BLACK DRAGON GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian dollars unless otherwise noted)

Background

This Management's Discussion and Analysis ("MD&A") of Black Dragon Gold Corp. ("Black Dragon Gold" or the "Company"), provides an analysis of the Company's financial results for the three months ended September 30, 2023 and should be read in conjunction with the accompanying audited annual consolidated financial statements for the year ended December 31, 2022 and the related notes thereto and the unaudited Half Year Financial Statements to June 30, 2023. Those unaudited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars, unless otherwise stated. All documents previously mentioned are available for viewing on SEDAR at www.sedar.com. This MD&A is based on information available, and is dated, as at November 9, 2023.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, are complete and reliable.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

Additional information related to the Company, including its Annual Information Form for the most recent fiscal year, is available for view on SEDAR at www.sedar.com.

Company Overview

Black Dragon Gold Corp. was incorporated under the laws of the Province of British Columbia on August 20, 2007. The Company's head office address is Ground Floor, Regent House, 65 Rodney Road, Cheltenham, GL50 1HX. UK. The registered and records office address is 1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC V6C 3L2. On August 29, 2018 the Company listed on the Australian Securities Exchange ("ASX") by way of an initial public offering of CHESS Depository Interests ("CDI's"). The Company's common shares (the "Shares") were voluntarily delisted from the TSX Venture Exchange effective on February 28, 2019.

Black Dragon continues to progress and de-risk the permitting and development of the Salave Gold Project in Northern Spain in the province of Asturias. With the western world opening their economies post the COVID-19 pandemic, the company was able to achieve a number of significant milestones:

(i) **Salave Environmental Impact Assessment**: In July 2021, Black Dragon via its Spanish subsidiary, Exploraciones Mineras del Cantábrico (EMC) submitted the Environmental Impact Assessment (EIA) to the Asturian Ministry of Mines. Following the submission of the EIA, Black Dragon has been working closely with Government of the Principality of Asturias in Spain to manage and work through the public consultation period. In Q1-22, the Company was in receipt of the public comments collated via the EIA public consultative period and in May-22, the Company submitted its final dossier containing its reply to all the EIA public comments. Following the consultation period, the Company has had constant dialogue in response to and following up additional queries and clarifications to the EIA and public comments. The Company continues to liaise with both the regional government and the local council regarding its permitting program.

(ii) **Investigation Permit Sallave Extended:** In Q1-22, the Company successfully rolled over its Sallave Investigation Permit with the Government of the Principality of Asturias for a further 3 years. The Sallave Investigation Permit allows Black Dragon the rights to align the location of the mineral resources with the investigation area, thereby retaining the exploration rights over Black Dragon's land package in a favourable geological setting outside of and contiguous to, the mining concessions that hosts the Salave Gold Deposit. Discussions are ongoing with the Government in managing the partial transformation of the Sallave Investigation Permit into a mining concession adjacent to the current Mining Rights of the Salave Gold Project. This Permit allows the Company to conduct exploration in the adjacent area to the Salave Gold Project.

(iii) **Drilling Permit Received for Salave Gold Project:** During 1H-22, the Government of the Principality of Asturias issued Black Dragon's 100% owned Spanish subsidiary, Exploraciones Mineras del Cantábrico with an 18-hole drilling permit for the Salave Gold Project. The drill hole locations were based on stringent environmental selection criteria to avoid conflicts with local landowners and to comply with the Government's planning framework. This drilling campaign's main focus will be to undertake infill drilling to improve the resource classification from inferred to indicated and from indicated to measured, for mine planning and for geotechnical & metallurgical core samples as part of a definitive feasibility study.

(iv) **Marlee Gold Acquisition:** In July 2022, Black Dragon diversified its exploration portfolio by acquiring 100% of the shares in Marlee Gold Pty Ltd. Marlee Gold is the owner of 3 exploration licences in the North Yilgarn Craton of Western Australia, that has been underexplored but has significant regional gold and copper regional mines. Marlee Gold has 2 main projects called Padbury Gold and Ivan Well spread out over 3 exploration licences covering 481km^2. The main focus for the Marlee Gold prospects is to carry out exploration programs utilizing modern exploration techniques to determine the likelihood of bedrock hosted mineralisation with a focus on gold.

Overview of the Salave Project

Black Dragon Gold owns 100% of the Salave gold deposit through its wholly owned Spanish subsidiary, Exploraciones Mineras del Cantabrico S.L. ("EMC"). The Black Dragon Gold tenure includes five Mining Concessions and associated extensions covering 662 ha and an Investigation Permit covering another 2,765 ha (Table 1).

An Investigation Permit gives the holder the right to carry out, within the indicated perimeter and for a specific term (a maximum of three years), studies and work aimed at demonstrating and defining resources and the right, once defined, to be granted a permit for mining them. The term of an Investigation Permit may be renewed by the Regional Ministry of Economy and Employment for three years and, exceptionally, for successive periods.

