



GALANTAS GOLD CORPORATION

**Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)**

**(Unaudited)
Three Months Ended March 31, 2021**

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Galantas Gold Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Galantas Gold Corporation

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at March 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 487,193	\$ 612,094
Accounts receivable and prepaid expenses (note 4)	333,136	594,960
Inventories (note 5)	32,940	81,169
Total current assets	853,269	1,288,223
Non-current assets		
Property, plant and equipment (note 6)	21,205,782	21,158,103
Long-term deposit (note 8)	520,110	521,430
Exploration and evaluation assets (note 7)	796,207	750,741
Total non-current assets	22,522,099	22,430,274
Total assets	\$ 23,375,368	\$ 23,718,497
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities (note 9)	\$ 1,366,629	\$ 1,350,142
Current portion of financing facilities (note 10)	2,398,673	2,186,272
Due to related parties (note 14)	5,620,910	5,461,893
Total current liabilities	9,386,212	8,998,307
Non-current liabilities		
Decommissioning liability (note 8)	599,498	598,275
Total non-current liabilities	599,498	598,275
Total liabilities	9,985,710	9,596,582
Equity		
Share capital (note 11(a)(b))	52,933,594	52,933,594
Reserves	9,641,827	9,734,121
Deficit	(49,185,763)	(48,545,800)
Total equity	13,389,658	14,121,915
Total equity and liabilities	\$ 23,375,368	\$ 23,718,497

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Going concern (note 1)
Incorporation and nature of operations (note 2)
Contingency (note 16)
Events after the reporting period (note 17)



Galantas Gold Corporation

Condensed Interim Consolidated Statements of Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	2021	2020
Revenues		
Sales of concentrate (note 13)	\$ -	\$ -
Cost and expenses of operations		
Cost of sales	46,148	35,836
Depreciation (note 6)	72,065	88,727
	118,213	124,563
Loss before general administrative and other expenses	(118,213)	(124,563)
General administrative expenses		
Management and administration wages (note 14)	144,083	141,222
Other operating expenses	32,580	94,060
Accounting and corporate	15,184	14,144
Legal and audit	49,173	42,118
Stock-based compensation (note 11(d)(i))	4,631	(16,288)
Shareholder communication and investor relations	59,853	47,076
Transfer agent	2,861	27,736
Director fees (note 14)	8,500	6,250
General office	3,569	2,713
Accretion expenses (notes 8 and 10)	104,560	146,121
Loan interest and bank charges less deposit interest (notes 10 and 14)	80,103	151,616
	505,097	656,768
Other expenses		
Foreign exchange loss (gain)	16,653	(101,016)
	16,653	(101,016)
Net loss for the period	\$ (639,963)	\$ (680,315)
Basic and diluted net loss per share (note 12)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	46,565,537	32,321,472

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Galantas Gold Corporation

Condensed Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended	
	March 31,	
	2021	2020
Net loss for the period	\$ (639,963)	\$ (680,315)
Other comprehensive (loss) income		
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(96,925)	382,709
Total comprehensive loss	\$ (736,888)	\$ (297,606)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Galantas Gold Corporation

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
Operating activities		
Net loss for the period	\$ (639,963)	\$ (680,315)
Adjustment for:		
Depreciation (note 6)	72,065	88,727
Stock-based compensation (note 11(d))	4,631	(16,288)
Accrued interest (notes 10 and 14)	78,874	151,275
Foreign exchange loss (gain)	79,672	(38,419)
Accretion expenses (notes 8 and 10)	104,560	146,121
Non-cash working capital items:		
Accounts receivable and prepaid expenses	260,990	84,588
Inventories	48,145	(6,526)
Accounts payable and other liabilities	19,284	(445,617)
Due to related parties	91,762	92,409
Net cash and cash equivalents provided by (used in) operating activities	120,020	(624,045)
Investing activities		
Purchase of property, plant and equipment	(172,550)	(325,769)
Exploration and evaluation assets	(47,366)	(41,424)
Net cash and cash equivalents used in investing activities	(219,916)	(367,193)
Financing activities		
Repayment of financing facilities (note 10)	(23,802)	(8,353)
Net cash and cash equivalents used in financing activities	(23,802)	(8,353)
Net change in cash and cash equivalents	(123,698)	(999,591)
Effect of exchange rate changes on cash held in foreign currencies	(1,203)	22,731
Cash and cash equivalents, beginning of period	612,094	1,913,420
Cash and cash equivalents, end of period	\$ 487,193	\$ 936,560
Cash	\$ 487,193	\$ 936,560
Cash equivalents	-	-
Cash and cash equivalents	\$ 487,193	\$ 936,560

