

BULLION GOLD RESOURCES CORP.

Consolidated Financial Statements

For the three-month periods ended March 31, 2024 and 2023
(in Canadian dollars)

BULLION GOLD RESOURCES CORP.
Consolidated Statements of Financial Position
(in Canadian dollars)

NOTICE TO READERS OF INTERIM FINANCIAL STATEMENTS:

The Interim Financial Statements unaudited of Bullion Gold Resources Corp.. for the three-month period ended March 31, 2024, were not audited by a firm of external auditors.

(s) Jonathan Hamel

President, Chief Executive
Officer and Interim Chief
Financial Officer

BULLION GOLD RESOURCES CORP.
Consolidated Statements of Financial Position
(in Canadian dollars)

	Notes	March 31, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
		\$	\$
ASSETS			
CURRENT			
Cash and cash equivalents	6	132,449	178,780
Marketable securities	7	213,250	255,825
Goods and services tax receivable		10,648	20,165
Prepaid expenses		50	50
		<u>356,397</u>	<u>454,820</u>
NON-CURRENT			
Exploration and evaluation assets	8	<u>1,390,087</u>	<u>1,381,739</u>
Total assets		<u>1,746,484</u>	<u>1,836,559</u>
LIABILITIES			
CURRENT			
Trade and other payables		<u>53,735</u>	<u>51,890</u>
Total liabilities		<u>53,735</u>	<u>51,890</u>
EQUITY			
Share Capital	9.1	10,280,859	10,280,859
Contributed surplus		1,537,722	1,537,722
Accumulated other comprehensive loss		(195,656)	(153,081)
Deficit		<u>(9,930,176)</u>	<u>(9,880,831)</u>
Total equity		<u>1,692,749</u>	<u>1,784,669</u>
Total liabilities and equity		<u>1,746,484</u>	<u>1,836,559</u>

The accompanying notes are an integral part of the consolidated financial statements.

Approved on behalf of the Board:

(s) Jonathan Hamel

 Director

(s) Michael Coté Gagnon

 Director

BULLION GOLD RESOURCES CORP.
Consolidated Statements of Loss and Comprehensive Loss
(in Canadian dollars)

	Notes	For the three-month periods ended	
		March 31, 2024	March 31, 2023
		\$	\$
Operating Expenses			
Consulting fees		-	7,500
Management fees	13.1	16,775	16,500
Office		4,868	7,034
Professional fees		40,877	16,462
Regulatory fees		6,825	7,903
Gain on disposal of exploration and evaluation assets		(20,000)	-
Net Loss for before income tax		(49,345)	(55,399)
Deferred income taxes		-	(3,207)
Net loss for the period		(49,345)	(52,192)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Change in fair value of marketable securities		(42,575)	(119,850)
Comprehensive loss for the period		(91,920)	(172,042)
Basic and Diluted Loss Per Share	11	(0,001)	(0,001)
Weighted Average Number of Common Share Outstanding			
Basic and diluted		53,178,792	52,408,188

The accompanying notes are an integral part of the consolidated financial statements.

BULLION GOLD RESOURCES CORP.**Consolidated Statements of changes in Equity****For the three-month periods ended March 31, 2024 and 2023****(in Canadian dollars)**

	Notes	Number of Shares	Share Capital	Contributed surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
			\$	\$		\$	\$
January 1, 2024		53,508,188	10,280,859	1,587,722	(153,081)	(9,880,831)	1,784,669
Net loss for the period		-	-	-	-	(49,345)	(49,345)
Other comprehensive loss							
Net change in fair value for the period		-	-	-	(42,575)	-	(42,575)
March 31, 2024		43,934,438	9,848,017	1,480,950	(195,656)	(9,930,176)	1,692,749

