

BULGOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

In Canadian dollars

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Bulgold Inc.

Opinion

We have audited the consolidated financial statement of Bulgold Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of net loss and comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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. 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.

Other matter

The consolidated financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on April 19, 2024.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2024 and as of that date, has an accumulated deficit balance. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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, 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 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 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 judgement 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 risks 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.

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 of the audit resulting in this independent auditor's report is Regina Kwong.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 17, 2025

BULGOLD INC.
Consolidated Statements of Financial Position

<i>(in Canadian dollars)</i>	December 31, 2024	December 31, 2023
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (note 6)	345,204	2,015,716
Sales taxes receivable	9,420	45,114
Other receivables	4,087	13,554
Prepays and deposits	15,542	27,812
	<u>374,253</u>	<u>2,102,196</u>
Non-current		
Property and equipment (note 7)	13,762	23,645
Exploration and evaluation assets (note 8)	2,380,671	1,145,579
	<u>2,394,433</u>	<u>1,169,224</u>
TOTAL ASSETS	2,768,686	3,271,420
LIABILITIES		
Current		
Accounts payable and accrued liabilities	206,195	211,584
Due to related parties (note 12)	413,167	403,757
	<u>619,362</u>	<u>615,341</u>
Non-current		
Provision for land restoration (note 9)	6,242	6,115
	<u>6,242</u>	<u>6,115</u>
TOTAL LIABILITIES	625,604	621,456
EQUITY		
Share capital (note 11)	4,230,654	4,230,654
Contributed surplus	984,248	848,299
Deficit	(3,101,844)	(2,433,135)
Cumulative translation adjustment	30,024	4,146
TOTAL EQUITY	2,143,082	2,649,964
TOTAL LIABILITIES AND EQUITY	2,768,686	3,271,420

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

BULGOLD INC.**Consolidated Statements of Net Loss and Comprehensive Loss**

	Years ended December 31,	
<i>(in Canadian dollars)</i>	2024	2023
	\$	\$
Expenses and other items		
Share-based compensation (note 12 & 13)	135,949	187,868
Salaries and benefits (note 12)	192,608	258,615
Professional and contractor fees	269,307	569,836
Registration and shareholder information	28,780	47,885
Travel and representation	29,586	61,664
Other operating expenses	48,906	52,542
Depreciation (note 7)	1,427	1,530
Cost of listing (note 5)	-	734,269
Operating Loss	706,563	1,914,209
Net finance income	(37,854)	(42,411)
Net loss	668,709	1,871,798
Other comprehensive loss		
Item subsequently reclassified to income		
Foreign currency translation adjustment	(25,878)	1,363
Net loss and comprehensive loss	642,831	1,873,161
Basic and diluted loss per share	0.02	0.08
Weighted average number of shares basic and diluted	27,597,928	22,076,328

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

BULGOLD INC.
Consolidated Statements of Changes in Equity

<i>(in Canadian dollars)</i>	Number of issued and outstanding common shares	Share Capital	Contributed Surplus	Deficit	Cumulative Translation Adjustment	Total Equity
		\$	\$	\$	\$	\$
Balance at December 31, 2023	27,597,928	4,230,654	848,299	(2,433,135)	4,146	2,649,964
Share based compensation		-	135,949	-	-	135,949
Net loss for the year		-	-	(668,709)	-	(668,709)
Translation adjustment		-	-	-	25,878	25,878
Balance at December 31, 2024	27,597,928	4,230,654	984,248	(3,101,844)	30,024	2,143,082

<i>(in Canadian dollars)</i>	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	-	(561,337)	5,509	(71,354)
Reverse take-over (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

