GALANTAS GOLD CORPORATION

Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

(Unaudited)
Three Months Ended March 31, 2019

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, 2019	As at December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	**$ 3,767,187**	$ 6,188,554
Accounts receivable and prepaid expenses (note 4)	**287,920**	287,273
Inventories (note 5)	**11,322**	11,335
Total current assets	**4,066,429**	6,487,162
Non-current assets		
Property, plant and equipment (note 6)	**18,330,906**	16,487,501
Long-term deposit (note 8)	**522,540**	523,170
Exploration and evaluation assets (note 7)	**759,108**	760,023
Total non-current assets	**19,612,554**	17,770,694
Total assets	**$ 23,678,983**	$ 24,257,856
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities (note 9)	**$ 2,108,258**	$ 2,257,329
Current portion of financing facilities (note 10)	**380,747**	382,974
Due to related parties (note 13)	**4,279,428**	4,119,642
Total current liabilities	**6,768,433**	6,759,945
Non-current liabilities		
Non-current portion of financing facilities (note 10)	**1,140,934**	1,081,190
Decommissioning liability (note 8)	**580,296**	578,242
Total non-current liabilities	**1,721,230**	1,659,432
Total liabilities	**8,489,663**	8,419,377
Capital and reserves		
Share capital (note 11(a)(b))	**48,628,055**	48,628,055
Reserves	**9,093,521**	8,963,163
Deficit	**(42,532,256)**	(41,752,739)
Total equity	**15,189,320**	15,838,479
Total equity and liabilities	**$ 23,678,983**	$ 24,257,856

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

Going concern (note 1)
Contingency (note 15)

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

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Revenues		
Gold sales	**$ -**	$ -
Cost and expenses of operations		
Cost of sales	**70,026**	24,066
Depreciation (note 6)	**87,405**	64,249
	157,431	88,315
Loss before general administrative and other income	**(157,431)**	(88,315)
General administrative expenses		
Management and administration wages (note 13)	**191,688**	156,852
Other operating expenses	**45,226**	47,096
Accounting and corporate	**13,895**	13,253
Legal and audit	**15,574**	46,751
Stock-based compensation	**135,340**	76,083
Shareholder communication and investor relations	**48,133**	39,318
Transfer agent	**1,901**	650
Director fees (note 13)	**6,250**	5,000
General office	**2,599**	2,381
Accretion expenses (notes 8 and 10)	**57,046**	2,779
Loan interest and bank charges less deposit interest (note 13)	**84,777**	18,727
	602,429	408,890
Other (income) expenses		
Unrealized gain on fair value of derivative financial liability	**-**	(10,000)
Foreign exchange (gain) loss	**19,657**	37,293
	19,657	27,293
Net loss for the period	**$ (779,517)**	$ (524,498)
Basic and diluted net loss per share (note 12)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	**299,686,805**	187,549,186

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) Income
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net loss for the period	**$ (779,517)**	$ (524,498)
Other comprehensive (loss) income		
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**(4,982)**	594,642
Total comprehensive (loss) income	**$ (784,499)**	$ 70,144

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, 2019	Three Months Ended March 31, 2018
Operating activities		
Net loss for the period	**$ (779,517)**	$ (524,498)
Adjustment for:		
Depreciation (note 6)	**87,405**	64,249
Stock-based compensation	**135,340**	76,083
Interest expense (note 13)	**90,164**	17,833
Foreign exchange gain	**18,525**	41,134
Accretion expenses (notes 8 and 10)	**57,046**	2,779
Unrealized gain on fair value of derivative financial liability	**-**	(10,000)
Non-cash working capital items:		
Accounts receivable and prepaid expenses	**(974)**	(64,559)
Accounts payable and other liabilities	**(146,655)**	281,546
Due to related parties	**74,356**	130,927
Net cash and cash equivalents (used in) provided by operating activities	**(464,310)**	15,494
Investing activities		
Purchase of property, plant and equipment	**(1,951,052)**	(180,265)
Exploration and evaluation assets	**-**	(844,659)
Net cash and cash equivalents used in investing activities	**(1,951,052)**	(1,024,924)
Financing activities		
Advances from related parties	**-**	399,074
Repayment of financing facilities (note 10)	**(1,766)**	(1,539)
Net cash and cash equivalents (used in) provided by financing activities	**(1,766)**	397,535
Net change in cash and cash equivalents	**(2,417,128)**	(611,895)
Effect of exchange rate changes on cash held in foreign currencies	**(4,239)**	14,650
Cash and cash equivalents, beginning of period	**6,188,554**	779,758
Cash and cash equivalents, end of period	**$ 3,767,187**	$ 182,513

