



BLACK DRAGON GOLD

BLACK DRAGON GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

SIX MONTHS ENDED 30 JUNE 2024

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CORPORATE DIRECTORY

Black Dragon Gold Corporation is incorporated in British Columbia, company incorporation number BC0800267

Black Dragon Gold Corporation is a Registered Foreign Company in Australia: ARBN 625522250

DIRECTORS

Dominic Roberts
Executive Chairman

Paul Cronin
Non-Executive Director

Gabriel Chiappini
Non-Executive Director

Alberto Lavandeira
Non-Executive Director

COMPANY SECRETARY

Gabriel Chiappini

CHIEF FINANCIAL OFFICER

Amy Fink

Canadian Registered Office

1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC V6C 3L2. Email: info@blackdragongold.com

United Kingdom Office

Ground Floor, Regent House, 65 Rodney Road, Cheltenham, Gloucestershire, GL50 1HX UK Phone: +44 207 993 4077

Australian Registered Office

Level 1, 10 Outram Street, West Perth, WA 6005, Australia Phone: + 61 8 6102 5055

AUDITOR

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2, 5 Spring
Street, Perth Western Australia 6000

SHARE REGISTRY

Canada

Computershare Investor Services Inc.
510 Burrard St, Vancouver, BC, V6C 3B

Australia

Computershare Investor Services Pty
Level 17, 221 St Georges Terrace
Perth Western Australia, 6000
Telephone: 1300 787 272
Facsimile: (08) 9323 2033
Email: web.queries@computershare.com.au

STOCK EXCHANGE LISTING

Australian Securities Exchange (Code: BDG)

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Directors' Report

The directors of Black Dragon Gold Corporation ("Black Dragon" or "Company") submit herewith the financial report of Black Dragon and its subsidiaries (the "Group") for the half-year ended June 30, 2024, please refer to the directors' report below:

The following persons were directors of Black Dragon Gold Corp. during the whole of the half-year and up to the date of this report:

Name

Mr Dominic Roberts
Mr Paul Cronin
Mr Gabriel Chiappini
Mr Alberto Lavandeira

The above named directors all held office during and since the end of the half-year end period.

REVIEW OF OPERATIONS

During the period, the Company focused on progressing the Salave Gold Project in North-West Spain, in the Asturias region with the Company continuing to support the EIA permitting process with continual dialogue with Spanish stakeholders. The Company will continue providing support to progress the permitting process for Salave Gold.

The Mineral Resource Estimate for Salave Gold was prepared by CSA Global and noted below:

Category	Salave Mineral Resource Estimate at a 2.0 g/t Au Cut-Off Grade		
	Tonnes	Au	
	Mt	g/t	koz
Measured	1.03	5.59	185
Indicated	7.18	4.43	1,023
Measured & Indicated	8.21	4.58	1,208
Inferred	3.12	3.47	348

Notes:

- Classification of the MRE was completed based on the guidelines presented by Canadian Institute for Mining (CIM -May 2014), adopted for technical reports which adhere to the regulations defined in Canadian National Instrument 43-101 (NI 43-101).
- The mineral resource estimate was conducted by CSA Global of Perth Australia, with an effective date of October 22, 2018 and is posted on the ASX & SEDAR+ and the Company's website.
- Mineral Resources that are not Mineral Reserves do not have economic viability.
- A cut-off grade of 2 g/t Au has been applied when reporting the Mineral Resource.
- Rows and columns may not add up exactly due to rounding.
- The quantity and grade of the Inferred resources reported in this estimation are conceptual in nature and there has been insufficient exploration to define these Inferred resources as an Indicated and Measured resource. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured category, although it is reasonably expected that the majority of the Inferred resources could be upgraded to Indicated Mineral Resources with further exploration.
- Since the release of the Mineral Resource Estimate, the Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource Estimate.

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 Pty Ltd. Tenements sold were Padbury Gold (E51/1942) and Padbury Gold Extension (E51/1969). Cash consideration of AUD\$150,000 (excluding GST) was received during the current period. The

Company retains the 115km² Ivan Well tenement (E69/3818) further north-east towards Wiluna in the northern Goldfields, which still offers early-stage exploration potential for untested gold anomalism.

Corporate and Financial Position

Consolidated net assets at the half year-end were \$1,199,966 against \$415,860 at the close of the prior year (December 31, 2023). Total cash held at the half year-end was \$1,242,493 against \$464,265 at the close of the prior year (December 31, 2023).

The auditor’s independence declaration is included on page 6 of the half-year report.

Signed in accordance with a resolution of the board of directors.

On behalf of the Directors



Dominic Roberts
Executive Chairman
September 11, 2024

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Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF BLACK DRAGON GOLD CORP.

As lead auditor for the review of Black Dragon Gold Corp. for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Black Dragon Gold Corp. and the entities it controlled during the period.

