

# **BLACK DRAGON GOLD CORP.**

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

**THREE MONTHS ENDED JUNE 30, 2024**

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These unaudited condensed consolidated interim financial statements of Black Dragon Gold Corp. for the three months ended June 30, 2024 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 June 30, 2024 and December 31, 2023

	Notes	June 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 1,242,493	\$ 464,265
Receivables	3	<u>95,786</u>	<u>73,322</u>
		<u>1,338,279</u>	<u>537,587</u>
<b>Total assets</b>		<b>\$ 1,338,279</b>	<b>\$ 537,587</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	5,7	<u>\$ 138,314</u>	<u>\$ 121,727</u>
<b>Total liabilities</b>		<u>138,314</u>	<u>121,727</u>
<b>Shareholders' equity</b>			
Share capital	6	28,458,496	27,292,949
Warrants	6	-	4,724,574
Reserves	6	951,406	6,303,548
Foreign currency reserve		4,111	1,952
Deficit		<u>(28,214,046)</u>	<u>(37,907,163)</u>
<b>Total shareholders' equity</b>		<u>1,199,967</u>	<u>415,860</u>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 1,338,281</b>	<b>\$ 537,587</b>

**Nature of operations and going concern (Note 1)**

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on August 14, 2024 and are signed on its behalf by:

/s/ Dominic Roberts

Dominic Roberts  
Executive Chairman

/s/ Gabriel Chiappini

Gabriel Chiappini  
Non-Executive 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 &amp; Comprehensive Loss

(Expressed in Canadian dollars)

Three Months Ended June 30, 2024 and June 30, 2023 &amp; Six Months Ended June 30, 2024 and June 30, 2023

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
<b>EXPENSES</b>				
Consulting	\$79,151	\$78,063	\$157,601	\$161,899
Directors' fees	29,611	28,623	58,908	61,826
Filing fees	5,172	7,799	12,426	11,529
Foreign exchange (gain)/loss	(16,388)	31,607	(5,429)	52,747
General and administrative	119,057	129,012	196,064	266,057
General exploration	7,935	146,816	13,756	266,057
Professional fees	48,132	21,649	48,383	61,279
Rent	4,412	3,310	6,578	10,044
Shareholder communications	3,579	2,197	5,176	5,309
Transfer agent	2,542	885	4,548	1,877
Travel and related	5,530	18,072	12,383	18,072
Sharebased payments	-	70,913	-	70,913
Gain on fair value change of unlisted options liability	-	(133,413)	-	(133,413)
Interest income	(736)	(1,211)	(1,641)	(2,811)
<b>Loss before income tax</b>	<b>287,998</b>	<b>404,322</b>	<b>383,599</b>	<b>784,238</b>
Income tax	-	-	-	-
<b>Loss after income tax</b>	<b>287,998</b>	<b>404,322</b>	<b>383,599</b>	<b>784,238</b>
<b>Other comprehensive items</b>				
Items that may be subsequently reclassified to net income				
Foreign currency translation (gain)/loss	(2,271)	(1,636)	(2,159)	1,636
<b>Comprehensive loss for the period</b>	<b>285,727</b>	<b>402,686</b>	<b>381,440</b>	<b>785,363</b>
<b>Basic and diluted loss per common share (cents)</b>	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.18)</b>	<b>(0.393)</b>
<b>Weighted average number of common shares outstanding</b>	<b>218,497,580</b>	<b>200,670,055</b>	<b>218,497,580</b>	<b>200,670,055</b>

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)

Three Months Ended June 30, 2024 and June 30, 2023 &amp; Six Months Ended June 30, 2024 and June 30, 2023

	Three months Ended June 30, 2024	Three months Ended June 30, 2023	Six months Ended June 30, 2024	Six months Ended June 30, 2023
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	(162,844)	(351,575)	(383,599)	(784,238)
Items not affecting cash:				
Share-based compensation	-	70,913	-	70,913
Interest income	(736)	(1,211)	(1,641)	(2,281)
Gain on fair value change of unlisted options liability	-	(133,413)	-	(133,413)
Foreign exchange loss	(16,388)	-	(5,429)	-
Change in non-cash working capital items				
(Increase) / decrease in receivables	(15,220)	(19,569)	(22,461)	61,140
Increase in accounts payable and accrued liabilities	56,147	156,374	16,583	153,140
Net cash outflow used in operating activities	<u>(139,041)</u>	<u>(278,481)</u>	<u>(396,547)</u>	<u>(634,739)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	736	1,211	1,641	2,281
Net cash provided by investing activities	<u>736</u>	<u>1,211</u>	<u>1,641</u>	<u>2,281</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Shares issued for cash, net	724,407	-	1,165,546	-
Net cash provided by financing activities	<u>724,407</u>	<u>-</u>	<u>1,165,546</u>	<u>-</u>
Effect of movement in exchange rates on cash held	6,687	(51,110)	7,588	(1,125)
<b>Change in cash and cash equivalents during the period</b>	<b>592,789</b>	<b>(328,380)</b>	<b>778,228</b>	<b>(633,583)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>649,704</b>	<b>1,471,773</b>	<b>464,265</b>	<b>1,776,976</b>
<b>Cash and cash equivalents, end of period</b>	<b><u>1,242,493</u></b>	<b><u>1,143,393</u></b>	<b><u>1,242,493</u></b>	<b><u>1,143,393</u></b>