Cash	**$ 3,767,187**	$ 182,513
Cash equivalents	**-**	-
Cash and cash equivalents	**$ 3,767,187**	$ 182,513

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 Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

		Reserves				
	Share capital	Warrants reserve	Equity settled share-based payments reserve	Foreign currency translation reserve	Deficit	Total
Balance, December 31, 2017	**$ 39,759,172**	**$ -**	**$ 7,038,978**	**$ 619,209**	**$ (38,867,302)**	**$ 8,550,057**
Stock-based compensation	-	-	76,083	-	-	76,083
Exchange differences on translating foreign operations	-	-	-	594,642	-	594,642
Net loss for the period	-	-	-	-	(524,498)	(524,498)
Balance, March 31, 2018	**$ 39,759,172**	**$ -**	**$ 7,115,061**	**$ 1,213,851**	**$ (39,391,800)**	**$ 8,696,284**
Balance, December 31, 2018	**$ 48,628,055**	**$ 786,000**	**$ 7,264,147**	**$ 913,016**	**$ (41,752,739)**	**$ 15,838,479**
Stock-based compensation	-	-	135,340	-	-	135,340
Exchange differences on translating foreign operations	-	-	-	(4,982)	-	(4,982)
Net loss for the period	-	-	-	-	(779,517)	(779,517)
Balance, March 31, 2019	**$ 48,628,055**	**$ 786,000**	**$ 7,399,487**	**$ 908,034**	**$ (42,532,256)**	**$ 15,189,320**

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

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 at the Omagh mine being met together with the continued support of both Cavanacaw Corporation and Galantas Gold Corporation. The directors assumptions in relation to future levels of production, gold prices and mine operating 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.

As at March 31, 2019, the Company had a deficit of $42,532,256 (December 31, 2018 - $41,752,739). Comprehensive loss for the year ended March 31, 2019 was $784,499 (three months ended March 31, 2018 - comprehensive income of $70,144). These losses raise material uncertainties which 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.

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.

2. Incorporation and Nature of Operations (Continued)

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.

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.

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 IFRSs issued and outstanding as of May 17, 2019 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, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

New accounting standards adopted

(i) On June 7, 2017, the IASB issued IFRIC 23 - Uncertainty Over Income Tax Treatments. The interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation is applicable for annual periods beginning on or after January 1, 2019. At January 1, 2019, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(ii) On January 13, 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"). The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company adopted IFRS 16 in its unaudited condensed interim consolidated financial statements for the period beginning on January 1, 2019. As the Company has no material lease contracts that fall under IFRS 16, the adoption of this standard has not resulted in any material changes in the unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

4. Accounts Receivable and Prepaid Expenses

	As at March 31, 2019	As at December 31, 2018
Sales tax receivable - Canada	$ **3,184**	$ 7,629
Valued added tax receivable - Northern Ireland	**194,303**	153,948
Accounts receivable	**44,595**	109,927
Prepaid expenses	**45,838**	15,769
	$ **287,920**	$ 287,273

The following is an aged analysis of receivables:

	As at March 31, 2019	As at December 31, 2018
Less than 3 months	$ **230,518**	$ 268,995
3 to 12 months	**9,057**	-
More than 12 months	**2,507**	2,509
Total accounts receivable	$ **242,082**	$ 271,504

5. Inventories

	As at March 31, 2019	As at December 31, 2018
Concentrate inventories	$ **11,322**	$ 11,335

(Expressed in Canadian Dollars)