**Jarrad Prue
Director**

BDO Audit Pty Ltd

Perth

11 September 2024



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Black Dragon Gold Corp.

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Black Dragon Gold Corp. (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated interim statement of financial position as at 30 June 2024, the condensed consolidated interim statement of loss & comprehensive loss, the condensed consolidated interim statement of changes in shareholders' equity and the condensed consolidated interim statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not present fairly, in all material respects, the financial position of the Group as at 30 June 2024, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the IAS 34 *Interim Financial Reporting*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect to this matter.

Responsibility of management for the financial report

Management of the Group is responsible for the preparation and fair presentation of the half-year financial report in accordance with IAS 34 *Interim Financial Reporting* and for such internal control as



management determines is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the financial position of the Group as at 30 June 2024 and its financial performance and its cash flow for the half-year ended on that date, in accordance with IAS 34 *Interim Financial Reporting*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink that reads 'J Prue'.

Jarrad Prue

Director

Perth, 11 September 2024

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BLACK DRAGON GOLD CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

As at

	Notes	June 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 1,242,493	\$ 464,265
Receivables		93,653	71,191
Total current assets		<u>1,336,146</u>	<u>535,456</u>
Non-current assets			
Deposits	3	2,135	2,131
Total non-current assets		<u>2,135</u>	<u>2,131</u>
Total assets		<u>\$ 1,338,281</u>	<u>\$ 537,587</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5,7	\$ 138,315	\$ 121,727
Total liabilities		<u>138,315</u>	<u>121,727</u>
Shareholders' equity			
Share capital	6	28,458,495	27,292,949
Warrants	6	-	4,724,574
Reserves	6	943,468	6,303,548
Foreign currency reserve		4,111	1,952
Deficit		(28,206,108)	(37,907,163)
Total shareholders' equity		<u>1,199,966</u>	<u>415,860</u>
Total liabilities and shareholders' equity		<u>\$ 1,338,281</u>	<u>\$ 537,587</u>

Nature of operations and going concern (Note 1)

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on September 11 2024 and are signed on its behalf by:

/s/ Dominic Roberts

Dominic Roberts
Executive Chairman

/s/ Gabriel Chiappini

Gabriel Chiappini
Managing Director

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

BLACK DRAGON GOLD CORP.

Condensed Consolidated Interim Statements of Loss & Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Six Months Ended June 30, 2024 \$	Six Months Ended June 30, 2023 \$
EXPENSES			
Consulting	7	157,601	161,899
Directors' fees	7	58,908	61,826
Filing fees		12,426	11,529
Foreign exchange (gain)/loss		(5,429)	52,747
General and administrative	8	144,205	212,855
Exploration and evaluation costs		13,756	198,380
Professional fees		100,242	114,481
Rent		6,578	10,044
Shareholder communications		5,176	5,309
Share-based compensation	6,7	-	70,913
Transfer agent		4,548	1,877
Travel and related		12,383	18,072
Gain on fair value change of unlisted options liability		-	(133,413)
Other income	9	(125,154)	-
Interest income		(1,641)	(2,281)
Loss before other items		(383,599)	(784,238)
Other comprehensive items			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation		2,159	(1,125)
Comprehensive loss for the period net of tax		(381,440)	(785,363)
Basic and diluted loss per common share (cents)		\$(0.18)	\$(0.39)
Weighted average number of common shares outstanding		Number 218,497,580	Number 200,670,057