	Notes	Number of Shares	Share Capital	Contributed surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
			\$	\$		\$	\$
January 1, 2023		52,408,188	10,236,859	1,537,722	(6,900)	(9,681,855)	(2,085,826)
Net loss for the period		-	-	-	-	(52,192)	(52,192)
Other comprehensive loss							
Net change in fair value for the period		-	-	-	(119,850)	-	(119,850)
March 31, 2023		52,408,188	10,236,859	1,537,722	(126,750)	(9,734,047)	1,913,784

The accompanying notes are an integral part of the consolidated financial statements

BULLION GOLD RESOURCES CORP.
Consolidated statements of cash flows
(in Canadian dollars)

	Notes	For the three-month periods ended	
		March 31, 2024	March 31, 2023
		\$	\$
Operating Activities			
Net loss for the period		(49,345)	(52,192)
Adjustments for items not affecting cash			
Recovery of flow-through premium		-	(3,207)
Changes in working capital items	12	11,362	29,752
Cash Used in Operating Activities		(37,983)	(25,647)
Investing Activities			
Addition to exploration and evaluation assets		(8,348)	(49,162)
Disposal of exploration and evaluation assets		-	35,000
Cash Used in Investing Activities		(8,348)	(14,162)
Decrease in Cash for the period		(46,330)	(39,809)
Cash, Beginning of period		178,780	243,316
Cash, End of period		132,449	203,507

The accompanying notes are an integral part of the consolidated financial statements.

BULLION GOLD RESOURCES CORP.
Notes to the Consolidated Financial Statements
For the three-month periods ended 31 March, 2024 and 2023
(Unaudited, in Canadian dollars)

1. NATURE OF OPERATION

Bullion Gold Resources Corp. and its subsidiary (herein after the "Company") specialize in exploration of mining sites located in Québec.

2. GOING CONCERN

The consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

As at March 31, 2024, the Company has a deficit of \$ 9,930,176 (\$9,880,831 as at December 31, 2023) and a working capital of \$ 302,662 (working capital of \$ 402,930 as at December 31, 2023). Also, to date, the Company has not yet found a property that contains economically exploitable mineral deposits, the Company did not generate income nor cash flows from its operations. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue its operations is dependent upon obtaining additional financing necessary to continue the exploration of its exploration programs, there is no guarantee that it will manage to obtain additional financing in the future. The consolidated financial statements do not include any adjustment to the carrying amounts of assets and liabilities, the revenues and expenses disclosed and the classification used in the consolidated statement of financial position that would be necessary if the going concern assumption was not appropriate

3. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board (IFRS Accounting Standards).

Bullion Gold Resources Corp. is the ultimate parent Company of the Group.

The Company, incorporated under the British-Columbia Business Corporations act, is a mining exploration company with exploration activities conducted in Quebec. The address of the Company and its principal place of business is 236-410 rue Saint-Nicolas, Montréal (Québec) H2Y 2P5, Canada. The Company shares are listed on the TSX Venture Exchange, under the BGD symbol.

The consolidated financial statements for the reporting period ended March 31, 2024 were approved and authorized for issue by the Board of Directors on May 29, 2024.

4. MATERIAL ACCOUNTING POLICIES

4.1 Overall considerations and Basis of evaluation

The consolidated financial statements have been prepared using accounting policies set out by IFRS Accounting Standards effective at the end of the period for submission of financial information (March 31, 2024). The material accounting policies used in preparing these consolidated financial statements are summarized below.

These consolidated financial statements are prepared using the historical cost method, except for financial instruments which are measured at fair value according to IFRS Accounting Standards .

BULLION GOLD RESOURCES CORP.
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For the three-month periods ended 31 March, 2024 and 2023
(Unaudited, in Canadian dollars)

4. MATERIAL ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation

The Company's consolidated financial statements include the accounts of the parent company and a subsidiary. The parent company controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and whether it has the ability to affect those returns through power it holds over the subsidiary. The Company's subsidiary is 100% owned by the parent company. The subsidiary has a reporting date of March 31.