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

BULGOLD INC.
Consolidated Statements of Cash Flows

	Years ended December 31,	
<i>(in Canadian dollars)</i>	2024	2023
	\$	\$
Operating Activities		
Net Loss	(668,709)	(1,871,798)
Adjustments for Non-Cash Items		
Share-based compensation	135,949	187,868
Depreciation (note 7)	1,427	1,530
Cost of Listing (note 5)	-	734,269
Finance expense on shareholder loans (note 12)	-	24,473
Adjustments for other Working Capital Items		
Decrease (Increase) in Sales Tax Receivable	35,694	(33,657)
Decrease (Increase) in Other Receivables	9,466	(8,570)
Decrease in Prepaids and Deposits	12,271	15,437
Increase in Accounts Payable and Accrued Liabilities	4,148	13,678
Cash flow from Operating Activities	(469,754)	(936,770)
Investing Activities		
Cash acquired on acquisition of mineral projects in Bulgaria (note 5)	-	1,781,069
Additions to Exploration and evaluation assets (note 8)	(1,235,092)	(683,688)
Capitalized Depreciation (note 7)	9,818	8,609
Acquisition of Property and equipment (note 7)	(1,375)	(14,665)
Cash flow from Investing Activities	(1,226,649)	1,091,325
Financing Activities		
Issuance of Shares (note 11)	-	2,210,049
Issuance Costs (note 11)	-	(163,395)
Repayment of Amounts due to Related Parties (note 12)	-	(240,582)
Cash flow from Financing Activities	-	1,806,072
(Decrease) Increase in Cash and Cash Equivalents	(1,696,402)	1,960,628
Effect of exchange rate fluctuation on cash	25,890	(25,836)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,670,512)	1,934,792
Opening Cash and Cash Equivalents	2,015,716	80,924
Closing Cash and Cash Equivalents	345,204	2,015,716
<u>Cash and cash equivalents composed of:</u>		
Cash in the bank	113,235	478,294
Short term investments (note 6)	200,000	1,525,000
Guarantees for land restoration (note 6)	31,969	12,422
Closing Cash and Cash Equivalents	345,204	2,015,716
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)
Number of shares issued for reverse take-over		2,359,956

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”) under the symbol “ZLTO”.

On March 17, 2023, the Company completed a business combination with Eastern Resources OOD (“Eastern Resources”), a private gold exploration company incorporated under the laws of Bulgaria with its head office located in Sofia, Bulgaria, which constituted the Company’s Qualifying Transaction (Note 5).

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.

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, 2024, the Company had cash and equivalents of \$345,204. The Company has an accumulated deficit of \$3,101,844 as at December 31, 2024 (\$2,433,135 as at December 31, 2023), has incurred a net loss of \$668,709 for the year then ended (\$1,871,798 for 2023) and a net cash outflow from operations of \$469,754 (\$936,770 in 2023). 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 various 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. REPORTING CURRENCY OF EASTERN RESOURCES and STREDNÉ SLOVENSKO

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 (its functional currency) 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. For Stredné Slovensko, in Slovakia the treatment is similar with results being translated from Euros (its functional currency) to Canadian dollars.

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 consolidated financial statements on April 17, 2025.

Basis of measurement

These consolidated financial statements were prepared on a historical cost basis and on an accrual basis except for cash flow information.

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 EOOD (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 EOOD (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, 2024 and 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 accounts payables and accrued liabilities and amounts 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.

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. 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 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. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted. The fair value of finders 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:

Estimation of Decommissioning and Restoration Costs and the Timing of Expenditures

The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities, changes to estimated costs, discount rate and inflation rate.

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 consolidated 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.

Income and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Accounting Standards Issued but not yet applied

The 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, 2024. These updates are not expected to have a significant impact on the Company and are therefore not discussed herein.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been

excluded. The Company will adopt these pronouncements as of their effective date and is currently assessing the impacts of adoption.

IFRS 9 & IFRS 7 – In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.

IFRS 18 – In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

IAS 21 – In August 2023, the IASB amended IAS 21, The effects of changes in foreign exchange rates, to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

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. 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 2023 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.

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 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 estimated 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
	<u>2,359,956</u>

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)
	<u>1,625,687</u>
Cost of listing	734,269
	<u>2,359,956</u>

The excess of the consideration transferred over the net assets acquired in the amount of \$734,269 was charged to net loss and was presented as Cost of listing during the year ending December 31, 2023. Following the closing of the Transaction, the issued and outstanding stock options and warrants of BULGOLD Inc. continued to be in effect and are deemed to be issued as part of the Transaction.