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Galantas Gold Corporation

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Reserves						Deficit	Total
	Share capital	Warrants reserve	Equity settled share-based payments reserve	Foreign currency translation reserve	Equity component of convertible debenture			
Balance, December 31, 2019	\$ 50,123,910	\$ 786,000	\$ 7,585,580	\$ 796,754	\$ 248,078	\$(45,317,348)	\$ 14,222,974	
Stock-based compensation (note 11(d))	-	-	(16,288)	-	-	-	(16,288)	
Exchange differences on translating foreign operations	-	-	-	382,709	-	-	382,709	
Net loss for the period	-	-	-	-	-	(680,315)	(680,315)	
Balance, March 31, 2020	\$ 50,123,910	\$ 786,000	\$ 7,569,292	\$ 1,179,463	\$ 248,078	\$(45,997,663)	\$ 13,909,080	
Balance, December 31, 2020	\$ 52,933,594	\$ 340,000	\$ 8,381,382	\$ 1,012,739	\$ -	\$(48,545,800)	\$ 14,121,915	
Stock-based compensation (note 11(d))	-	-	4,631	-	-	-	4,631	
Exchange differences on translating foreign operations	-	-	-	(96,925)	-	-	(96,925)	
Net loss for the period	-	-	-	-	-	(639,963)	(639,963)	
Balance, March 31, 2021	\$ 52,933,594	\$ 340,000	\$ 8,386,013	\$ 915,814	\$ -	\$(49,185,763)	\$ 13,389,658	

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.



Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

1. Going Concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which contemplates that Galantas Gold Corporation (the "Company") will be able to realize assets and discharge liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast doubt on the Company's ability to continue as a going concern. The Company's future viability depends on the consolidated results of the Company's wholly-owned subsidiary Cavanacaw Corporation ("Cavanacaw"). Cavanacaw has a 100% shareholding in both Flintridge Resources Limited ("Flintridge") who are engaged in the acquisition, exploration and development of gold properties, mainly in Omagh, Northern Ireland and Omagh Minerals Limited ("Omagh") who are engaged in the exploration of gold properties, mainly in the Republic of Ireland. The Omagh mine has an open pit mine, which was in production until 2013 when production was suspended and is reported as property, plant and equipment and as an underground mine which having established technical feasibility and commercial viability in December 2018 has resulted in associated exploration and evaluation assets being reclassified as an intangible development asset and reported as property, plant and equipment.

The going concern assumption is dependent upon forecast cash flows being met, further financing currently being negotiated. The directors assumptions in relation to future levels of production, gold prices and mine operating and capital costs are crucial to forecast cash flows being achieved. Should production be significantly delayed, revenues fall short of expectations or operating costs and capital costs increase significantly, there may be insufficient cash flows to sustain day to day operations without seeking further finance.

Negotiations with current finance providers to extend short-term loans are progressing satisfactory. The Company is also in advanced negotiations with potential new investors to meet the financial requirements of the Company for the foreseeable future. Based on the financial projections prepared, the directors believe it's appropriate to prepare the condensed interim consolidated financial statements on the going concern basis.

As at March 31, 2021, the Company had a deficit of \$49,185,763 (December 31, 2020 - \$48,545,800). Comprehensive loss for the three months ended March 31, 2021 was \$736,888 (three months ended March 31, 2020 - \$297,606). These conditions raise material uncertainties which may cast significant doubt as to whether the Company will be able to continue as a going concern. Management is confident that it will continue as a going concern. However, this is subject to a number of factors including market conditions.