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

BLACK DRAGON GOLD CORP.Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

	Six months Ended June 30, 2024 \$	Six months Ended June 30, 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(383,599)	(784,238)
Items not affecting cash:		
Share-based compensation	-	70,913
Interest income	(1,641)	(2,281)
Gain on fair value change of unlisted options liability	-	(133,413)
Foreign exchange gain	(5,429)	52,747
Change in non-cash working capital items		
(Increase) / decrease in receivables	(22,461)	61,140
Increase in accounts payable and accrued liabilities	16,583	100,393
Net cash outflow used in operating activities	<u>(396,547)</u>	<u>(634,739)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	1,641	2,281
Net cash provided by investing activities	<u>1,641</u>	<u>2,281</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash, net	1,165,546	-
Net cash provided by financing activities	<u>1,165,546</u>	<u>-</u>
Effect of movement in exchange rates on cash held	7,588	(1,125)
Change in cash and cash equivalents during the period	778,228	(633,583)
Cash and cash equivalents, beginning of period	464,265	1,776,976
Cash and cash equivalents, end of period	<u>1,242,493</u>	<u>1,143,393</u>
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.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital		\$ Warrants	\$ Reserves	\$ Foreign currency translation reserve	\$ Deficit	\$ Total
	Number	\$ Amount					
Balance December 31, 2022	200,670,055	27,292,949	4,724,574	6,057,261	(572)	(36,405,967)	1,668,245
Loss for the period	-	-	-	-	-	(784,238)	(784,238)
Foreign currency translation reserve	-	-	-	-	(1,125)	-	(1,125)
Total comprehensive loss for the period	-	-	-	-	(1,125)	(784,238)	(785,363)
Transactions with owners in their capacity as owners:							
Share-based compensation	-	-	-	70,913	-	-	70,913
	-	-	-	70,913	-	-	70,913
Balance June 30, 2023	200,670,055	27,292,949	4,724,574	6,128,174	(1,697)	(37,190,205)	953,795
	Share Capital		\$ Warrants	\$ Reserves	\$ Foreign currency translation reserve	\$ Deficit	\$ Total
	Number	\$ Amount					
Balance December 31, 2023	200,670,055	27,292,949	4,724,574	6,303,548	1,952	(37,907,163)	415,860
Reclassification of expired reserve	-	-	(4,724,574)	(5,360,080)	-	10,084,654	-
Loss for the period	-	-	-	-	-	(383,599)	(383,599)
Foreign currency translation reserve	-	-	-	-	2,159	-	2,159
Total comprehensive loss for the period	-	-	-	-	2,159	(383,599)	(381,440)
Transactions with owners in their capacity as owners:							
Shares issued (net of costs) (note 6)	66,847,620	1,165,546	-	-	-	-	1,165,546
Balance June 30, 2024	267,517,675	28,458,495	-	943,468	4,111	(28,206,108)	1,199,966

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

BLACK DRAGON GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six 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 and is classified as a junior mining issuer with the Australian Securities Exchange (the “ASX”). The Company’s head office address is Ground Floor, Regent House, Rodney Road, Cheltenham, Gloucestershire, GL50 1HX, UK. The registered and records office address is 1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC, V6C 3L2.

These 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. If financing cannot be obtained, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Therefore, there is a material uncertainty that may cast significant doubt about the Group’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 realisable value of its assets may be materially less than the amounts recorded in these financial statements.

The condensed consolidated interim financial statements for the six 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. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These condensed consolidated interim financial statements for the six months ended June 30, 2024, are prepared in accordance with International Accounting Standards (“IAS 34”), Interim Financial Reporting. These 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 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 receivables	18,663	17,447
Total	<u>\$ 93,653</u>	<u>\$ 71,191</u>

BLACK DRAGON GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six Months Ended June 30, 2024

4. EXPLORATION AND EVALUATION COSTS

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 concessions.

Salave Gold Property

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

We understand a decision on the EIA will be made during 2024, until then we continue to maintain an open and responsive relationship with the Asturian Government.

Marlee Gold Project

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) was received during the current period. The Company retains the 115km² Ivan 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	\$ 114,351	\$ 46,687
Accrued liabilities	13,500	62,390
GST payable	10,464	-
Due to related parties	-	12,650
Total	<u>\$ 138,315</u>	<u>\$ 121,727</u>

6. SHARE CAPITAL AND RESERVES

Authorized:

Unlimited number of common shares without par value.

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

During the current period, 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').

Issued during the six months ended June 30, 2023

There were no shares issued during the six months ended June 30, 2023.

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BLACK DRAGON GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six Months Ended June 30, 2024

A summary of the Company's share capital as at June 30, 2024 and December 31, 2023 is as follows:

	June 30, 2024	December 31, 2023
Shares on issue	32,101,273	30,896,370
Issuance costs	(3,642,777)	(3,603,421)
Total share capital	28,458,496	27,292,949
<i>Reconciliation of movement in issued capital</i>		
	Number of shares	\$
Balance as at January 1, 2023	200,670,055	27,292,949
Balance as at December 31, 2023	200,670,055	27,292,949
Shares issued (tranche #1)	25,097,620	445,499
Shares issued (tranche #2)	41,750,000	759,403
Share issuance costs	-	(39,356)
Balance as at June 30, 2024	267,517,675	28,458,495

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
Outstanding June 30, 2023	43,437,959	\$0.12
Expired	(31,544,627)	AUD\$0.010
Outstanding December 31, 2023	11,893,332	\$0.18
Granted	66,847,620	AUD\$0.03
Expired	-	-
Outstanding June 30, 2024	78,740,952	\$0.10

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

During the current period, 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').

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Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six 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
Total as at June 30, 2024	78,740,952		78,740,952

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

Performance Rights**Performance Rights granted during the six months ended June 30, 2024**

There were 1,000,000 performance rights granted during the six months ended June 30, 2024 to Consultants of the Company. See below for details.

Performance Rights granted during the six months ended June 30, 2023

There were no performance rights granted during the six months ended June 30, 2023.