6. CASH AND CASH EQUIVALENTS

As at December 31, 2024, cash and cash equivalents includes a \$200,000 guaranteed investment certificate (GIC), which matures on January 27, 2025 at a rate of 3.20%. As at December 31, 2023, \$1,525,000 (\$675,000 at 5.44% maturing on February 26, 2024 and \$850,000 at 5.61% maturing on January 27, 2024) was invested in GICs. Cash and cash equivalents includes an amount of \$31,969 (\$12,422 on December 31, 2023) 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, 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	12,111	37,647
Additions	(0)	674	674
Net exchange differences	529	172	701
Balance at December 31, 2024	26,065	12,957	39,022
Accumulated depreciation and amortization			
Balance at December 31, 2022	1,314	1,696	3,010
Depreciation and amortization	5,544	5,444	10,988
Net exchange differences	10	(6)	4
Balance at December 31, 2023	6,868	7,134	14,002
Depreciation and amortization	6,516	4,729	11,245
Net exchange differences	142	(129)	13
Balance at December 31, 2024	13,526	11,734	25,260
Carrying Value			
At December 31, 2023	18,668	4,977	23,645
At December 31, 2024	12,539	1,223	13,762

In 2024 of the total Depreciation and Amortization of \$11,245, \$9,818 was capitalized to Exploration and Evaluation Assets and \$1,427 was expensed. In 2023 of the total Depreciation and Amortization of \$10,988, \$8,609 was capitalized to Exploration and Evaluation Assets and \$1,530 was expensed with a Foreign Exchange difference of \$849.

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	Lutila	Total
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
Investment Additions	148,414	19,959	1,042,990	1,211,363
FX Difference	13,086	10,643	-	23,729
Balance at December 31, 2024	793,257	544,424	1,042,990	2,380,671

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. Currently, the exploration licence is ‘frozen’ at three years and ten months pending the granting of drill pad permissions by the Ministry of Agriculture and Forestry. Once the drill pad permissions are received then the exploration licence becomes ‘unfrozen’ and a new expiration date for the licence will be issued by the Ministry of Energy. The Chukata exploration licence includes 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 Kutel Exploration License, in Bulgaria, is valid until December 21, 2025. The exploration licence includes 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.

For Slovakia, the Lutila Exploration License is valid until March 21, 2027. The Lutila exploration licence covers an area of 32.21km² and is prospective for quartz-adularia epithermal gold mineralisation. The Lutila Gold Project is located northeast of the capital city of the Slovak Republic, Bratislava.

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 \$6,242 at December 31, 2024 (\$6,115 at December 31, 2023).

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,	
	2024	2023
	\$	\$
Net loss before income taxes	(668,709)	(1,871,798)
Tax using the Company's domestic tax rate (26.50%)	(177,208)	(496,027)
Effect of tax rate on deferred income tax balance	48,970	68,380
Non-deductible expenses	48,553	77,870
Unrecognized tax assets	79,685	349,747
Others	-	30
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.

	Canada	UK	Slovakia	Bulgaria	Total
As at December 31, 2024	\$	\$	\$	\$	\$
Non-capital loss carry forwards	988,573	2,631	160,473	772,910	1,924,587
Property and equipment	252,962	-	-	11,813	264,775
Share issue expenses	233,807	-	-	-	233,807
	1,475,342	2,631	160,473	784,723	2,423,169

	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
	1,852,407	4,500	42,126	694,383	2,593,416

The Company has non-capital loss carry-forwards in Canada of \$988,573 available to reduce taxable income in future years, expiring starting in 2041 until 2044. The Company's wholly owned subsidiary in Bulgaria also has loss carry-forwards of \$772,910 at December 31, 2023, available to reduce taxable income in future years, expiring starting in 2026 until 2029. The Company's subsidiary in Slovakia has loss carry-forwards of \$160,473 at December 31, 2024, available to reduce taxable income in future years, expiring starting in 2028 until 2029.