These unaudited condensed interim consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities, the reported expenses and financial position classifications used that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

2. Incorporation and Nature of Operations

The Company was formed on September 20, 1996 under the name Montemor Resources Inc. on the amalgamation of 1169479 Ontario Inc. and Consolidated Deer Creek Resources Limited. The name was changed to European Gold Resources Inc. by articles of amendment dated July 25, 1997. On May 5, 2004, the Company changed its name from European Gold Resources Inc. to Galantas Gold Corporation. The Company was incorporated to explore for and develop mineral resource properties, principally in Europe. In 1997, it purchased all of the shares of Omagh which owns a mineral property in Northern Ireland, including a delineated gold deposit. Omagh obtained full planning and environmental consents necessary to bring its property into production.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

2. Incorporation and Nature of Operations (Continued)

The Company entered into an agreement on April 17, 2000, approved by shareholders on June 26, 2000, whereby Cavanacaw, a private Ontario corporation, acquired Omagh. Cavanacaw has established an open pit mine to extract the Company's gold deposit near Omagh, Northern Ireland. Cavanacaw also has developed a premium jewellery business founded on the gold produced under the name Galántas Irish Gold Limited ("Galántas"). As at July 1, 2007, the Company's Omagh mine began production and in 2013 production was suspended. On April 1, 2014, Galántas amalgamated its jewelry business with Omagh.

On April 8, 2014, Cavanacaw acquired Flintridge. Following a strategic review of its business by the Company during 2014 certain assets owned by Omagh were acquired by Flintridge.

On April 17, 2020, the Company completed a share consolidation of its share capital on the basis of ten existing common shares for one new common share consolidation.

The Company's operations include the consolidated results of Cavanacaw, and its wholly-owned subsidiaries Omagh, Galántas and Flintridge.

The Company's common shares are listed on the TSX Venture Exchange ("TSXV") and London Stock Exchange AIM under the symbol GAL. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

3. Basis of Preparation

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 26, 2021 the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2021
(Expressed in Canadian Dollars)
(Unaudited)

4. Accounts Receivable and Prepaid Expenses

	As at March 31, 2021	As at December 31, 2020
Sales tax receivable - Canada	\$ 756	\$ 3,987
Valued added tax receivable - Northern Ireland	59,830	56,422
Accounts receivable	256,397	295,510
Prepaid expenses	16,153	239,041
	\$ 333,136	\$ 594,960

Prepaid expenses includes advances for consumables and for construction of the passing bays in the Omagh mine.

The following is an aged analysis of receivables:

	As at March 31, 2021	As at December 31, 2020
Less than 3 months	\$ 129,933	\$ 120,085
3 to 12 months	178,295	117,615
More than 12 months	8,755	118,219
Total accounts receivable	\$ 316,983	\$ 355,919

5. Inventories

	As at March 31, 2021	As at December 31, 2020
Concentrate inventories	\$ 32,940	\$ 81,169

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

6. Property, Plant and Equipment

Cost	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Development assets (i)	Total
Balance, December 31, 2019	\$ 2,369,610	\$ 6,866,075	\$ 160,637	\$ 189,142	\$ 19,016,904	\$ 28,602,368
Additions	-	2,781	-	-	1,892,995	1,895,776
Cash receipts from concentrate sales	-	-	-	-	(1,792,209)	(1,792,209)
Foreign exchange adjustment	28,561	82,352	1,934	2,280	227,986	343,113
Balance, December 31, 2020	2,398,171	6,951,208	162,571	191,422	19,345,676	29,049,048
Additions	-	-	-	-	172,550	172,550
Foreign exchange adjustment	(6,071)	(17,511)	(412)	(485)	(48,717)	(73,196)
Balance, March 31, 2021	\$ 2,392,100	\$ 6,933,697	\$ 162,159	\$ 190,937	\$ 19,469,509	\$ 29,148,402

