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 6, 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 32.2km^2 and has been granted for an initial 4-year period.

The Company's Slovak subsidiary, Stredné Slovensko s.r.o., was informed by the Ministry of Environment (Department of State Geological Administration) on September 7, 2023, by decision, that the property had been transferred to the Company pending a 15-day appeal process, which ended on September 22, 2023. No appeals were received during such period.

9. PROVISION FOR LAND RESTORATION

According to the contracts for prospecting and exploration of metallic minerals, concluded with the Ministry of Energy of Bulgaria, the Company has commitments for future environmental rehabilitation and restoration costs for its two exploration areas (Kostilkovo and Kutel), amounting to $6,115 at December 31, 2023 ($6,069 at December 31, 2022).

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10. INCOME TAXES

The income tax provision differs from the amount resulting from the application of the combined Canadian statutory income tax rate as follows:

	Years ended December 31, 2023	2022
	$	$
Net loss before income taxes	(1,871,798)	(409,596)
Tax using the Company's domestic tax rate (26.50%)	(496,027)	(108,543)
Effect of tax rate on deferred income tax balance	68,380	67,972
Non-deductible expenses	77,870	7,989
Unrecognized tax assets	349,747	41,195
Others	30	(8,614)
Income tax expense	-	-

Unrecognized deductible temporary differences for which no deferred tax assets have been recognized are presented in the following tables. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilize the benefits therefrom.

NOTE: For 2022, only for Eastern Resources EOOD (Bulgaria) is included.

	Canada	UK	Slovakia	Bulgaria	Total
As at December 31, 2023	$	$	$	$	$
Non-capital loss carry forwards	743,954	4,500	42,126	682,760	1,473,340
Property and equipment	296,879	-	-	11,623	308,502
Share issue expenses	811,574	-	-	-	811,574
Provision deductible in 2024	-	-	117,377	8,243	125,620
Other	-	-	-	12,587	12,587
	1,852,406	4,500	159,503	715,212	2,731,622

	Bulgaria	Total
As at December 31, 2022	$	$
Non-capital loss carry forwards	414,467	414,467
Other	42,422	42,422
	456,889	456,889

The Company has non-capital loss carry-forwards in Canada of $743,954, available to reduce taxable income in future years, expiring starting in 2042 until 2043. The Company's wholly owned subsidiary in Bulgaria also has loss carry-forwards of $682,760 at December 31, 2023, available to reduce taxable income in future years, expiring starting in 2024 until 2027.

11. SHARE CAPITAL AND WARRANTS

Authorized and issued

An unlimited number of common shares with no par value.

On May 5, 2023, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation common share for every three pre-consolidation common shares of the Company. The number of issued and outstanding common shares, compensation options and stock options presented in these consolidated financial statements take into account the consolidation of the Company's common shares as if the consolidation had been in place during the reporting period.

2022 Issue of securities

In April of 2022 the company completed its initial public offering and issued 6,666,667 shares.

2023 *Issue of securities*

On June 23, 2023, the Company completed the first tranche of a non-brokered private placement through the issuance of 5,533,331 units (the "Units") for total proceeds of $1,659,999. Each Unit consisted 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. The fair value of the warrants was estimated by applying the Black-Scholes option pricing model, using an expected time-period of 1.5 years, a weighted average risk-free interest rate of 4.5%, a weighted average volatility rate of 123% and a 0% dividend factor. An amount of $331,896 was allocated to the share purchase warrants and presented as part of contributed surplus. Finders' fees and related legal fees related to this tranche of the private placement amounted to $104,223.

On July 7, 2023, the Company completed the second and final tranche of its private placement with the issuance of 1,833,500 units, for gross proceeds of $550,050. 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. For this second tranche, the weighted average risk-free interest rate of 4.6%, a weighted average volatility rate of 123% and a 0% dividend factor. An amount of $114,199 was allocated to the share purchase warrants and presented as part of contributed surplus. Finders' fees and related legal fees related to this final tranche of the private placement amounted to $59,172.

Years ended December 31, 2023 and 2022 (audited, in Canadian dollars)

Share purchase warrants

On June 23, 2023, as part of the first tranche of the private placement completed on the same date, the Company issued a total of 153,416 finders' warrants exercisable at a price of $0.40 until December 23, 2024. The fair value of the warrants was estimated at $0.15 per warrant by applying the Black-Scholes option pricing model, using an expected time-period of 1.5 years, a weighted average risk-free interest rate of 4.5%, a weighted average volatility rate of 123% and a 0% dividend factor. The estimated fair value of the finders' warrants in the amount of $23,003 was presented as share issue expenses.