A Mining Concession entitles its holder to develop resources located within the concession area, except those already reserved by the State.

Under Spanish regulations, ownership of the land is independent of ownership of the mineral rights.

Table 1: Black Dragon Gold's Concessions - Salave Gold Project, Spain

Concession/Investigation Permit name	**Registration no.**	**Area (ha)**	**Date granted**	**Expiration date**
Concessions				
Dos Amigos	24.371	41.99	10 Sep 1941	10 Oct 2045
Salave	25.380	67.98	10 Apr 1945	10 Oct 2045
Figueras	29.500	212.02	25 Jan 1977	25 Jan 2037
Demasia		92.55		
Ampliacion de Figueras	29.969	10.99	9 Nov 1988	9 Nov 2048
Demasia		68.85		
Segunda Ampliacion de Figueras	29.820	100.04	16 Sep 1981	16 Sep 2041
Demasia		67.55		
TOTAL		**661.97**		
Investigation Permit IP Sallave	30.812	2,665	18 Feb 2014	25 February 2025

Overview of the Marlee Gold Project

During 2022, the Company acquired Australian mining explorer Marlee Gold Pty Ltd, 100% holder of Padbury Gold and Ivan Well projects, as part of its growth strategy. The deal included the purchase of three permits with early-exploration discovering near surface gold. The acquisition marks Black Dragon's maiden entry into Western Australia and forms part of the Company's strategic growth plans, providing Black Dragon with a quality exploration portfolio to complement its flagship Salave gold project in northern Spain. In August 2022, exploration commenced at Padbury Gold Project located north-west of Meekatharra in Western Australia, targeting 520 soil samples across a 15km trend. The initiative was the first step in Stage One of a new exploration programme targeting gold anomalies on a trend of gold occurrences previously identified in prospecting and historic stream sediment sampling. In May 2023 the Company mobilised an RC drilling rig to drill 10 RC holes for a total of 1,038m. This is the Company's maiden drill hole programme targeting an Intrusion Related Gold Structure. Assay results were announced in August 2023, and whilst the results did not yield a substantive economic discovery, the Company is encouraged by anomalous gold and multi-element encounters, indicative of a hydrothermal mineralizing system with the Padbury granitoids. The Company continues to asset the opportunity to conduct further exploration programs for Padbury together with its other exploration permits in Western Australia.

Table 2: Black Dragon Gold's Concessions – Marlee Gold Project, Australia

Concession Name	Licence Number	Square Kms	Date Granted	Expiration Date
Padbury Gold	E51/1942	208	16 July 2020	15 July 2025
Padbury Gold Extension	E51/1969	158	12 July 2021	11 July 2026
Ivan Well	E69/3818	115	1 March 2022	28 February 2027

Douglas Turnbull, P.Geo., is the Company's Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the technical disclosure in this MD&A. For further information regarding the Salave Project please see the technical report titled "NI 43-101 Technical Report – Salave Gold Project Mineral Resource Update for Black Dragon Gold Corp." with an effective date of October 31, 2018, a copy of which is available under the Company's profile at www.sedar.com.

2023 Highlights

The Company continues to focus on developing the 100% owned the Salave project, one of the largest undeveloped gold projects in Europe. The Salave Gold Project is situated in the Asturias province of Northern Spain. As previously disclosed, during 2018, Black Dragon Gold reported an updated Measured Mineral Resource of 1.03 million tonnes grading 5.59 g/t Au, containing 0.19 million ounces of gold; an Indicated Mineral Resource of 7.18 million tonnes grading 4.43 g/t Au, containing 1.02 million ounces of gold, plus Inferred Resources totalling 3.12 million tonnes grading 3.47 g/t Au, containing 348,000 ounces of gold (See Table 1, page 4 in accompanying Audited Annual Consolidated Financial Statements for the year ended December 31, 2022). During 2020, the Company's 100% owned Spanish subsidiary EMC officially received the Terms of Reference ("ToR") from several administrative bodies involved in the EIA process.

During 2021, the Company's focus was on finalizing and submitting the EIA, and in Q1-22, the Company was in receipt of the public comments collated via the EIA public consultative period and in May-22, the Company submitted its final dossier containing its reply to all the EIA public comments. Following the consultation period, the Company has had constant dialogue in response to and following up additional queries and clarifications to the EIA and public comments. We understand a decision on the EIA will be made during CY23, until then we continue to maintain an open and responsive relationship with the Asturian Government. As a result there was minimal exploration activity undertaken which resulted in a reduced exploration expenditure outflow. Subject to permitting success and funding the Company does intend to expand its exploration programme to identify new zones of mineralization.