6. Property, Plant and Equipment

Cost	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Mine development costs	Development assets	Total
Balance, December 31, 2017	$ 2,340,221	$ 5,477,586	$ 141,364	$ 104,456	$ 15,340,722	$ -	**$ 23,404,349**
Additions	-	557,607	21,014	46,996	-	4,266,806	**4,892,423**
Transfer (1)	-	-	-	-	(15,340,722)	10,468,410	**(4,872,312)**
Foreign exchange adjustment	65,953	153,418	3,984	2,944	-	(38,803)	**187,496**
Balance, December 31, 2018	2,406,174	6,188,611	166,362	154,396	-	14,696,413	**23,611,956**
Additions	-	335,587	2,257	12,445	-	1,600,763	**1,951,052**
Foreign exchange adjustment	(2,897)	(7,412)	(200)	(186)	-	(17,577)	**(28,272)**
Balance, March 31, 2019	$ 2,403,277	$ 6,516,786	$ 168,419	$ 166,655	$ -	$ 16,279,599	**$ 25,534,736**

Accumulated depreciation	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Mine development costs	Development assets	Total
Balance, December 31, 2017	$ 1,908,720	$ 4,496,935	$ 91,189	$ 88,977	$ 8,651,776	$ -	**$ 15,237,597**
Depreciation	12,433	311,201	18,005	9,360	-	-	**350,999**
Transfer (1)	-	-	-	-	(8,651,776)	-	**(8,651,776)**
Foreign exchange adjustment	53,892	128,444	2,716	2,583	-	-	**187,635**
Balance, December 31, 2018	1,975,045	4,936,580	111,910	100,920	-	-	**7,124,455**
Depreciation	2,488	78,941	3,520	2,456	-	-	**87,405**
Foreign exchange adjustment	(2,363)	(5,445)	(114)	(108)	-	-	**(8,030)**
Balance, March 31, 2019	$ 1,975,170	$ 5,010,076	$ 115,316	$ 103,268	$ -	$ -	**$ 7,203,830**

Carrying value	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Mine development costs	Development assets	Total
Balance, December 31, 2018	$ 431,129	$ 1,252,031	$ 54,452	$ 53,476	$ -	$ 14,696,413	**$ 16,487,501**
Balance, March 31, 2019	$ 428,107	$ 1,506,710	$ 53,103	$ 63,387	$ -	$ 16,279,599	**$ 18,330,906**

(1) During the year ended December 31, 2018, the Company transferred the cost of its Exploration and evaluation assets (note 7) to Development assets.

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets

Exploration and evaluation assets are expenditures for the underground mining operations in Omagh. Galantas had announced in December 2016 that it would commence the first phase of underground development and re-start concentrate shipments at its Omagh mine. Underground development of a decline tunnel, located at the base of the existing open pit, commenced in the first quarter 2017.

The granting of planning consent during the second quarter of 2015 for an underground operation at the Omagh site permits the continuation and expansion of gold mining. This planning consent was appealed by a third party in a judicial review hearing which commenced in September 2016 and was then adjourned to and completed in February 2017. Judgement was received in September 2017 whereby the third party's request for the quashing of the planning consent was denied. However, in November, Galantas reported that it had received notice of an application by the third party to the Court of Appeal in relation to the positive judicial review judgment. This appeal was completed in February 2018. In November 2018, the Company announced that the Court of Appeal has delivered its judgement in regard to an appeal against the Company's planning consent. The Court has determined that the appeal has failed and thus the planning consent is confirmed.

Cost	**Exploration and evaluation assets**
Balance, December 31, 2017	$ 3,948,452
Additions	254,140
Transfer (i)	(3,624,624)
Foreign exchange adjustment	182,055
Balance, December 31, 2018	760,023
Foreign exchange adjustment	(915)
Balance, March 31, 2019	$ 759,108

Carrying value	**Exploration and evaluation assets**
Balance, December 31, 2018	$ 760,023
Balance, March 31, 2019	$ 759,108

(i) During the year ended December 31, 2018, the Company transferred the cost of its Exploration and evaluation assets (note 6) to Development assets.