11. SHARE CAPITAL AND WARRANTS

Authorized and issued

An unlimited number of common shares with no par value. As at December 31, 2024, the Company has 27,597,928 issued and outstanding shares (27,597,928 on December 31, 2023).

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.

Share Purchase (Subscriber) 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. All finders fee warrants expired without being exercised on December 23, 2024.

BULGOLD INC.**Notes to Consolidated Financial Statements****Years ended December 31, 2024 and 2023** (in Canadian dollars)

As at December 31, 2024 and December 31, 2023, the Company has 3,683,413 half warrants, related to the 2023 Private Placement. Each full warrant (1,841,707) entitles the subscriber (holder) to purchase one common share at \$0.40. The original expiry of these warrants was December 23, 2024; however, on December 10, 2024 the expiry date for these Private Placement Subscriber warrants was extended to June 23, 2028 upon approval by the TSX Venture Exchange.

Compensation Options (Broker Warrants)

As at December 31, 2024 and December 31, 2023, the Company had 666,666 outstanding compensation options (Broker Warrants) issued on April 26, 2022, at an exercise price of \$0.30, expiring on April 26, 2027, which as of December 31, 2024 have a remaining life of 2.3 years. An additional 281,759 Broker warrants were issued for the 2023 Private Placement and these 281,759 broker warrants expired on December 23, 2024.

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

Share Purchase Warrant Grant Date	Notes Regarding Warrant Issuance	Number of warrants on December 31, 2024	Exercise Price per share	Expiry Date of Purchase Warrant	Remaining Contractual Life in Years
April 26, 2022	IPO Broker Warrants	666,666	\$0.30	April 26, 2027	2.3
June 23, 2023	Private Placement	2,766,664	\$0.40	June 23, 2028	3.5
July 7, 2023	Private Placement	916,749	\$0.40	June 23, 2028	3.5
		4,350,079	\$0.37		3.2

Warrant changes for the years ending December 31, 2024 and 2023	Number of Full Share Warrants	Warrant Exercise Price \$
Balance on December 31, 2022	666,666	\$0.30
Private Placement Participant	3,683,413	\$0.40
Private Placement Broker	281,760	\$0.40
Balance on December 31, 2023	4,631,839	\$0.38
Expired on December 28, 2024	(281,760)	\$0.40
Balance on December 31, 2024	4,350,079	\$0.37

Shares subject to escrow

As of December 31, 2024, 5,079,360 shares were held in escrow (8,845,707 on December 31, 2023). The remaining CPC Seed Shares were released from escrow on September 23, 2024; therefore, the entire balance of shares in escrow relates to the Qualifying Transaction.

Shares issued to the President and CEO of BULGOLD resulting from the completion of the Transaction (3,174,600 common shares) are subject to 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 of December 31, 2024, 2,222,220 shares were still in escrow (2,857,140 on December 31, 2023).

Shares issued to non-principal security holders resulting from the completion of the Transaction (6,349,200 common 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 of December 31, 2024, 2,857,140 shares were still in escrow.

Escrow Shares	CPC Seed Shares	Seefin QT Shares	BMD QT Shares	GEOPS QT Shares	Total Shares
Issued	2,453,333	3,174,600	3,174,600	3,174,600	11,977,133
Released on March 23, 2023	613,333	158,730	317,460	317,460	1,406,983
Released on September 23, 2023	613,333	158,730	476,190	476,190	1,724,443
Released March 23, 2024	613,333	317,460	476,190	476,190	1,883,173
Released September 23, 2024	613,333	317,460	476,190	476,190	1,883,173
In Escrow as at December 31, 2024	0	2,222,220	1,428,570	1,428,570	5,079,360

12. RELATED PARTY TRANSACTIONS

On December 31, 2024, the company had an amount of \$413,167 (\$403,757 on December 31, 2023) which is non-interest bearing and with no fixed term of repayment, owed to GEOPS Ltd., a shareholder of BULGOLD. In 2022, the Company entered into a loan agreement with Dundee Resources Limited, a shareholder of BULGOLD; the loan and applicable interest was paid on April 7, 2023. As of December 31, 2023 an amount of \$96,474 (\$25,000 as of December 31, 2023) was owed to members of the Board of Directors; moreover, these amounts are unsecured and non interest bearing and have not fixed terms of repayment.