On July 7, 2023, as part of the second and final tranche of the private placement completed on the same date, the Company issued a total of 128,343 finders' warrants exercisable at a price of $0.40 until December 23, 2024. The fair value of the warrants was estimated at $0.16 per warrant by applying the Black-Scholes option pricing model, using an expected time-period of 1.5 years, a weighted average risk-free interest rate of 4.6%, a weighted average volatility rate of 123% and a 0% dividend factor. The estimated fair value of the finders' warrants in the amount of $20,177 was presented as share issue expenses.

The underlying expected volatility described above was determined by reference to historical data of comparable companies' price over the expected life of the warrants.

The following tables reflect the activity related to share purchase warrants:

Share Purchase Warrant Grant Date	Notes Regarding Warrant Issuance	Purchase Warrants Granted	Number of warrants on December 31, 2023	Exercise Price per share	Expiry Date of Purchase Warrant
	IPO Broker Warrants	666,666	666,666	$0.30	April 26, 2027
June 23, 2023	Private Placement	2,920,080	2,920,080	$0.40	December 23, 2024
July 7, 2023	Private Placement	1,046,093	1,045,093	$0.40	December 23, 2024
Total	-	4, 631,839	4,631,839		

12. RELATED PARTY TRANSACTIONS

Amounts due to related parties are as follows:	December 31, 2023 $	December 31, 2022 $
Current Liabilities Loan from Dundee Resources Ltd., a shareholder of BULGOLD principal and accrued interest (a)	-	101,990
Current Liabilities Payable to GEOPS-Bolkan Drilling Services, a shareholder of BULGOLD (b)	403,757	-
Non-current liabilities Payable to GEOPS-Bolkan Drilling Services, a shareholder of BULGOLD discounted amount (b)	-	400,216

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Non-current liabilities Loan from Seefin Capital, a shareholder of BULGOLD principal and accrued interest (c)	-	129,604
Non-current liabilities Loan from Balkan Mineral and Discovery, a shareholder of BULGOLD principal and accrued interest (d)	-	12,529
Total Amounts due to related parties	403,757	542,349

Finance expense of $27,148 and $49,803 on these related party liabilities was charged to net loss during the year ended December 31, 2023 ($5,317 and $17,895 during the comparative periods in 2022).

a) In 2022 the Company entered into a loan agreement with Dundee Resources Ltd. for an amount of $100,000; the loan had applicable interest at the annual rate of 10%; the loan and accrued interest ($3,353) was repaid on April 7, 2023.

b) Related to drilling services provided by the shareholder GEOPS-Bolkan Drilling Services EOOD to the Company's subsidiary in Bulgaria.

c) In 2014, 2016, 2017, 2019 and 2021 the Company signed loan agreements with the shareholder Seefin Capital OOD. The loan terms included annual interest of 4.5%. The loans were paid off in July of 2023.

d) In 2016, the Company entered into a loan agreement with the shareholder Balkan Mineral and Discovery EOOD. The amount of the principal was approximately $7,500 (10,000 Bulgarian Leva) bearing annual interest rate of 10%. The loan was paid off in July of 2023.

Remuneration of directors and key management of the Company

The remuneration awarded to directors and to senior key management, including the President and Chief Executive Officer and the Chief Financial Officer, during the year ended December 31, 2023, totaled $381,563, including $137,836 in share-based compensation compared to total remuneration of $123,890 in 2022 (with zero share based compensation).

13. SHARE-BASED PAYMENTS

The shareholders of the Company adopted and approved its stock option plan ("SOP") for employees, officers, directors and consultants to the Company and its affiliates. The Board of Directors has delegated the authority to oversee the SOP to the Compensation Committee which may determine the time during which any options may vest. The exercise price of an option shall not be lower than the closing price of the common shares on the TSXV on the last trading day prior to the date of the grant. The options shall be for such periods as the Compensation Committee determines up to a maximum of five years.

The maximum number of common shares issuable pursuant to the SOP shall not exceed 10% of the total number of common shares outstanding from time to time.

Years ended December 31, 2023 and 2022 (audited, in Canadian dollars)

Stock options

The following sets out the activity in stock options:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Number	Weighted average exercise price ($)	Number	Weighted average exercise price ($)
Acquisition of mineral projects (note 5)	912,000	0.30	-	-
Granted	1,840,000	0.30	-	-
Stock options, end of year	**2,752,000**	**0.30**	**-**	**-**

On July 20, 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 fair value of the stock options was estimated at $0.18 per option by applying the Black-Scholes option pricing model, using a share price of $0.285, an expected time-period of 5 years, a weighted average risk-free interest rate of 3.85%, a weighted average volatility rate of 78% and a 0% dividend factor. 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.