(Expressed in Canadian Dollars)

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, 2019 based on a risk-free discount rate of 1% (December 31, 2018 - 1%) and an inflation rate of 1.50% (December 31, 2018 - 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, 2019, the estimated fair value of the liability is $580,296 (December 31, 2018 - $578,242). Changes in the provision during the three months ended March 31, 2019 are as follows:

	As at March 31, 2019	As at December 31, 2018
Decommissioning liability, beginning of period	**$ 578,242**	$ 551,680
Accretion	**2,734**	10,925
Foreign exchange	**(680)**	15,637
Decommissioning liability, end of period	**$ 580,296**	$ 578,242

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, 2018 - GBP 300,000), of which GBP 300,000 was funded as of March 31, 2019 (GBP 300,000 was funded as of December 31, 2018) and reported as long-term deposit of $522,540 (December 31, 2018 - $523,170).

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, 2019	As at December 31, 2018
Accounts payable	**$ 1,193,461**	$ 1,017,939
Accrued liabilities	**914,797**	1,239,390
Total accounts payable and other liabilities	**$ 2,108,258**	$ 2,257,329

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

	As at March 31, 2019	As at December 31, 2018
Less than 3 months	**$ 1,114,882**	$ 1,066,881
3 to 12 months	**644,773**	775,693
12 to 24 months	**-**	71,394
More than 24 months	**348,603**	343,361
Total accounts payable and other liabilities	**$ 2,108,258**	$ 2,257,329

(Expressed in Canadian Dollars)

10. Financing Facilities

Amounts payable on the long-term debts are as follow:

		As at March 31, 2019		As at December 31, 2018
Financing facilities, beginning of period	**$**	**1,464,164**	$	19,689
Financing facility received (US$1,600,000) (ii)		**-**		2,021,280
Less bonus warrants issued (ii)		**-**		(786,000)
Less financing costs (ii)		**-**		(41,674)
Less current portion		**(380,747)**		(382,974)
Repayment of financing facilities		**(1,766)**		(6,357)
Accretion		**54,312**		240,621
Foreign exchange adjustment		**4,971**		16,605
Financing facilities - long term portion	**$**	**1,140,934**	$	1,081,190

(i) In June 2015, the Company obtained financing in the amount of GBP 19,900 for the purchase of a vehicle. The financing is for three years at interest of 6.79% per annum with monthly principal and interest payments of GBP 377 together with a final payment in August 2019 of GBP 9,540. The financing was secured on the vehicle.

(ii) 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 USD 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 15,000,000 bonus warrants of Galantas. Each bonus warrant is exercisable into one common share of Galantas 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 15,000,000 bonus warrants were granted. In the event that the weighted average closing price per common share of the Company is more than $0.20 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 15,000,000 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.

During the three months ended March 31, 2019, the Company recorded accretion expense of $54,312 in the consolidated statements of loss in regards with this loan facility (year ended December 31, 2018 - $240,621).

(Expressed in Canadian Dollars)

11. Share Capital and Reserves

a) Authorized share capital

At March 31, 2019, 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, 2019, the issued share capital amounted to $48,628,055. The change in issued share capital for the periods presented is as follows:

	Number of common shares	Amount
Balance, December 31, 2017 and March 31, 2018	**187,549,186**	**$ 39,759,172**
Balance, December 31, 2018 and March 31, 2019	**299,686,805**	**$ 48,628,055**

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, 2017	**636,000**	**$ 0.07**
Expired	(636,000)	0.07
Balance, March 31, 2018	**-**	**$ -**
Balance, December 31, 2018 and March 31, 2019	**15,000,000**	**$ 0.16**

The following table reflects the actual warrants issued and outstanding as of March 31, 2019:

Expiry date	Number of warrants	Grant date fair value ($)	Exercise price
April 19, 2020	15,000,000	786,000	0.1575

(Expressed in Canadian Dollars)

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, 2017 and March 31, 2018	**8,600,000**	**$**	**0.12**
Balance, December 31, 2018	**8,850,000**	**$**	**0.12**
Granted (i)	3,200,000		0.09
Balance, March 31, 2019	**12,050,000**	**$**	**0.11**

(i) On February 13, 2019, 3,200,000 stock options were granted to directors, officers, consultants and employees of the Company to purchase common shares at a price of $0.09 per share until February 13, 2024. The options will vest as to one third on February 13, 2019 and one third on each of the following two anniversaries. The fair value attributed to these options was $247,360 and was expensed in the unaudited condensed interim consolidated statements of loss and credited to equity settled share-based payments reserve. During the three months ended March 31, 2019, included in stock-based compensation is $98,040 related to the vested portion of these options.