All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between group companies. Amounts reported in the financial statements of the subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Subsidiary

Details of the Company's subsidiary as at March 31, 2024 and December 31, 2023 are as follows:

<u>Name of subsidiary</u>	<u>Status</u>	<u>Country of incorporation</u>	<u>Interest and voting</u>	<u>Power held</u>
Bullion Gold Corp.	Inactive	Canada	100 %	100 %

4.3 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent Company and a subsidiary.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.4 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to cash flows from the financial asset expire, or when the financial asset and all risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value adjusted for transaction costs (if any).

Financial assets are classified into the following categories:

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.4 Financial Instruments (continued)

Classification and initial measurement of financial assets (continued)

In the periods presented the Company does not have any financial assets classified as FVTPL.

The classification is determined by both:

- The entity's business model for managing the financial asset.
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets measured at amortised cost that are recognized in profit or loss are presented within the financial costs, financial income or other financial items.

Subsequent measurement of financial assets

Financial assets measured at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest in the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash and cash equivalents fall into this category of financial instruments.

Equity instruments designated as FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. The Company listed the investment in Kore Mining Ltd. at fair value through other comprehensive income (FVTOCI). Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to deficit.

Financial assets measured subsequently at fair value through profit or loss:

By default, all other financial assets are measured subsequently at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

In the periods presented the Company does not have any financial assets categorized as FVTPL.

Impairment of financial assets

IFRS 9's impairment requirements use information to recognize expected credit losses – the 'expected credit loss (ECL) model'. The Company considers a range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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Notes to the Consolidated Financial Statements
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4. MATERIAL ACCOUNTING POLICIES (continued)

4.4 Financial Instruments (continued)

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables and the due to related parties. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are included within finance costs.

4.5 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year.

Diluted loss per share is calculated by adjusting the loss attributable to ordinary equity holders of the Company and the weighted average number of common shares outstanding, the effects of all dilutive potential ordinary shares which include options. It is assumed that the dilutive potential ordinary shares were converted into ordinary shares at the average market price at beginning of period or the date of issue of potential ordinary shares, if later.

To calculate diluted loss per share, an entity shall assume dilutive options were exercised. The assumed proceeds from these instruments shall be regarded as having been received from issuance of common shares at the average market price of common shares during the period. Diluted loss per share equals basic loss per share given the anti-dilutive options as explained in Note 12.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in bank, together with short-term investment which are highly liquid and readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.7 Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the *Mining Tax Act*. These tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

4.8 Exploration and evaluation expenditures, and exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of the initial search of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling, general expenses, financial charges, management fees and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts (see Note 4.9), the difference is then immediately recognized in profit or loss.

BULLION GOLD RESOURCES CORP.
Notes to the Consolidated Financial Statements
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4. MATERIAL ACCOUNTING POLICIES (continued)

4.8 Exploration and evaluation expenditures, and exploration and evaluation assets (continued)

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment (see Note 4.9) and any impairment loss is recognized in profit or loss before reclassification.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash or the shares consideration received directly from the acquirer is credited against the carrying amount of costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in profit or loss.

4.9 Impairment of exploration and evaluation assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

4.10 Leases

The Company has elected to account for its short-term leases and leases of low value assets using the practical expedient. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. The Company does not have any long-term leases.

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.11 Provisions and contingent liabilities

Provisions are recognized when present legal or constructive obligations resulting from past events, will result in an outflow of economic resources from the Company and that the amounts can be reliably estimated. The timing or amount of outflow may be uncertain.

The measurement of provisions corresponding to the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties relating to the present obligation. Provisions are discounted when the time value of money is significant.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimates. When possible outflow of economic resources arising from present obligations is considered improbable or remote, no liability is recognized unless it has been taken on the occasion of a business combination.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact.

As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations.

As at March 31, 2024 and December 31, 2023, the Company does not have any provision at the Consolidated Statement of Financial Position.