Accumulated depreciation	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Development assets (i)	Total
Balance, December 31, 2019	\$ 1,954,907	\$ 5,259,569	\$ 115,325	\$ 112,851	\$ -	\$ 7,442,652
Depreciation	7,910	322,574	13,252	11,460	-	355,196
Foreign exchange adjustment	23,644	66,443	1,530	1,480	-	93,097
Balance, December 31, 2020	1,986,461	5,648,586	130,107	125,791	-	7,890,945
Depreciation	1,606	65,464	2,523	2,472	-	72,065
Foreign exchange adjustment	(5,040)	(14,668)	(347)	(335)	-	(20,390)
Balance, March 31, 2021	\$ 1,983,027	\$ 5,699,382	\$ 132,283	\$ 127,928	\$ -	\$ 7,942,620

Carrying value	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Development assets (i)	Total
Balance, December 31, 2020	\$ 411,710	\$ 1,302,622	\$ 32,464	\$ 65,631	\$ 19,345,676	\$ 21,158,103
Balance, March 31, 2021	\$ 409,073	\$ 1,234,315	\$ 29,876	\$ 63,009	\$ 19,469,509	\$ 21,205,782

(i) Development assets are expenditures for the underground mining operations in Omagh.



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Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

7. Exploration and Evaluation Assets

Cost	Exploration and evaluation assets
Balance, December 31, 2019	\$ 661,726
Additions	129,031
Impairment	(47,490)
Foreign exchange adjustment	7,474
Balance, December 31, 2020	750,741
Additions	47,366
Foreign exchange adjustment	(1,900)
Balance, March 31, 2021	\$ 796,207
Carrying value	
Balance, December 31, 2020	\$ 750,741
Balance, March 31, 2021	\$ 796,207

8. Decommissioning Liability

The Company's decommissioning liability is a result of mining activities at the Omagh mine in Northern Ireland. The Company estimated its decommissioning liability at March 31, 2021 based on a risk-free discount rate of 1% (December 31, 2020 - 1%) and an inflation rate of 1.50% (December 31, 2020 - 1.50%). The expected undiscounted future obligations allowing for inflation are GBP 330,000 and based on management's best estimate the decommissioning is expected to occur over the next 5 to 10 years. On March 31, 2021, the estimated fair value of the liability is \$599,498 (December 31, 2020 - \$598,275). Changes in the provision during the three months ended March 31, 2021 are as follows:

	As at March 31, 2021	As at December 31, 2020
Decommissioning liability, beginning of period	\$ 598,275	\$ 580,303
Accretion	2,756	10,863
Foreign exchange	(1,533)	7,109
Decommissioning liability, end of period	\$ 599,498	\$ 598,275

As required by the Crown in Northern Ireland, the Company is required to provide a bond for reclamation related to the Omagh mine in the amount of GBP 300,000 (December 31, 2020 - GBP 300,000), of which GBP 300,000 was funded as of March 31, 2021 (GBP 300,000 was funded as of December 31, 2020) and reported as long-term deposit of \$520,110 (December 31, 2020 - \$521,430).

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Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2021
(Expressed in Canadian Dollars)
(Unaudited)

9. Accounts Payable and Other Liabilities

Accounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration costs on exploration and evaluation assets, general operating activities and professional fees activities.

	As at March 31, 2021	As at December 31, 2020
Accounts payable	\$ 390,495	\$ 423,630
Accrued liabilities	976,134	926,512
Total accounts payable and other liabilities	\$ 1,366,629	\$ 1,350,142

The following is an aged analysis of the accounts payable and other liabilities:

	As at March 31, 2021	As at December 31, 2020
Less than 3 months	\$ 624,033	\$ 432,946
3 to 12 months	57,106	76,800
12 to 24 months	8,145	161,327
More than 24 months	677,345	679,069
Total accounts payable and other liabilities	\$ 1,366,629	\$ 1,350,142

10. Financing Facilities

Amounts payable on the Company's financial facilities are as follow:

	As at March 31, 2021	As at December 31, 2020
Financing facilities, beginning of period (i)	\$ 2,186,272	\$ 1,440,185
Financing facility received (i)	-	262,460
Less bonus warrants issued (i)	-	(340,000)
Less current portion	(2,398,673)	(2,186,272)
Repayment of financing facilities (i)	(23,802)	(49,705)
Accretion (i)	101,804	360,452
Interest (i)	47,160	214,377
Foreign exchange adjustment	87,239	298,503
Financing facilities - long term portion	\$ -	\$ -

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

10. Financing Facilities (Continued)

(i) In April 2018, the Company signed a concentrate pre-payment agreement and loan facility for US\$1.6 million with a United Kingdom based company (the "Lender"), with a maturity date of December 31, 2020. The interest is set at US\$ 12 month LIBOR + 8.75% and payable monthly. No interest shall be charged for 6 months and repayments shall commence against deliveries in 2019. There was a US\$25,000 arrangement fee.

In respect of the loan facility, a fixed and floating security, subordinated to an existing security to G&F Phelps Ltd. ("G&F Phelps"), is being put in place over Flintridge assets. G&F Phelps has a first charge on Flintridge assets in respect of its loan facility and the Lender required an intercreditor agreement between G&F Phelps and the Lender.

As consideration for the loan facility, the United Kingdom based company received 1,500,000 bonus warrants of the Company. Each bonus warrant is exercisable into one common share of the Company and is subject to an initial four months plus one day hold period from the date of issuance of the bonus warrants. The bonus warrants have a maximum life of two years (the "Expiry Time"). On April 19, 2018, the 1,500,000 bonus warrants were granted. In the event that the weighted average closing price per common share of the Company is more than \$2.00 per share for more than five consecutive trading days, the Company shall be entitled to accelerate the Expiry Time to a date that is 30 days from the date on which the Company announces the accelerated Expiry Time by press release.

The fair value of the 1,500,000 bonus warrants was estimated at \$786,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 113.55%, risk-free interest rate - 1.91% and an expected average life of 2 years.

On July 9, 2020, the Company amended the terms of its loan facility of an increase in the outstanding loan facility. The amount of the loan facility increased by US\$200,000 to a total of US\$1.8 million. On November 12, 2020, the additional US\$200,000 loan facility was drawn down by the Company. The interest rate applicable on the loan facility increased from US\$ 12 month LIBOR + 8.75% to US\$ 12 month LIBOR + 9.9% and the maturity date was extended from December 31, 2020 to December 31, 2021. Interest may be rolled into the loan facility until December 31, 2020, at the Company's option.

As consideration for amending the terms of the loan facility, the Lender received on August 14, 2020, 1,700,000 bonus warrants of Galantas ("Bonus Warrants"). Each Bonus Warrant will be exercisable for one common share of Galantas (a "Bonus Share") at an exercise price of \$0.33 per Bonus Share. The Bonus Warrants will expire on December 31, 2021 (the "Expiry Date") and the Bonus Shares will be subject to an initial four month plus one day hold period from the date of their issuance. In the event that the weighted average closing price per common share of the Company is more than \$0.4125 per share for more than five consecutive trading days, the Company shall be entitled to accelerate the Expiry Date to a date that is 30 days from the date on which the Company announces the accelerated Expiry Date by press release.

The fair value of the 1,700,000 bonus warrants was estimated at \$340,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 165.75%, risk-free interest rate - 0.27% and an expected average life of 1.38 years.

During the three months ended March 31, 2021, the Company recorded accretion expense of \$101,804 in the unaudited condensed interim consolidated statements of loss in regards with this loan facility (year ended December 31, 2020 - \$360,452).

During the three months ended March 31, 2021, the Company recorded interest expense of \$47,160 in the unaudited condensed interim consolidated statements of loss in regards with this loan facility (year ended December 31, 2020 - \$214,377).

During the three months ended March 31, 2021, the Company recorded a repayment of \$23,802 in regards with this loan facility (year ended December 31, 2020 - \$49,705).