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)

Three Months Ended June 30, 2024 and June 30, 2023

	Share Capital		\$ Warrants	\$ Reserves	\$ Foreign currency reserve	\$ Deficit	\$ Total
	Number	\$ Amount					
<b>Balance, March 31, 2023</b>	<b>200,670,055</b>	<b>27,292,949</b>	<b>4,724,574</b>	<b>6,057,261</b>	<b>(3,334)</b>	<b>(36,785,883)</b>	<b>1,285,567</b>
Sharebased payments	-	-	-	70,913	-	-	70,913
Foreign currency reserve	-	-	-	-	1,637	-	1,637
Income (loss) for the period	-	-	-	-	-	(404,322)	(404,322)
<b>Balance, June 30, 2023</b>	<b>200,670,055</b>	<b>27,292,949</b>	<b>4,724,574</b>	<b>6,128,174</b>	<b>(1,697)</b>	<b>(37,190,205)</b>	<b>953,795</b>

	Share Capital		\$ Warrants	\$ Reserves	\$ Foreign currency translation reserve	\$ Deficit	\$ Total
	Number	\$ Amount					
<b>Balance March 31, 2024</b>	<b>225,767,675</b>	<b>27,734,088</b>	<b>4,724,574</b>	<b>6,303,548</b>	<b>1,840</b>	<b>(38,127,917)</b>	<b>636,133</b>
Reclassification	-	-	(4,724,574)	(5,352,142)	-	10,076,716	-
Shares issued for cash	41,750,000	724,407	-	-	-	-	724,407
Foreign currency reserve	-	-	-	-	2,271	-	2,271
Loss for the period	-	-	-	-	-	(162,844)	(162,844)
<b>Balance June 30, 2024</b>	<b>267,517,675</b>	<b>28,458,495</b>	<b>-</b>	<b>951,406</b>	<b>4,111</b>	<b>(28,214,045)</b>	<b>1,199,967</b>

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

## BLACK DRAGON GOLD CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months Ended June 30, 2024

### 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”.

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 the financial statements.

The unaudited condensed consolidated interim financial statements for the three months ended June 30, 2024, 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 three months ended June 30, 2024, 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, 2023, audited consolidated financial statements.

### 3. RECEIVABLES

	June 30, 2024	December 31, 2023
Value-added tax receivable	\$ 74,608	\$ 52,916
GST receivable	382	828
Other receivable	18,661	17,447
Deposit	<u>2,135</u>	<u>2,131</u>
<b>Total</b>	<b>\$ 95,786</b>	<b>\$ 73,322</b>

**BLACK DRAGON GOLD CORP.**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months Ended June 30, 2024

**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.

During the period the Company successfully negotiated the 100% sale of its Padbury Gold assets located in the North Yilgarn Craton near Meekatharra to Parbo Resources. Tenements sold were Padbury Gold (E51/1942) and Padbury Gold Extension (E51/1969). Cash consideration of AUD\$150,000 (excluding GST). The Company retains the 115km<sup>2</sup> Ian Well tenement (E69/3818) further north-east towards Wiluna in the northern Goldfields, which still offers early-stage exploration potential for untested gold anomalism.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2024	December 31, 2023
Accounts payables <sup>1</sup>	\$ 114,350	\$ 46,687
Accrued liabilities	13,500	62,390
GST payable	10,464	-
Due to related parties	-	12,650
Total	\$ 138,314	\$ 121,727



**BLACK DRAGON GOLD CORP.**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months Ended June 30, 2024

**6. SHARE CAPITAL AND RESERVES***Authorized:*

Unlimited number of common shares without par value.

**Shares****Issued during the three months ended June 30, 2024**

There were 41,750,000 shares (Chess Depository Interests 1:1) issued during the current period (Q2\_CY24).