4.12 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

However, since the Company is in exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax, if applicable.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognized to the extent that it is probable that tax loss or deductible temporary differences will be utilized against future taxable income. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

BULLION GOLD RESOURCES CORP.
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4. MATERIAL ACCOUNTING POLICIES (continued)

4.13 Equity

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. If shares are issued when options and warrants and conversion options are exercised, the share capital account also comprises the costs previously recorded as contributed surplus. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they were measured at their fair value according to the quoted price on the day of the issuance of the shares.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Non-monetary consideration

Agent's warrants and stock options are valued by management using the Black-Scholes option pricing model. Consideration for exploration and evaluation assets are recorded at fair value based on the fair value of the shares issued, which is the trading price of those shares on the TSX-V on the date in which the shares are issued. Proceeds from unit placements are allocated between shares and warrants issued based on the residual value method.

Flow-through shares

The Company will from time to time issue flow-through common shares to finance a significant portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the flow-through share premium liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The flow-through share premium and the related deferred tax is recognized as a deferred tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the premium liability resulting from proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through premium liability.

Other elements of equity

Contributed surplus includes charges related to share options and the value of expired warrants. When share options and warrants are exercised, the related compensation cost and value are transferred to share capital. Deficit includes all current and prior period retained profits or losses.

4.14 Equity-settled share-based Payments

The Company operates an equity-settled share-based payment plan for its eligible directors, employees and consultants. The Company's plan is not cash-settled.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair value unless that fair value cannot be estimated reliably.

If the Company cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to Contributed surplus, in equity.

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.14 Equity-settled share-based Payments (continued)

If vesting periods or vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

4.15 Segmental reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors.

The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

4.16 Standards, amendments and interpretations to existing standards that are not yet effective and which have not been adopted early by the Company

At the date of authorization of these financial statements, several new standards, amendments to existing standards and interpretations had been issued by the IASB, but were not yet in effect. The Company has not adopted any of these standards, amendments and interpretations in advance.

Management expects that all positions will be adopted during the first period starting from the date of entry into force of each position statement. New standards, amendments and interpretations that have not been adopted early during the year have not been presented since they are not likely to have a material impact on the Company's consolidated financial statements.

5. JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the consolidated financial statements, management poses a number of judgments, estimates and assumptions regarding the recognition and valuation of assets, liabilities, income and expenses.

5.1 Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

Recognition of deferred income tax assets

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

Going concern

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

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5. JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

5.2 Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Share-based payments

To estimate expenses for share-based payments, it is necessary to select an appropriate valuation model and obtain the inputs necessary for the valuation model chosen. The Company estimated the volatility of its own shares and the expected life and the exercise period of options. The model used by the Company is the Black-Scholes valuation model (see Note 9).

Impairment of exploration and evaluation assets

Determining if there are any facts or circumstances indicating an impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases (see Note 4.9).

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether a technically or economically viable extraction operation can be established, the probability that the expense will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of existence of reverses, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written-down in profit or loss in the period when the new information become available

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023
	\$	\$
Cash	122,449	168,780
Short-term investment 0.75% maturing in May 2024 (0.75 %)	10,000	10,000
Total	<u>132,449</u>	<u>178,780</u>

7. MARKETABLE SECURITIES

The total investment in quoted mining exploration companies is resumed here:

	March 31, 2024	December 31, 2023
	\$	\$
Mosaic Minerals Corp. – 3,000,000 common shares (3,000,000 as at December 31, 2023)	150,000	225,000
XCite Resources Inc. – 250,000 common shares (250,000 as at December 31, 2023)	62,500	30,000
Kore Mining Ltd. – 15,000 common shares (15,000 as at December 31, 2023)	750	825
	<u>213,250</u>	<u>255,825</u>

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8. EXPLORATION AND EVALUATION ASSETS