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Three Months Ended March 31, 2021
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(Unaudited)

11. Share Capital and Reserves

a) Authorized share capital

At March 31, 2021, the authorized share capital consisted of an unlimited number of common and preference shares issuable in Series.

The common shares do not have a par value. All issued shares are fully paid.

No preference shares have been issued. The preference shares do not have a par value.

b) Common shares issued

At March 31, 2021, the issued share capital amounted to \$52,933,594. The continuity of issued share capital for the periods presented is as follows:

	Number of common shares	Amount
Balance, December 31, 2019 and March 31, 2020	32,321,472	\$ 50,123,910
Balance, December 31, 2020 and March 31, 2021	46,565,537	\$ 52,933,594

c) Warrant reserve

The following table shows the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2019 and March 31, 2020	1,500,000	\$ 1.58
Expired	-	-
Balance, March 31, 2020	1,500,000	\$ 0.16
Balance, December 31, 2020 and March 31, 2021	1,700,000	\$ 0.33

The following table reflects the actual warrants issued and outstanding as of March 31, 2021:

Expiry date	Number of warrants	Grant date fair value (\$)	Exercise price (\$)
December 31, 2021	1,700,000	340,000	0.33



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Notes to Condensed Interim Consolidated Financial Statements
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11. Share Capital and Reserves (Continued)

d) Stock options

The following table shows the continuity of stock options for the periods presented:

	Number of options	Weighted average exercise price
Balance, December 31, 2019	1,395,000	\$ 0.92
Cancelled (i)	(515,000)	1.01
Balance, March 31, 2020	880,000	\$ 1.12
Balance, December 31, 2020 and March 31, 2021	570,000	\$ 1.16

(i) The portion of the estimated fair value of options granted in the prior years and vested during the three months ended March 31, 2021, amounted to \$4,631 (three months ended March 31, 2020 - \$41,222). In addition, during the three months ended March 31, 2021, nil options granted in the prior years were cancelled (three months ended March 31, 2020 - 515,000 options cancelled) and therefore, \$nil (three months ended March 31, 2020 - \$57,510) of stock-based compensation was reversed related to the unvested portion of the options cancelled.

The following table reflects the actual stock options issued and outstanding as of March 31, 2021:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
March 25, 2022	1.35	0.98	320,000	320,000	-
April 19, 2023	1.10	2.05	25,000	25,000	-
February 13, 2024	0.90	2.87	125,000	125,000	-
June 27, 2024	0.90	3.24	100,000	66,667	33,333
	1.16	1.84	570,000	536,667	33,333

12. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2021 was based on the loss attributable to common shareholders of \$639,963 (three months ended March 31, 2020 - \$680,315) and the weighted average number of common shares outstanding of 46,565,537 (three months ended March 31, 2020 - 32,321,472) for basic and diluted loss per share. Diluted loss did not include the effect of 1,700,000 warrants (three months ended March 31, 2020 - 1,500,000) and 570,000 options (three months ended March 31, 2020 - 880,000) for the three months ended March 31, 2021, as they are anti-dilutive.

13. Revenues

Shipments of concentrate under the off-take arrangements commenced during the second quarter of 2019. Concentrate sales provisional revenues during the three months ended March 31, 2021 totaled approximately US\$567,000 (three months ended March 31, 2020 - US\$186,000). However, until the mine reaches the commencement of commercial production, the net proceeds from concentrate sales will be offset against Development assets.



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(Expressed in Canadian Dollars)

(Unaudited)

14. Related Party Disclosures

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the fair value and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The Company entered into the following transactions with related parties:

	Note	Three Months Ended March 31,	
		2021	2020
Interest on related party loans	(i)	\$ 78,876	\$ 86,533

(i) G&F Phelps, a company controlled by a director of the Company, had amalgamated loans to the Company of \$3,163,593 (GBP 1,824,764) (December 31, 2020 - \$3,171,622 - GBP 1,824,764) included with due to related parties bearing interest at 2% above UK base rates, repayable on demand and secured by a mortgage debenture on all the Company's assets. In April 2018, the interest increased to 6.75% + US\$ 12 month LIBOR. Interest accrued on related party loans is included with due to related parties. As at March 31, 2021, the amount of interest accrued is \$1,414,446 (GBP 815,854) (December 31, 2020 - \$1,339,503 - GBP 770,671).