Also during 2022, the Company completed its acquisition of Marlee Gold Pty Ltd, 100% holder of Padbury Gold and Ivan Well projects, in Australia. During the current period the company received Heritage Survey clearance on Padbury Gold paving the way for an exploration drilling program. In May 2023 the Company mobilised an RC drilling rig to drill 10 RC holes for a total of 1,000m. As at the date of this report the assay results from this drilling exploration programme are outstanding.

In the years prior to 2023, the Company has worked to increasing and creating shareholder value through the following initiatives:

- Ensuring the Salave Gold permits were acquired free of any encumbrances with previous management having resolved the Rand Merchant Bank debt.
- In 2018, the Company expanded the Mineral Resource Estimate via a 2,200m drilling programme at the Salave Gold

Deposit in Asturias, Spain. As a result, the Company reported a new Mineral Resource Estimate as disclosed in Table 1, Page 4 of the accompanying Audited Annual Consolidated Financial Statements for the year ended December 31, 2020

- During 2019, the Company initiated engineering studies and economic analyses on its 100% owned Salave Gold based on the recently completed Mineral Resource Estimate.
- During 2019, the Company identified additional exploration targets within its permitted area. This was done via completion of a 760-line kilometre, high-resolution, airborne magnetic and radiometric, survey over the entire, 3,427 ha Salave Project. The survey succeeded in enhancing our understanding of the geology, and identifying additional exploration targets within the Company's investigative permit area.
- During 2020, the Company worked towards the final submission and approval of an Environmental Impact Assessment and continued to progress negotiations with the local authority and Spanish Government to finalise the remaining approvals to allow the Company to develop the Salave Gold project. The COVID-19 pandemic reduced the Company's activities with restrictions in Spain and more specifically Asturias, preventing the execution and completion of certain field studies and site visits required for the completion of the Company's Environmental and Social Impact Assessment.
- During 2021, the Company's focus was on finalizing and submitting the Environmental Impact Assessment.
- In Q1-22, the Company successfully rolled over its Sallave Investigation Permit with the Government of the Principality of Asturias for a further 3 years. The Sallave Investigation Permit allows Black Dragon the rights to align the location of the mineral resources with the investigation area, thereby retaining the exploration rights over Black Dragon's land package in a favourable geological setting outside of and contiguous to, the mining concessions that hosts the Salave Gold Deposit. Discussions are ongoing with the Government in managing the partial transformation of the Sallave Investigation Permit into a mining concession adjacent to the current Mining Rights of the Salave Gold Project. This Permit allows the Company to conduct exploration in the adjacent area to the Salave Gold Project.
- During 1H-22, the Government of the Principality of Asturias issued Black Dragon's 100% owned Spanish subsidiary, Exploraciones Mineras del Cantábrico with an 18-hole drilling permit for the Salave Gold Project. The drill hole locations were based on stringent environmental selection criteria to avoid conflicts with local landowners and to comply with the Government's planning framework. This drilling campaign's main focus will be to undertake infill drilling to improve the resource classification from inferred to indicated and from indicated to measured, for mine planning and for geotechnical & metallurgical core samples as part of a definitive feasibility study.
- The Company now awaits approval of its EIA and has been in regular contact with the Environment Department of Asturias.

2023 transactions

No transactions to disclose for the nine months ended September 30, 2023.

Selected Financial Data

Quarterly Results

The following table summarizes information, on a quarterly basis, for the last eight quarters:

	Three month period ended September 30, 2023	Three month period ended June 30, 2023	Three month period ended March 31, 2023	Three month period ended December 31, December 2022
Total assets	$ 792,278	$1,279,892	$1,588,703	$1,974,615
Working capital (deficiency)	617,718	953,795	1,285,567	1,668,245
Shareholders' equity (deficiency)	617,718	953,795	1,285,567	1,668,245
Net (loss) income	(353,080)	(404,322)	(382,197)	139,542
Comprehensive (loss) income	(336,076)	(402,686)	(381,552)	138,970
(Loss) income per share - basic	(0.002)	(0.002)	(0.002)	0.01
(Loss) income per share - diluted	(0.002)	(0.002)	(0.002)	0.01

	Three month period ended September 30, 2022	Three month period ended June 30, 2022	Three month period ended March 31, 2022	Three month period ended December 31, 2021
Total assets	$2,294,778	$2,622,198	$3,200,935	$ 2,120,831
Working capital (deficiency)	2,135,332	2,488,257	2,879,025	1,718,419
Shareholders' equity/(deficiency)	2,135,332	2,488,257	2,880,265	1,719,659
Net (loss) income and comprehensive (loss) income	(470,462)	(406,186)	(365,692)	(512,605)
(Loss) income per share - basic	(0.002)	(0.002)	(0.002)	(0.004)
(Loss) income per share - diluted	(0.002)	(0.002)	(0.002)	(0.004)

Results of Operations

Three Months Ended September 30, 2023

During the three months ended September 30, 2023 (the "period"), the Company recorded net loss of $353,080 compared to a net loss of $470,462 incurred during the period ended September 30, 2022 (the "comparative period"). The significant variances resulted from the following:

General exploration

During the current period, the Company incurred costs of $89,326 compared to $197,175 in the prior comparative period. The costs were higher in the comparative period due to work undertaken on the Salave Gold Project's Environmental Impact Assessment.