	Balance as at January 1, 2024	Additions	Disposals	Quebec refundable tax credit	Balance as at March 31, 2024
	\$	\$			\$
Quebec					
(b) Bousquet property					
Mining rights	404,456	2,827	-	-	407,283
Exploration and evaluation expenditures	855,507	5,521	-	-	861,028
	<u>1,259,963</u>	<u>8,348</u>	<u>-</u>	<u>-</u>	<u>1,268,311</u>
(c) Bodo SM property					
Mining rights	59,456	-	-	-	59,456
Exploration and evaluation expenditures	62,320	-	-	-	62,320
	<u>121,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,776</u>
Summary					
Mining rights	463,912	2,827	-	-	466,739
Exploration and evaluation expenditures	917,827	5,521	-	-	923,348
	<u>1,381,739</u>	<u>8,348</u>	<u>-</u>	<u>-</u>	<u>1,390,087</u>
	Balance as at January 1, 2023	Additions	Disposals	Quebec refundable tax credit	Balance as at December 31, 2023
	\$	\$			\$
Quebec					
(a) Lac Turgeon property					
Mining rights	195,000	-	(195,000)	-	-
Exploration and evaluation expenditures	15,704	-	(15,704)	-	-
	<u>210,704</u>	<u>-</u>	<u>(210,704)</u>	<u>-</u>	<u>-</u>
(b) Bousquet property					
Mining rights	401,322	3,134	-	-	404,456
Exploration and evaluation expenditures	808,976	55,425	-	(8,894)	855,507
	<u>1,210,298</u>	<u>58,559</u>	<u>-</u>	<u>(8,894)</u>	<u>1,259,963</u>
(c) Bodo SM property					
Mining rights	-	59,456	-	-	59,456
Exploration and evaluation expenditures	-	62,320	-	-	62,320
	<u>-</u>	<u>121,776</u>	<u>-</u>	<u>-</u>	<u>121,776</u>
Summary					
Mining rights	596,322	62,590	(195,000)	-	463,912
Exploration and evaluation expenditures	824,680	117,745	(15,704)	(8,894)	917,827
	<u>1,421,002</u>	<u>180,335</u>	<u>(210,704)</u>	<u>(8,894)</u>	<u>1,381,739</u>

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8. EXPLORATION AND EVALUATION ASSETS (continued)

- a) The Bousquet property is composed of 71 claims covering 2,370 hectares located about 30 kilometers west of Rouyn Noranda, Quebec.

On March 8, 2021, the Company entered into an Option agreement with Vantex Resources Ltd. To acquire up to 100 % of the Bousquet property located in the Abitibi region of Quebec about 30 km west of Rouyn-Noranda. Under the terms of the agreement, the Company may earn a 100 % interest in 70 claims covering approximately 1,515 hectares, subject to the TSX Venture approval by paying a total of \$ 150,000 and the issuance of 1,250,000 common shares between the signature of the agreement and the 1 year anniversary. As of December 31, 2021, the Company paid \$ 150,000 in cash and issued 1,150,000 common shares at a weighted average of \$ 0,093 per share for a total consideration of \$ 116,250.

On May 4, 2021, the Company signed a property acquisition agreement with Falco Resources Ltd. In consideration of \$ 70,000 in cash payable at the closing of the acquisition and a 1,5% NSR Royalty on the net smelter income. It consists of 26 claims covering 826 hectares located approximately 25 kilometers east of Rouyn-Noranda, Quebec.

On June 9, 2021, the Company completed acquisition of 18 claims covering approximately 928 hectares. In consideration of \$ 60,000 in cash and subject to the existing royalties.

- b) The Bodo SM property is composed of 682 claims covering 36,320 hectares located approximately 200km north of Chibougamau Quebec.

On February 14, 2023, the Company announces the acquisition, by way of staking and from a group of prospectors, of 36,320 contiguous hectares forming the Bodo SM property, located approximately 200 km north of the municipality of Chibougamau and about 100 km south of the Eastmain mine.

On April 20, 2023, the Company issued 1,100,000 common shares to prospectors to complete the property acquisition for a value of \$ 44,000.