Remuneration of directors and key management of the Company

The remuneration awarded to directors and senior key management, including the President and Chief Executive Officer and the Chief Financial Officer, during the year ended December 31, 2024 totaled \$386,129 including \$99,629 in share-based compensation compared to total remuneration of \$381,563 in 2023 (with \$137,836 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.

Stock options

The issued and outstanding stock options on December 31, 2024 were:

	Number of Stock Options	Option Exercise Price \$	Remaining Contractual Life in Years	Number of Exercisable Stock Options	Expiry Date
Issued on April 26, 2022	228,000	\$0.30	2.3	228,000	April 26, 2027
Issued on July 20, 2023	1,840,000	\$0.30	3.6	1,226,667	July 20, 2028
Issued on May 27, 2024	660,000	\$0.30	4.4	220,000	May 27, 2029
Total Options	2,728,000	\$0.30	3.7	1,674,667	

The following sets out the activity in stock options:

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.

On May 27, 2024, the company issued 660,000 stock option to its directors, officers and consultants. The Company used the Black Scholes model for determining the value of \$28,535. The assumptions used include: an exercise price of \$0.30, 5 Year life of options, Vesting over a 2 Year period (1/3 upon on May 27, 2024, and 1/3 on the same day in 2025 and 2026), a volatility rate of 77.8%, an interest (bond) rate of 3.81% and a dividend yield of nil.

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 \$135,949 was recorded in 2024 (\$187,868 in 2023).

Stock option changes for the 3 years ending December 31, 2024	Number of Stock Options	Option Exercise Price \$
Issued April 26, 2022	912,000	\$0.30
Balance on December 31, 2022	912,000	\$0.30
Issued July 20, 2023	1,840,000	\$0.30
Balance on December 31, 2023	2,752,000	\$0.30
Expired on March 17, 2024	(684,000)	\$0.30
Issued on May 27, 2024	660,000	\$0.30
Total Options	2,728,000	\$0.30

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. Assets are located as follows:

Segmented Information – December 31, 2024	Canada	Bulgaria	Slovakia	Total
Current assets	247,187	97,289	29,777	374,253
Property and equipment	-	13,762	-	13,762
Exploration and evaluation assets	-	1,337,681	1,042,990	2,380,671
Total assets	247,187	1,448,732	1,072,767	2,768,686

Segmented Information – December 31, 2023	Canada	Bulgaria	Slovakia	Total
Current assets	1,712,352	326,631	63,213	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	63,213	3,271,420

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, 2024, managed capital totaled \$2,143,082 (\$2,649,964 at December 31, 2023).

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 years ended December 31, 2024 and 2023. The Company is not subject to any externally imposed capital requirements at December 31, 2024.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2024, the company was not compliant with respect to this TSXV capital requirement. Any impact of non-compliance is at the discretion of the TSXV.

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 years ended December 31, 2024 and 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 liabilities at December 31, 2024:

Contractual Maturities of Financial Obligations December 31, 2024	Carrying amount \$	Settlement amount \$	Within 1 year \$	Over 1 year \$
Accounts payable and accrued liabilities	206,195	206,195	206,195	-
Due to related parties	413,167	413,167	413,167	-

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.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

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, 2024, the Company is exposed to the Euro-Bulgarian Leva currency risk for cash and cash equivalents of \$112,758 dominated in Euro (or Bulgarian Leva which is pegged to the Euro). The impact of this risk on comprehensive loss is considered immaterial.

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

17. EVENTS AFTER THE REPORTING DATE

There are no events to be reported.