**Issued during the three months ended June 30, 2023**

There was no issuance of common shares during the three months ended June 30, 2023.

**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 June 30, 2024; June 30, 2023 and December 31, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price
<b>Outstanding June 30, 2023</b>	<b>43,437,959</b>	<b>\$0.12</b>
Expired	(31,544,627)	AUD\$0.010
<b>Outstanding December 31, 2023</b>	<b>11,893,332</b>	<b>\$0.18</b>
Granted	66,847,620	AUD\$0.03
Expired	-	-
<b>Outstanding June 30, 2024</b>	<b>78,740,952</b>	<b>\$0.10</b>

**Details of stock options granted during the three months ended June 30, 2024**

During the six months ended June 30, 2024, the Company completed a private placement, raising CAD\$1,165,546 (net of costs) to fund a range of activities associated with de-risking and progressing the flagship Salave Gold Project. The Company issued 66,847,620 fully paid shares ('New Share') at an offer price of AUD\$0.02 per share (the 'Placement'). Participants in the Placement also received one (1) free attaching option for each one (1) New Share allocated, exercisable at AUD\$0.03 and expiring on June 14, 2027 (Attaching Option').

**Details of stock options granted during the three months ended June 30, 2023**

There was no issuance of stock options during the three months ended June 30, 2023.

**BLACK DRAGON GOLD CORP.**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months Ended June 30, 2024

As at June 30, 2024 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
July 6, 2024	1,000,000	AUD\$0.098	1,000,000
June 14, 2027	66,847,620	AUD\$0.03	66,847,620
<b>Total as at June 30, 2024</b>	<b>78,740,952</b>		<b>78,740,952</b>

During the six months ended June 30, 2024, the Company recognized \$Nil (2023 - \$Nil) of share-based compensation expense in relation to stock options.

**Details of Performance Rights granted during the three months ended June 30, 2024**

On June 6, 2024, at a Special Meeting of Shareholders, two consultants of the Company were granted 250,000 Class A performance rights and 250,000 Class B performance rights, each. The performance rights convert into ordinary shares upon the achievement of the following share price milestone hurdles:

- 500,000 Class A performance rights convert to shares upon issuance of an environmental Impact Assessment in relation to the Company's Salave Gold Project; and
- 500,000 Class B performance rights convert to shares upon issuance of the Tapia Urban Planning & Modification Permit in relation to the Company's Salave Gold Project

Each milestone has milestone conversion date of 22 November 2024. As at June 30, 2024 none of the performance rights have vested. The share price on grant date has been used to calculate the fair value of the performance rights. The fair value is CAD\$13,299 and will be recognized over the estimated vesting period. During the current period, the Company recognized \$ nil of share-based compensation expense, as the likelihood of vesting is less than probable.

**Details of Performance Rights granted during the three months ended June 30, 2023**

There was no issuance of performance rights during the three months ended June 30, 2023.

During the three months ended June 30, 2024, the Company recognized \$Nil (three months ended June 30, 2023: \$70,913) of share-based compensation expense in relation to performance rights.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months Ended June 30, 2024

**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 of key management personnel being the Managing Director/Chief Executive Officer, Directors, and the Chief Financial Officer of the Company:

	<b>Three months ended June 30, 2024</b>	<b>Three months ended June 30, 2023</b>
Management and consulting fees – Chief Executive Officer / Executive Chairman	\$43,236	\$52,533
Directors' fees	39,739	28,623
Management and consulting fees – Chief Financial Officer	17,459	17,485
Wages and salary	24,482	24,580
<b>Total short-term employee benefits</b>	<b>124,917</b>	<b>123,221</b>
<b>Total long-term employee benefits</b>	-	-
<b>Termination benefits</b>	-	-
<b>Share-based payments</b>	-	<b>70,913</b>
<b>TOTAL</b>	<b>\$124,917</b>	<b>\$194,134</b>

As at June 30, 2024, included in accounts payable and accrued liabilities for unpaid standard directors' fees is \$nil (June 30, 2023 - \$35,333) that is due to directors, officers and companies controlled by directors or officers.

**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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 June 30, 2024, the Company had current assets of \$1,338,279 to settle current liabilities of \$138,314 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.

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## **BLACK DRAGON GOLD CORP.**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months Ended June 30, 2024

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### *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. 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 June 30, 2024, a 10% change in exchange rates between the Canadian dollar, Euro, AUD, USD, and GBP would result in a change of \$55,000 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, which is unchanged from 2022, 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 year. The Company will need to raise additional capital by obtaining equity financing, selling assets and incurring debt to develop its business.

The Company is not subject to any capital restrictions.

## **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 June 30, 2024.

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