The underlying expected volatility of all option grants was determined by reference to historical data of comparable companies' share price over the expected stock option life. No special features inherent to the stock options granted were incorporated into the measurement of fair value. An expense of $187,868 was recorded in 2023.

The following table reflects the stock options issued and outstanding on December 31, 2023:

Stock Options Issued and Outstanding as at December 31, 2023	Number of Stock Options	Option Exercise Price $	Remaining Contractual Life in Years	Number of Exercisable Stock Options	Exercise Price of Exercisable Stock Options
	684,000	$0.30	0.2	684,000	$0.30
	228,000	$0.30	3.3	228,000	$0.30
	1,840,000	$0.30	4.6	613,333	$0.30
Total Options	**2,752,000**	**$0.30**	**3.4**	**1,525,333**	**$0.30**

Years ended December 31, 2023 and 2022 (audited, in Canadian dollars)

14. SEGMENTED INFORMATION

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief executive officer. The Company has determined that there is only one operating segment consisting of acquiring, exploring and evaluating mining property assets. The Company's assets are located in Canada, Bulgaria and Slovakia (Bulgaria in 2022) Assets are located as follows:

Segmented Information – December 31, 2023	**Canada**	**Bulgaria**	**Slovakia**	**Total**
Current assets	1,712,352	326,631	63,212	2,102,196
Property and equipment	1,427	22,218	-	23,645
Exploration and evaluation assets	-	1,145,579	-	1,145,579
Total assets	**1,713,779**	**1,494,428**	**63,212**	**3,271,420**

Segmented Information – December 31, 2022	**Canada**	**Bulgaria**	**Slovakia**	**Total**
Current assets	-	139,109	-	139,109
Property and equipment	-	16,212	-	16,212
Exploration and evaluation assets	-	461,891	-	461,891
Total assets	-	**617,212**	-	**617,212**

15. CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity. When managing capital, the Company's objectives are a) to ensure the entity continues as a going concern; b) to increase the value of the entity's assets; and c) to achieve optimal returns to shareholders. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. At December 31, 2023, managed capital totaled $2,649,964 (deficit of $71,354 at December 31, 2022).

The Company's properties are currently in the exploration stage. As such, the Company is dependent on external financing to fund its activities. The amount and timing of additional funding will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There were no changes in the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to any externally imposed capital requirements at December 31, 2023.

16. FINANCIAL RISK MANAGEMENT

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the Company's financial objectives, policies and processes during the year ended December 31, 2023.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following summarizes the contractual maturities of the Company's financial and lease liabilities at December 31, 2023:

Contractual Maturities of Financial Obligations December 31, 2023	**Carrying amount $**	**Settlement amount $**	**Within 1 year $**	**Over 1 year $**
Accounts payable and accrued liabilities	169,754	169,754	169,754	-
Due to related parties	403,757	403,757	403,757	-

Interest rate risk

The Company's interest rate risk relates to cash and cash equivalents. Cash and cash equivalents are subject to fixed interest rates and interest risk is considered immaterial.

Currency risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions conducted in a currency other than the respective functional currencies of each of the entities within the consolidated group. The Company has not entered, into any derivative contracts to manage this risk. Transactions related to the Company's activities in Bulgaria and Slovakia are mainly denominated in Bulgarian Leva and Euros. The consolidated entity seeks to minimise its exposure to currency risk by monitoring exchange rates and entering into foreign currency transactions that maximize the consolidated entity's position. The board considers this policy appropriate, taking into account the consolidated entity's size, current stage of operations, financial position and the board's approach to risk management.

Currency risk for the company is low because almost all of the financial assets and liabilities are in the functional currency of respective subsidiaries. At December 31, 2023, The Company is exposed to the Euro-Bulgarian Leva currency risk for cash and cash equivalents of 202 860 $ dominated in Euro. The impact of this risk on comprehensive loss is considered immaterial.

17. EVENTS AFTER THE REPORTING DATE

On February 23, 2024, as a result, of the work program and license extension related to the Kutel exploration license in Bulgaria, a bank guarantee was put in place resulting in additional restricted cash of $32,300 (43,165 BGN). With this addition the total restricted cash for the company as of February 23, 2024 is $44,722 (59,765 BGN).