(b) Remuneration of officer and directors of the Company was as follows:

	Three Months Ended March 31,	
	2021	2020
Salaries and benefits ⁽¹⁾	\$ 117,606	\$ 114,499
Stock-based compensation	2,258	9,314
	\$ 119,864	\$ 123,813

⁽¹⁾ Salaries and benefits include director fees. As at March 31, 2021, due to directors for fees amounted to \$162,000 (December 31, 2020 - \$153,500) and due to officers, mainly for salaries and benefits accrued amounted to \$880,871 (GBP 508,087) (December 31, 2020 - \$782,145 - GBP 458,701), and is included with due to related parties.

(c) As of March 31, 2021, Ross Beaty owns 3,744,747 common shares of the Company or approximately 8.04% of the outstanding common shares. Roland Phelps, Chief Executive Officer and director, owns, directly and indirectly, 4,933,817 common shares of the Company or approximately 10.60% of the outstanding common shares of the Company. Premier Miton owns 4,848,243 common shares of the Company or approximately 10.41%. Melquart owns, directly and indirectly, 20,673,528 common shares of the Company or approximately 44.4% of the outstanding common shares of the Company. The remaining 26.55% of the shares are widely held, which includes various small holdings which are owned by directors of the Company. These holdings can change at anytime at the discretion of the owner.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company.

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15. Segment Disclosure

The Company has determined that it has one reportable segment. The Company's operations are substantially all related to its investment in Cavanacaw and its subsidiaries, Omagh and Flintridge. Substantially all of the Company's revenues, costs and assets of the business that support these operations are derived or located in Northern Ireland. Segmented information on a geographic basis is as follows:

March 31, 2021	United Kingdom	Canada	Total
Current assets	\$ 807,896	\$ 45,373	\$ 853,269
Non-current assets	\$ 22,465,363	\$ 56,736	\$ 22,522,099
Revenues	\$ -	\$ -	\$ -

December 31, 2020	United Kingdom	Canada	Total
Current assets	\$ 1,232,744	\$ 55,479	\$ 1,288,223
Non-current assets	\$ 22,373,581	\$ 56,793	\$ 22,430,374
Revenues	\$ -	\$ -	\$ -

16. Contingency

During the year ended December 31, 2010, the Company's subsidiary Omagh received a payment demand from Her Majesty's Revenue and Customs ("HMRC") in the amount of \$527,548 (GBP 304,290) in connection with an aggregate levy arising from the removal of waste rock from the mine site during 2008 and early 2009. Omagh Minerals believed this claim to be without merit. An appeal was lodged with the Tax Tribunals Service and the hearing started at the beginning of March 2017 and following a number of adjournments was completed in August 2018. During the year ended December 31, 2019, the Tax Tribunals Service issued their judgement dismissing the appeal by Omagh in respect of the assessments. A provision has now been included in the unaudited condensed interim consolidated financial statements in respect of the aggregates levy plus interest and penalty.

There is a contingent liability in respect of potential additional interest which may be applied in respect of the aggregates levy dispute. Omagh is unable to make a reliable estimate of the amount of the potential additional interest that may be applied by HMRC.

17. Events After the Reporting Period

(i) On April 19, 2021, the Company announced a private placement that will provide for the financing to bring the Omagh mine into full production. Highlights of the private placement are summarized below.

The private placements consists of a minimum of 17 to 22 million units at \$0.30 per unit, where each unit comprises one common share and one warrant. The minimum gross proceeds expected to be raised are \$5,100,000 with maximum gross proceeds of \$6,600,000. Each warrant will be exercisable into one additional share at an exercise price of \$0.40 for 24 months from the closing date of the placement. There will be a four-month hold period on the trading of securities issued in connection with this offering. Further details are contained in the press release issued on the above date.