9. EQUITY

9.1 Share capital

Authorized Unlimited number of common shares without par value.

The share capital of the Company consists only of fully paid common shares and an unlimited number of shares without par value. All shares are equally admissible to receive dividends and the repayment of capital, and represent one vote each at the shareholders meeting of the Company.

On April 20, 2023, the Company issued 1,100,000 common shares to prospectors to complete the Bodo SM property acquisition for a value of \$ 44,000.

9.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	March 31, 2024		December 31, 2023	
	Number of	Weighted	Number of	Weighted
	warrants	average exercise	warrants	average exercise
		price		price
		\$		\$
Balance, beginning of period	3,505,000	0,08	9,025,313	0,11
Expired	-	-	(5,520,313)	0,14
Balance, end of period	<u>3,505,000</u>	<u>0,08</u>	<u>3,505,000</u>	<u>0,08</u>

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9. EQUITY (continued)

9.2 Warrants (continued)

Expiration date	March 31, 2024	
	Number	Exercise price
November 1, 2024	3,505,000	\$ 0,08
	3,505,000	

The underlying expected volatility was determined by reference to historical data of comparable Company's shares over the expected average life of the warrants.

9.3 Broker's warrants

Outstanding broker's warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	March 31, 2024		December 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of the year	281,250	0,08	281,250	0,08
Balance, end of the year	281,250	0,08	281,250	0,08

Expiration date	March 31, 2024		December 31, 2023	
	Number of warrants	Exercise price	Number of warrants	Exercise Price
November 1, 2024	281,250	0,08	281,250	0,08
	281,250	0,08	281,250	0,08

10. SHARE-BASED PAYMENTS

The shareholders of the Company approved a share-based payment plan to purchase shares (the "Plan") that members of the Board may grant options to purchase shares to its directors, officers, employees and consultants to purchase common shares of the Company. Conditions and the exercise price of each stock option is determined by the board of directors.

The purchase price of common shares upon exercise of each option granted under the plan, will be the price set for this option by the Board at the time of grant of each option. The term of the options cannot exceed 5 years.

The options vest at the date of grant, except for options granted to consultants doing investors' relationship activities, for which the vesting period is twelve months.

The plan provides that the maximum number of common shares in the capital of the Company which may be reserved for issuance under the plan may not exceed 10 % of the publicly traded shares issued and outstanding on the grant date of the options (on a non-diluted basis), this number being equal to 5,350,819 shares on March 31, 2024 (5,350,819 on December 31, 2023).

The total number of shares reserved for options exercised in favor of the same person must not represent in any 12 month period, more than 5% of the issued and outstanding shares of the Company this number is calculated to the date the option is granted.

The total number of shares reserved for options exercised in favor of consultants and people that provide services of investor relations must not represent in any 12 month period, more than 2% of common shares issued and outstanding shares of the Company, this number being calculated at the date the option is granted.

All share-based payments will be settled in equity. The Company has no legal or contractive obligation to repurchase or settle the options in cash.

The Company's share options are as follows for the reporting periods presented:

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10. SHARE-BASED PAYMENTS (continued)

The Company's share options are as follows for the reporting periods presented:

	March 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance at beginning of period	2,450,000	0,13	2,700,000	0,13
Cancelled	-	-	(250,000)	0,12
Balance at end of expired period	2,450,000	0,13	2,450,000	0,13
Exercisable options, at end of period	2,450,000	0,13	2,450,000	0,13

The following table summarizes information about share options on March 31, 2024

Number of options	Exercise price	Outstanding options
		Weighted remaining life (years)
	\$	
850,000	0,115	1,58
250,000	0,12	2,00
850,000	0,17	1,75
500,000	0,075	2,42
2,450,000		

The following table summarizes information about share options on December 31, 2023

Number of options	Exercise price	Outstanding options
		Weighted remaining life (years)
850,000	0,115	1,83
250,000	0,12	2,25
850,000	0,17	2,00
500,000	0,075	2,67
2,450,000		