Cash Flows

Net cash used in operating activities during the three months ended September 30, 2023 was $456,468 (September 30, 2022 quarter - $482,410). The cash used in operating activities for the current period consists primarily of the operating loss of $353,080.

There was no movement in financing activities for the current quarter (2022: Nil).

There was no material movement in investing activities for the current quarter (2022: no material movement).

Contractual Obligations

There are no debt, finance lease, operating lease, purchase obligations or other obligations currently contracted by the Company.

Financial Condition / Capital Resources

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Working capital	$617,718	$953,795	$1,285,567	$1,668,245	$2,135,332
Cash	692,486	1,143,393	1,471,773	1,776,976	2,112,827
Total Assets	792,278	1,279,892	1,588,703	1,974,615	2,294,778
Total Liabilities	174,560	326,097	303,136	306,370	159,446

The Company has financed its recent operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt (when appropriate).

The Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023 have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023 do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence

The Company presently does not have any capital expenditure commitments.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at September 30, 2023 and as of the date of this report.

Contingencies

The Company has no contingencies as at the date of this MD&A.

Related Party Transactions

The Company considers personnel with the authority and responsibility for planning, directing and controlling the activities of the Company to be key management personnel.

The following amounts were incurred with respect to the Company's current and former directors, Chief Financial Officers, and employees of the Company;

		Nine Months ended September 30, 2023		Nine Months ended September 30, 2022
Management and consulting fees	$	207,071	$	173,942
Directors' fees		83,387		57,479
Wages and salaries		75,582		59,984
Share-based compensation		70,913		18,542
	$	436,953	$	309,947

There is $14,644 owed to related parties as at September 30, 2023 (September 30, 2022: nil).

Subsequent Events

There were no subsequent events to report post September 30, 2023.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this report:

	Number of shares issued or issuable
Common shares (including CDI's on ASX)	200,670,055
Performance Rights (issued to Mr Chiappini, Chief Executive Officer, subject to the following milestones: • 1,500,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD$0.10; • 1,500,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD$0.15; and • 2,000,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD$0.20. Each milestone has a 3-year milestone conversion date)	5,000,000
Performance Rights issued to EMC's General Manager, subject to the following milestones convert into ordinary shares upon the award of a Declaración de Impacto Ambiental by the Government of the Principality of Asturias to the Company (through its subsidiary, EMC) in respect of the Company's Environmental Impact Assessment for the Salave Gold Project (the 'Milestone'). The number of performance rights which will vest on satisfaction of the Milestone will be as follows: • 2,875,000 performance rights will vest if Milestone is achieved during the 6 months ended December 31, 2023; • 2,156,250 performance rights will vest if Milestone is achieved during 2024.	Up to 2,870,000

As at September 30, 2023, the following incentive stock options are outstanding:

Expiry Date	Number of Options	Exercise Price	Number of Options Exercisable
September 24, 2027	5,983,333	$0.24	5,983,333
October 22, 2027	416,666	$0.24	416,666
February 7, 2028	333,333	$0.33	333,333
September 7, 2024	4,160,000	AUD$0.096	4,160,000
December 31, 2023	31,544,627	AUD$0.10	31,544,627
July 6, 2024	1,000,000	AUD$0.098	1,000,000
Total as at September 30, 2023	43,437,959		43,437,959

Financial Instruments and Risk Management

Fair value

The inputs used in making fair value measurements are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 - Inputs that are not based on observable market data.

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. Cash and cash equivalents are measured at fair value using Level 1 inputs.

Other than the unlisted options liability, the Company does not carry any financial instruments at FVTPL.

Financial instruments measured at fair value on the consolidated statements of financial position are summarized in levels of fair value hierarchy as follows:

Assets/Liabilities	$ Level 1	$ Level 2	$ Level 3	$ Total
Cash and equivalents	$ 692,486	-	-	$ 692,486
Unlisted Options Liability	-	$11,670	-	$ 11,670

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash and cash equivalents are held at large financial institutions and it believes it has no significant credit risk. The Company's receivables are due from the Government of Canada, Government of Spain, and Government of Australia, and are therefore considered to have no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at September 30, 2023, the Company had current assets of $790,186 to settle current liabilities of $174,560 which either have contractual maturities of less than 30 days and are subject to normal trade terms or are due on demand. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates and foreign exchange rates.

a) Interest rate risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank accounts are subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Spain by using Euros converted from its Canadian bank accounts, and exploration expenses in Australia by using Australian dollars held. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Based on the Company's Euro, AUD, USD, and GBP denominated financial instruments at September 30, 2023, a 10% change in exchange rates between the Canadian dollar, Euro, AUD, USD, and GBP would result in a change of $60,737 in foreign exchange gain or loss.