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17. Events After the Reporting Period (Continued)

(ii) On April 21, 2021, Galantas announced an increase in the maximum size of its proposed private placement due to strong demand and to accelerate its exploration program.

Strong demand has been received for the private placement, which was detailed in a press release dated April 19, 2021 and this has resulted in a potential over-subscription. The private placement maximum (previously a maximum of 22 million units at \$0.30 per unit, where each unit comprises one common share and one warrant, has been increased to a maximum of 26,666,667 units. The minimum gross proceeds expected to be raised remain as \$5,100,000, with maximum gross proceeds of \$8,000,000 (previously \$6,600,000). Each warrant will be exercisable into one additional share at an exercise price of \$0.40 for 24 months from the closing date of the placement. There will be a four-month hold period on the trading of securities issued in connection with this offering.

The net funds raised will be mainly used for bringing the Omagh mine into full commercial production and for exploration to expand the high-grade gold resources. An increase in the maximum gross proceeds will permit the planned exploration program to be accelerated.

(iii) On May 18, 2021, Galantas announced the closing of its oversubscribed private placement (the "Placement") previously announced on April 21, 2021, to fund the Omagh mine to full production and accelerate exploration plans to expand the high-grade gold resources.

The Placement resulted in the issuance of 26,663,264 units at a price of \$0.30 per unit for aggregate gross proceeds of \$7,998,980. Each unit comprises one common share and one common share purchase warrant. Each warrant will be exercisable into one additional common share at an exercise price of \$0.40 for 24 months from the closing date of the Placement. There is a four-month and one day hold period on the trading of securities issued in connection with this Placement.

Ocean Partners acquired 1,666,667 units of the Placement, for consideration of \$500,000 and the Company paid a finder's fee of 41,667 units to Ocean Partners resulting in the issuance of 1,708,334 common shares or 2.3% of the Company's issued and outstanding common shares on a non-diluted basis.

Roland Phelps, the Company's retiring President and Chief Executive Officer, acquired 166,667 units for consideration of \$50,000, increasing his holding to 5,100,484 common shares or 7.0% of the Company's issued and outstanding common shares on a non-diluted basis.

In connection with closing, Roland Phelps has retired as the Company's President and Chief Executive Officer and as a member of the Board of Directors. His role as Chief Executive Officer has been assumed by Mario Stifano.

The Company has appointed Brendan Morris as Chief Operating Officer in a non-board role and has appointed Brent Omland to the Board of Directors, subject to regulatory approval.

In respect of an under-writing by Ocean Partners, the Company paid a commitment fee of \$112,500 in cash.

The maturity date of the Ocean Partners loan due on December 31, 2021 has been extended to December 31, 2023. Interest may be deferred and added to the balance outstanding until March 31, 2022, at which point interest will be paid monthly. The 1,700,000 Ocean Partners warrants currently issued have been extended, subject to regulatory approval, by 24 months to December 31, 2023.

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17. Events After the Reporting Period (Continued)

(iii) (continued) The maturity date of the G&F Phelps loan (the “G&F Loan”) has been extended to December 31, 2023. Interest may be deferred and added to the balance outstanding until March 31, 2022, at which point interest will be paid monthly. In consideration for extending the G&F Loan and deferring interest, G&F Phelps has received, subject to regulatory approval, 1,700,000 warrants exercisable into one common share at an exercise price of \$0.33, with said warrants expiring on December 31, 2023.

An application was filed for admittance of 26,704,931 additional shares to AIM (“Admission”) with Admission occurring on May 21, 2021. Following Admission, the Company's issued and outstanding common shares totalled 73,270,468.

(iv) On May 19, 2021, the Company announced it awarded 3,915,000 stock options to directors, employees and consultants of the Company to purchase common shares at \$0.86 per share until May 19, 2026. The options will vest as to one third immediately and one third on each of May 19, 2022 and May 19, 2023.