As at June 30, 2024 the following performance rights are outstanding:

- 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 a milestone conversion date of November 22, 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\$18,199. During the current period, the Company recognized \$nil of share-based compensation expense, as the likelihood of vesting is less than probable.

- As part of Dominic Robert's Executive Chairman appointment in November 2023, 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. The issue of performance rights was approved by shareholders at a special meeting on June 6, 2024.
 - 2,500,000 Class A performance rights convert to shares upon issuance of an environmental Impact Assessment in relation to the Company's Salave Gold Project; and
 - 2,500,000 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 a November 22, 2024 milestone conversion date. 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.

BLACK DRAGON GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six Months Ended June 30, 2024

The fair value is CAD\$91,025. During the current period, the Company recognized \$nil of share-based compensation expense, as the likelihood of vesting is less than probable.

- 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:
 - Tranche A: 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;
 - Tranche B: 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
 - Tranche C: 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. As at June 30, 2024 none of the performance rights have vested.

The fair value of the performance rights is \$293,499, and has been fully recognized in prior periods. During the six months ended June 30, 2023 the Company recognized \$28,202 of share-based compensation expense in respect of these performance rights. The fair value of the performance rights has been expensed as the milestones are market-based in nature. The performance rights were valued using the Trinomial Pricing Model, with the following inputs used:

Tranche	A	B	C
Number of performance rights	1,500,000	1,500,000	2,000,000
Grant date	3 March 2022	3 March 2022	3 March 2022
Expiry date	3 March 2025	3 March 2025	3 March 2025
Risk-free rate	1.499%	1.499%	1.499%
VWAP barrier	AUD\$0.10	AUD\$0.15	AUD\$0.20
Stock volatility	90%	90%	90%
Share price at grant date	AUD\$0.08	AUD\$0.08	AUD\$0.08
Exercise price	\$nil	\$nil	\$nil
Fair value per right (AUD\$)	AUD\$0.072	AUD\$0.064	AUD\$0.057
Fair value per right (CAD\$)	CAD\$0.067	CAD\$0.059	CAD\$0.052

- As part of EMC's General Manager Jose Dominguez's remuneration, he was issued with an incentive plan comprising a maximum 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 six months ended June 30, 2023;
- 2,875,000 performance rights will vest if Milestone is achieved during the six months ended December 31, 2023;
- 2,156,250 performance rights will vest if Milestone is achieved during 2024.

BLACK DRAGON GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six Months Ended June 30, 2024

The first three milestones above have lapsed as at December 31, 2023. During the current period, the Company recognized \$nil of share-based compensation expense, as the likelihood of the last tranche vesting is less than probable (six months ended June 30, 2023: \$42,711).

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 Chief Executive Officer, Directors, and the Chief Financial Officer of the Company:

	Six Months ended June 30, 2024	Six Months ended June 30, 2023
Management and consulting fees – Chief Executive Officer, Executive Chairman and Company Secretary	\$106,288	\$110,305
Directors' fees	58,908	61,826
Management and consulting fees – Chief Financial Officer	34,816	35,622
Wages and salary	48,775	49,306
Total short-term employee benefits	248,787	257,058
Share-based payments	-	70,913
TOTAL	\$248,787	\$327,971

As at June 30, 2024, included in accounts payable and accrued liabilities for unpaid standard directors' fees is \$nil (December 31, 2023: \$12,650) that is due to directors, officers and companies controlled by directors or officers.

8. GENERAL AND ADMINISTRATIVE

	Six Months ended June 30, 2024	Six Months ended June 30, 2023
Public relations and marketing	\$ 62,904	\$ 73,046
Employee related costs	51,479	63,294
Other general and administrative costs	29,822	76,515
Total	\$ 144,205	\$ 212,855

9. OTHER INCOME

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) was received during the current period. The Company retains the 115km² Ivan Well tenement (E69/3818) further north-east towards Wiluna in the northern Goldfields, which still offers early-stage exploration potential for untested gold anomalism.

BLACK DRAGON GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six Months Ended June 30, 2024

10. 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 \$1,336,146 to settle current liabilities of \$138,315 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. 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.

11. 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.

12. 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.

BLACK DRAGON GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Six Months Ended June 30, 2024

13. SUBSEQUENT EVENTS

On July 6, 2024, 1,000,000 unlisted options with an exercise price of AUD\$0.098 expired.

There were no other subsequent events to report post June 30, 2024.

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BLACK DRAGON GOLD CORP.
Directors' Declaration

In the opinion of the Directors:

- (a) The financial statements and notes set out on pages 9 to 20:
 - (i) Comply with Accounting Standards IAS 34 Interim Financial Reporting;
 - (ii) Give a true and fair view of the consolidated entity's financial position as at June 30, 2024 and of its performance for the six months ended on that date; and

- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors

On behalf of the Directors



Dominic Roberts
Executive Chairman
September 11, 2024

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