Risks and Uncertainties

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, legal, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Financial risks include commodity prices, interest rates and the Canadian dollar, United States dollar, Australian dollar, Great British pound and the Euro exchange rate, all of which are beyond the Company's control.

- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

There can be no assurance that future financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements or forward-looking information (collectively “forward-looking statements”) within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “if” “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: (i) the estimation of inferred and indicated mineral resources; (ii) that once the Company obtains a positive Environmental Impact Declaration ("EID") and the authorization of the project, it will be able to commence construction of the Salave gold mine, pending municipal permits; (iii) the market and future price of gold; (iv) the timing, cost and success of future exploration and development activities; (v) currency fluctuations; (vi) requirements for additional capital; and (vii) increases in mineral resource estimates.

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things, the estimation of mineral resources, the realization of resource estimates, gold and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the availability of necessary financing and materials to continue to explore and develop the Salave Gold Property in the short and long-term, the progress of development and exploration activities, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in ore reserves, grade or recovery rates resulting from current exploration and development activities, risks relating to changes in the price of gold, silver and copper and the worldwide demand for and supply of such metals, risks related to current global financial conditions, uncertainties inherent in the estimation of mineral resources, access and supply risks, reliance on key personnel, risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, increases in capital and the risk of delays or increased costs that might be encountered during the development process, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Salave Gold Property and the Marlee Gold Projects may not be available on satisfactory terms, or at all, risks related to disputes concerning property titles and interest, and environmental risks.

Readers are cautioned that the foregoing lists of factors are not exhaustive.

The forward-looking statements in this MD&A are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements contained in this MD&A.

Management's Report on Internal Control over Financial Reporting

Disclosure Controls and Procedures and Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer (the “CEO”) and the Chief Financial Officer (the "CFO"), on a timely basis so that appropriate decisions can be made regarding public disclosure.

As at the end of the period covered by this Management's Discussion and Analysis, management of the Company, with the participation of the CEO and CFO, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian National Instrument 52–109 ("NI 52–109"). The evaluation included documentation review, enquiries and other procedures considered by management to be appropriate in the circumstances. Based on that evaluation, the Company's CEO and CFO have concluded that, as at September 30, 2023, the disclosure controls and procedures (as defined in NI 52-109) were effective to provide reasonable assurance that information required to be disclosed in the Company's annual and interim filings and other reports filed or submitted under applicable securities laws, is recorded, processed, summarized and reported within time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

Management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Canada under NI 52-109. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS as issued by the IASB. The Company's internal control over financial reporting include policies and procedures that:

- maintain records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary for preparation of financial statements in accordance with IFRS as issued by IASB;
- provide reasonable assurance that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's internal control over financial reporting may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

The Company uses the 2013 Internal Control – Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission as the basis for assessing its ICFR. Management performed an evaluation of the Company's ICFR and concluded that, as at September 30, 2023, ICFR were designed and operating effectively so as to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Changes in Internal Controls

There were no changes in the Company's ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting during the six months ended September 30, 2023.

Limitations on Controls and Procedures

The Company's management, including the CEO and CFO, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, may not prevent or detect all misstatements because of inherent limitations. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

BLACK DRAGON GOLD CORP.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

NINE MONTHS ENDED 30 SEPTEMBER 2023

These unaudited condensed consolidated interim financial statements of Black Dragon Gold Corp. for the nine months ended 30 September 2023 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

BLACK DRAGON GOLD CORP.
Unaudited Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
As at September 30, 2023 and December 31, 2022

	Notes	September 30, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		$ 692,486	$ 1,776,976
Receivables	3	97,700	197,639
		790,186	1,974,615
Non Current			
Deposits		2,092	-
Total assets		$ 792,278	$ 1,974,615
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	5,7	$ 162,890	$ 161,287
Unlisted options liability	10	11,670	145,083
Total liabilities		174,560	306,370
Shareholders' equity			
Share capital	6	27,292,949	27,292,949
Warrants	6	4,724,574	4,724,574
Reserves	6	6,128,174	6,057,261
Foreign currency reserve		15,307	(572)
Deficit		(37,543,286)	(36,405,967)
Total shareholders' equity		617,718	1,668,245
Total liabilities and shareholders' equity		$ 792,278	$1,974,615

Nature of operations and going concern (Note 1)

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 9, 2023 and are signed on its behalf by:

/S/ ***Paul Cronin***	/S/ ***Gabriel Chiappini***
Paul Cronin	Gabriel Chiappini
Chairman	Managing Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BLACK DRAGON GOLD CORP.
Unaudited Condensed Consolidated Interim Statements of Operations & Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
			$	$	$
EXPENSES					
Consulting		65,382	24,772	227,281	145,513
Directors' fees		21,561	86,258	83,387	190,164
Filing fees		24,115	28,768	35,644	42,480
Foreign exchange loss		12,670	7,248	65,417	121,553
General and administrative		129,658	112,647	395,715	369,138
General exploration		89,326	197,175	287,706	257,872
Professional fees		4,165	14,660	65,444	44,338
Rent		1,099	-	11,143	6,112
Shareholder communications		1,932	2,622	7,241	7,751
Share-based compensation	6	-	-	70,913	18,542
Transfer agent		798	629	2,675	7,551
Travel and related		3,601	(2,643)	21,673	33,206
Gain on fair value change of unlisted options liability		-	-	(133,413)	-
Interest income		(1,227)	(467)	(3,508)	(673)
Loss before other items		**353,080**	**470,462**	**1,137,318**	**1,243,547**
Other comprehensive items					
Items that may be subsequently reclassified to net income					
Foreign Currency Translation		(17,004)	-	(15,879)	-
Comprehensive loss for the period		**(17,004)**	**-**	**(15,879)**	**-**
Loss and Comprehensive loss for the period		**336,076**	**470,462**	**1,121,439**	**1,243,547**
Basic and diluted loss per common share		$ (0.002)	$ (0.002)	$ (0.010)	$ (0.00)
Weighted average number of common shares outstanding		200,576,889	200,576,889	200,576,889	197,709,959

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BLACK DRAGON GOLD CORP.
Unaudited Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
Nine Months Ended September 30, 2023 and September 30, 2022

	Notes	Nine months Ended September 30, 2023	Nine months Ended September 30, 2022
			$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		(1,137,318)	(1,243,547)
Items not affecting cash:			
Share-based compensation	6	70,913	18,542
Interest income		(3,508)	(673)
Gain on fair vale change of unlisted options liability		(133,413)	-
Foreign exchange		65,417	-
Change in non-cash working capital items			
(Increase) in other non-current assets		99,939	(17,784)
(Increase) in receivables and		(2,092)	(58,530)
Increase / (decrease) in accounts payable and accrued liabilities		1,603	(241,725)
Net cash outflow used in operating activities		(1,038,4659)	(1,543,717)
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposits		-	1,240
Net cash provided by investing activities		-	1,240
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued for cash	6	-	1,521,935
Interest income		3,508	673
Net cash provided by financing activities		3,508	1,522,608
Effect of movement in exchange rates on cash held		(49,539)	118,844
Change in cash and cash equivalents during the period		(1,084,490)	98,975
Cash and cash equivalents, beginning of period		1,776,976	2,013,852
Cash and cash equivalents, end of period		692,486	2,112,827
Cash paid during the period for interest		-	-
Cash paid during the period for taxes		-	-

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BLACK DRAGON GOLD CORP.
Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian dollars)

	Share Capital					
	Number	$ Amount	$ Warrants	$ Reserves	$ Deficit	$ Total
Balance December 31, 2021	169,187,928	26,299,071	4,724,574	5,999,183	(35,303,169)	1,719,659
Shares issued for cash	30,053,556	1,521,934	-	-	-	1,521,934
Shares issued for acquisition	1,428,571	61,909	-	-	-	61,910
Options issued for acquisition	-	-	-	10,866	-	10,866
Share-based compensation	-	-	-	18,542	-	18,542
Foreign currency reserve					45,970	45,968
Loss for the period	-	-	-	-	(1,243,547)	(1,243,547)
Balance September 30, 2022	**200,670,057**	**27,882,915**	**4,724,574**	**6,028,591**	**(36,500,748)**	**2,135,332**

	Share Capital						
	Number	$ Amount	$ Warrants	$ Reserves	$ Foreign currency translation reserve	$ Deficit	$ Total
Balance December 31, 2022	200,670,055	27,292,949	4,724,574	6,057,261	(572)	(36,405,967)	1,668,245
Share-based compensation	-	-	-	70,913	-	-	70,913
Foreign currency reserve	-	-	-	-	15,879	-	15,879
Loss for the period	-	-	-	-	-	(1,137,318)	(1,137,318)
Balance September 30, 2023	**200,670,055**	**27,292,949**	**4,724,574**	**6,128,174**	**15,307**	**(37,543,286)**	**617,718**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Black Dragon Gold Corp. (the "Company") was incorporated under the laws of the Province of British Columbia on August 20, 2007. The Company's head office address is Regent House, 65 Rodney Road, Cheltenham GL50 1HX U.K. The registered and records office address is 1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC V6C 3L2. On February 18, 2019 the Company announced that the Company's common shares without par value (the "Shares") were voluntarily delisted from the TSX-V effective at the close of trading on February 28, 2019. The Shares continue to trade on the Australian Securities Exchange ("ASX") as CHESS Depository Interests (or "CDI's") under the ASX Code "BDG".