The fair value of the options was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; volatility - 129%; risk-free interest rate - 1.84% and an expected life of 5 years.

The following table reflects the actual stock options issued and outstanding as of March 31, 2019:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
June 1, 2020	0.105	1.17	3,550,000	3,550,000	-
June 12, 2020	0.105	1.21	150,000	150,000	-
March 25, 2022	0.135	2.99	4,150,000	4,150,000	-
April 19, 2023	0.110	4.05	1,000,000	333,333	666,667
February 13, 2024	0.090	4.88	3,200,000	1,066,667	2,133,333
	0.112	3.02	12,050,000	9,250,000	2,800,000

12. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2019 was based on the loss attributable to common shareholders of $779,517 (three months ended March 31, 2018 - $524,498) and the weighted average number of common shares outstanding of 299,686,805 (three months ended March 31, 2018 - 187,549,186) for basic and diluted loss per share. Diluted loss did not include the effect of 15,000,000 warrants (three months ended March 31, 2018 - nil) and 12,050,000 options (three months ended March 31, 2018 - 8,600,000) for the three months ended March 31, 2019, as they are anti-dilutive.

(Expressed in Canadian Dollars)

13. 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, 2019	Three Months Ended March 31, 2018
Interest on related party loans	(i)	**$ 90,164**	$ 17,335

(i) G&F Phelps, a company controlled by a director of the Company, had amalgamated loans to the Company of $3,178,374 (GBP 1,824,764) (December 31, 2018 - $3,182,205 - 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% + USD 12 month LIBOR. Interest accrued on related party loans is included with due to related parties. As at March 31, 2019, the amount of interest accrued is $748,241 (GBP 429,579) (December 31, 2018 - $658,338 - GBP 377,509).

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

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Salaries and benefits [(1)]	**$ 111,699**	$ 112,110
Stock-based compensation	**39,767**	18,633
	$ 151,466	$ 130,743

[(1)] Salaries and benefits include director fees. As at March 31, 2019, due to directors for fees amounted to $172,250 (December 31, 2018 - $166,000) and due to officers, mainly for salaries and benefits accrued amounted to $180,563 (GBP 103,665) (December 31, 2018 - $113,099 - GBP 64,854), and is included with due to related parties.

(c) As of March 31, 2019, Ross Beaty owns 37,447,478 common shares of the Company or approximately 12.50% of the outstanding common shares. Roland Phelps, CEO and director, owns, directly and indirectly, 49,338,167 common shares of the Company or approximately 16.46% of the outstanding common shares of the Company. Miton owns 50,000,000 common shares of the Company or approximately 16.68%. Melquart owns, directly and indirectly, 62,224,545 common shares of the Company or approximately 20.76% of the outstanding common shares of the Company. The remaining 33.60% 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.

(Expressed in Canadian Dollars)

14. 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, 2019	United Kingdom	Canada	Total
Current assets	$ 563,429	$ 3,502,999	**$ 4,066,428**
Non-current assets	19,556,653	55,901	**19,612,554**

December 31, 2018	United Kingdom	Canada	Total
Current assets	$ 794,772	$ 5,692,390	**$ 6,487,162**
Non-current assets	17,706,643	64,051	**17,770,694**

15. Contingency

During the year ended December 31, 2010, the Company’s subsidiary Omagh Minerals Limited received a payment demand from Her Majesty’s Revenue and Customs in the amount of $530,012 (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 three months ended March 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 Minerals Limited is unable to make a reliable estimate of the amount of the potential additional interest that may be applied by HMRC.