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11. FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

The carrying value and fair value of financial instruments presented in the consolidated statement of financial position are as follows:

	Notes	March 31, 2024		December 31, 2023	
		Carrying amount	Fair Value	Carrying amount	Fair Value
		\$	\$	\$	\$
FINANCIAL ASSETS AT AMORTIZED COST					
Cash and cash equivalents		132,449	132,449	178,780	178,780
FINANCIAL ASSETS AT FVTOCI					
Marketable securities in a quoted mining exploration company	7	213,250	213,250	255,825	255,825
FINANCIAL LIABILITIES AT AMORTIZED COST					
Trade and other payables		53,735	53,735	51,890	51,890

The carrying value of cash and cash equivalents, trade and other payables and the due to related parties is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

See Note 4.4 for a description of the accounting policies for each category of financial instruments. The Company's financial instruments risks are detailed in Note 16.

Financial instruments measured at fair value

Financial assets and liabilities measured at fair value on the consolidated statement of financial position and instruments measured at amortized cost for which a fair value is disclosed are presented in the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Marketable securities in a quoted company measured at fair value in the consolidated statement of financial position as at March 31, 2024 and December 31, 2023 are classified in Level 1. The fair value has been estimated by reference to their quoted price at the reporting date.

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, dilutive potential ordinary shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive.

Details of share options and warrants that could potentially dilute earnings per share in the future are given in notes 9 and 10.

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13. ADDITIONAL INFORMATION – CASH FLOWS

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
	\$	\$
Goods and services tax receivable	9,517	(15,939)
Prepaid expenses	-	19,550
Trade and other payables	1,844	(46,432)
Due to related parties	-	(14,324)
	<u>11,361</u>	<u>(57,145)</u>

14. RELATED PARTY TRANSACTIONS

The Company's related parties include companies controlled by management and directors and key management.

Unless otherwise stated, none of the transactions incorporated special term and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

14.1 Transactions with key management personnel

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
	\$	\$
Officers of the Company		
Management fees	16,775	16,500
Director of the Company		
Exploration and evaluation assets (Geological services)	-	1,760

15. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to owners of the parent

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting period under review is summarized in Note 9 and in the consolidated statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings.

When financing conditions are not optimal, the company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

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16. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarized in Note 11. The main types of risks the Company is exposed to are credit risk, the market risk and liquidity risk.

The Company focuses on actively securing short to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes.

The most significant financial risk to which the Company is exposed are described below.

16.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at March 31, 2024 and December 31, 2023, the Company's maximum exposure to credit risk is limited to the carrying amount of the following financial assets at the reporting date, as summarized below:

	March 31, 2024	December 31, 2023
	<u>\$</u>	<u>\$</u>
Cash and cash equivalents	132,449	178,780

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

16.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company is exposed to fluctuations in the market prices of its marketable securities in quoted mining exploration companies. The fair value of the marketable securities represents the maximum exposure to price risk. For the marketable securities in quoted mining exploration companies, an average volatility of 9% (22% in 2023) has been observed during 2024 and a variation of 9% will have an impact of \$18,864 (\$56,548 in 2023) on the fair value of the marketable securities.

16.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Trade and other payables and due to related parties of the Company are due in less than three months. When the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

17. CONTINGENCIES

Flow-through shares

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work on the first of the following two dates.

- Two years following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

Commitments to carry out exploration work that are not respected are subject to a combined rate 30 % (Canada and Quebec).

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have negative tax impact for investors.

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18. POST-REPORTING EVENTS

On April 9, 2024, the Company signed an option agreement to 22 mining claims from a mining prospector as well as 18 mining claims by map staking for a total area of 2,240 hectares. All claims are located on the northern edge of the Bodo property. The acquisition was made in consideration of a \$ 10,000 cash payment and the issuance of 1m shares of the Company and a 2% Net Smelter Royalty in favor of the vendor.