These unaudited condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements.

The unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023, do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2023, are prepared in accordance with International Accounting Standards ("IAS 34"), Interim Financial Reporting. These unaudited condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of application as the Company's most recent annual audited consolidated financial statements. These unaudited condensed consolidated interim financial statements do not include all information and disclosures required in audited consolidated financial statements and should be read in conjunction with the Company's December 31, 2022, audited consolidated financial statements.

3. RECEIVABLES

	September 30, 2023	December 31, 2022
Value-added tax receivable	$ 41,359	$ 167,254
GST receivable	22,681	13,852
Other receivable	33,660	16,533
Total	$ 97,700	$ 197,639

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

Although the Company has taken steps to verify title to its mineral property in which it has an interest, these procedures do not guarantee the Company's title. Its property may be subject to prior agreements or transfers and title may be affected by undetected defects. Further, we make judgements for properties where concessions terms have expired, and a renewal application has been made and is awaiting approval. We use judgement as to whether the concession renewal application is probable to be received, but ultimately this is beyond our control. If a renewal application is not approved, we could lose rights to those concession.

Salave Gold Property
The Salave Project is comprised of 30-year-term mining concessions over the resource area in the province of Asturias, Spain.

A Preliminary Economic Assessment was released in 2019 and the Company submitted its final Environmental Impact Assessment for the property during 2022 and is awaiting a response from the Asturian Government.

Marlee Gold Project
During 2022, the Company acquired Australian mining explorer Marlee Gold Pty Ltd, 100% holder of Padbury Gold and Ivan Well projects.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
Accounts payables	$ 110,899	$ 56,319
Accrued liabilities	51,991	104,968
Total	$ 162,890	$ 161,287

(Expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES

Authorized:

Unlimited number of common shares without par value.

Shares

Issued during the 9 months ended September 30, 2023

There were no shares issued during the current period.

Issued during the 9 months ended September 30, 2022

On January 13, 2022, the Company issued 19,696,414 common shares at an issue price of AUD$0.056 to raise $999,644 (AUD$1,102,999) under the Company's securities purchase plan. Share issuance costs of $28,109 were paid in connection with the transaction, which were recognised in the year ended 31 December 2022.

On January 24, 2022, the Company issued 10,357,142 common shares at an issue price of AUD$0.056 to raise $522,290 (AUD$580,000). These common shares were subject to shareholder approval on January 10, 2022 as they were issued to directors Mr. Paul Cronin ($450,250) (AUD$500,000) and Mr. Alberto Lavandeira ($72,040) (AUD$80,000).

On July 6, 2022, the Company as a consideration for Marlee Gold Pty issued its 1,428,571 shares valued at A$70,000 to Padbury Gold and Ivan Well projects.

Stock options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

A summary of the status of the Company's stock options as at September 30, 2023 and December 31, 2022 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2021	**12,393,332**	**$0.18**
Granted	32,544,627	AUD$0.10
Expired	(1,500,000)	AUD$0.10
Outstanding, December 31, 2022 and September 30, 2023	**43,437,959**	**$0.12**

Details of stock options granted during the 9 months ended September 30, 2022

The Company issued 19,696,414 common shares at an issue price of AUD$0.056 to raise AUD$1,102,999 under the Company's securities purchase plan. As part of the issuance, the Company also issued on one unlisted option for every two common shares issued, ('1-for-2 basis'), for a total of 9,848,195 unlisted options with an exercise price of AUD$0.10, expiring December 31, 2023. The options were issued on January 14, 2022.

(Expressed in Canadian dollars)

On January 14, 2022, in connection with the AUD$1,850,000 financing, the Company also issued on a 1-for-2 basis a total of 16,517,862 unlisted options with an exercise price of AUD$0.10, expiring December 31, 2023. The options were issued on January 14, 2022

On January 24, 2022, the Company issued 10,357,142 common shares at an issue price of AUD$0.056 to raise AUD$580,000. These common shares were subject to shareholder approval on January 10, 2022 as they were issued to directors Mr. Paul Cronin (AUD$500,000) and Mr. Alberto Lavandeira (AUD$80,000). In accordance with the terms of the placement and the shareholder General Meeting, the Company also issued to the directors as approved by shareholders on a 1-for-2 basis a total of 5,178,570 unlisted options with an exercise price of AUD$0.10, expiring December 31, 2023.

On July 6, 2022, as part of the purchase consideration for Marlee Gold Pty Ltd, the Company also issued 1,000,000 unlisted options with an exercise price of $0.098, expiring July 5, 2024 to Padbury Gold and Ivan Well projects.

As at September 30, 2023 the following incentive stock options are outstanding;

Expiry Date	Number of Options	Exercise Price	Number of Options Exercisable
September 24, 2027	5,983,333	$0.24	5,983,333
October 22, 2027	416,666	$0.24	416,666
February 7, 2028	333,333	$0.33	333,333
September 7, 2024	4,160,000	AUD$0.096	4,160,000
December 31, 2023	31,544,627	AUD$0.10	31,544,627
July 6, 2024	1,000,000	AUD$0.098	1,000,000
Total as at September 30, 2023	43,437,959		43,437,959

During the nine months ended September 30, 2023, the Company recognized $70,913 (2022 - $Nil) of share-based compensation expense in relation to stock options.

Performance Rights

As part of Gabriel Chiappini's Chief Executive Officer appointment in March 2022, he was issued with a long-term incentive plan comprising of the issue of 5,000,000 performance rights that convert into ordinary shares upon the achievement of the following share price milestone hurdles:

- 1,500,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD$0.10;
- 1,500,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD$0.15; and
- 2,000,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD$0.20.

Each milestone has a 3-year milestone conversion date.

The fair value of the performance rights will be recognized over the estimated vesting period. During the nine months ended September 30, 2023, the Company recognized $28,202 of share-based compensation expense (2022: $ 18,542).

(Expressed in Canadian dollars)

As part of EMC's General Manager's remuneration, during 2022, he was issued with an incentive plan comprising of 5,750,000 performance rights that convert into ordinary shares upon the award of a Declaración de Impacto Ambiental by the Government of the Principality of Asturias to the Company (through its subsidiary, EMC) in respect of the Company's Environmental Impact Assessment for the Salave Gold Project (the 'Milestone').

The number of performance rights which will vest on satisfaction of the Milestone will be as follows:

- 5,750,000 performance rights will vest if Milestone is achieved by December 31, 2022;
- 4,312,500 performance rights will vest if Milestone is achieved during the 6 months ended June 30, 2023;
- 2,875,000 performance rights will vest if Milestone is achieved during the 6 months ended December 31, 2023;
- 2,156,250 performance rights will vest if Milestone is achieved during 2024.

None of the performance rights have vested by June 30, 2023, with the first two tranches expired.

During the nine months ended September 30, 2023, the Company recognized $42,711 of share-based compensation expense in respect of the remaining 2,875,000 performance rights.

7. RELATED PARTY TRANSACTIONS

The Company considers personnel with the authority and responsibility for planning, directing and controlling the activities of the Company to be key management personnel.

Transactions with key management personnel

The following amounts were incurred with respect to the Company's current and former directors, Chief Financial Officers, and employees of the Company;

	Nine Months ended September 30, 2023	Nine Months ended September 30, 2022
Management and consulting fees	$ 207,071	$ 173,942
Directors' fees	83,387	57,479
Wages and salaries	75,582	59,984
Share-based compensation	70,913	18,542
	$ 436,953	$ 309,947

There is $14,644 owed to related parties as at September 30, 2023 (September 30, 2022: nil).

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The inputs used in making fair value measurements are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 - Inputs that are not based on observable market data.

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. Cash and cash equivalents are measured at fair value using Level 1 inputs.

Other than the unlisted options liability, the Company does not carry any financial instruments at FVTPL.

Financial instruments measured at fair value on the consolidated statements of financial position are summarized in levels of fair value hierarchy as follows:

Assets/Liabilities	\$ Level 1	\$ Level 2	\$ Level 3	\$ Total
Cash and equivalents	\$ 692,486	-	-	\$ 692,486
Unlisted Options Liability	-	\$11,670	-	\$ 11,670

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash and cash equivalents are held at large financial institutions and it believes it has no significant credit risk. The Company's receivables are due from the Government of Canada, Government of Spain, and Government of Australia, and are therefore considered to have no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at September 30, 2023, the Company had current assets of \$790,186 to settle current liabilities of \$174,560 which either have contractual maturities of less than 30 days and are subject to normal trade terms or are due on demand. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates and foreign exchange rates.

a) Interest rate risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank accounts are subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Spain by using Euros converted from its Canadian bank accounts, and exploration expenses in Australia by using Australian dollars held. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Based on the Company's Euro, AUD, USD, and GBP denominated financial instruments at September 30, 2023, a 10% change in exchange rates between the Canadian dollar, Euro, AUD, USD, and GBP would result in a change of $60,737 in foreign exchange gain or loss.

10. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, high liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company will need to raise additional capital by obtaining equity financing, selling assets and incurring debt to develop its business.

11. SEGMENT INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition, exploration of exploration and evaluation assets located in Spain and Australia.

12. SUBSEQUENT EVENT

There were no subsequent events to report post September 30, 2023.