GALANTAS GOLD CORPORATION

Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

(Unaudited)
Three Months Ended March 31, 2024

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, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ **1,288,200**	$ 2,593,265
Accounts receivable and prepaid expenses (note 4)	**1,548,489**	1,596,880
Inventories (note 5)	**128,355**	18,184
Total current assets	**2,965,044**	4,208,329
Non-current assets		
Property, plant and equipment (note 6)	**23,893,540**	23,094,171
Long-term deposit (note 8)	**513,420**	505,110
Exploration and evaluation assets (note 7)	**4,964,381**	4,776,409
Total non-current assets	**29,371,341**	28,375,690
Total assets	$ **32,336,385**	$ 32,584,019
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities (notes 9 and 17)	$ **3,435,140**	$ 3,662,842
Financing facilities (note 10)	**6,488,362**	6,119,308
Due to related parties (note 15)	**4,332,398**	5,838,256
Other liability (note 15)	**-**	1,187,437
Total current liabilities	**14,255,900**	16,807,843
Non-current liabilities		
Due to related parties (note 15)	**-**	638,432
Decommissioning liability (note 8)	**624,214**	611,452
Convertible debenture (note 11)	**5,285,669**	1,923,509
Derivative liability (note 11)	**1,470,114**	1,245,627
Total non-current liabilities	**7,379,997**	4,419,020
Total liabilities	**21,635,897**	21,226,863
Equity		
Share capital (note 12(a)(b))	**71,699,799**	71,809,999
Reserves	**18,686,615**	18,579,467
Deficit	**(79,685,926)**	(79,032,310)
Total equity	**10,700,488**	11,357,156
Total equity and liabilities	$ **32,336,385**	$ 32,584,019

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 17)
Event after the reporting period (note 18)

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues		
Sales of concentrate (note 14)	**$ -**	$ -
Cost and expenses of operations		
Cost of sales	**17,332**	50,215
Depreciation (note 6)	**106,226**	126,105
	123,558	176,320
Loss before general administrative and other income	**(123,558)**	(176,320)
General administrative expenses		
Management and administration wages (note 15)	**110,932**	124,198
Other operating expenses	**34,910**	94,763
Accounting and corporate	**28,528**	146,611
Legal and audit	**32,949**	43,393
Stock-based compensation (note 12(d))	**29,814**	183,723
Shareholder communication and investor relations	**123,536**	162,595
Transfer agent	**21,265**	6,345
Director fees (note 15)	**35,000**	35,000
General office	**22,960**	41,946
Accretion expenses (notes 8, 10, 11 and 15)	**293,275**	111,132
Loan interest and bank charges less deposit interest (notes 10, 11 and 15)	**439,866**	293,058
	1,173,035	1,242,764
Other income		
Foreign exchange gain	**(119,127)**	(25,470)
Unrealized gain on derivative fair value adjustment (note 11)	**(523,850)**	-
	(642,977)	(25,470)
Net loss for the period	**$ (653,616)**	$ (1,393,614)
Basic and diluted net loss per share (note 13)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**114,732,865**	103,893,399

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, 2024		2023
Net loss for the period	**$**	**(653,616)**	$	(1,393,614)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		**77,334**		453,574
Total comprehensive loss	**$**	**(576,282)**	$	(940,040)

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, 2024	2023
Operating activities		
Net loss for the period	**$ (653,616)**	$ (1,393,614)
Adjustment for:		
Depreciation (note 6)	**106,226**	126,105
Stock-based compensation (note 12(d))	**29,814**	183,723
Accrued interest (notes 10, 11 and 15)	**423,051**	395,054
Foreign exchange (gain) loss	**(170,510)**	102,070
Accretion expenses (notes 8, 10, 11 and 15)	**293,275**	111,132
Impairment of property, plant and equipment and Gain on derivative fair value adjustment (note 11)	**(523,850)**	-
Non-cash working capital items:		
Accounts receivable and prepaid expenses	**49,870**	251,144
Inventories	**(108,094)**	4,896
Accounts payable and other liabilities	**(272,994)**	461,212
Net cash and cash equivalents (used in) provided by operating activities	**(826,828)**	241,722
Investing activities		
Net purchase of property, plant and equipment	**(532,574)**	(1,187,334)
Exploration and evaluation assets	**(134,653)**	(921,853)
Net cash and cash equivalents used in investing activities	**(667,227)**	(2,109,187)
Financing activities		
Proceeds of private placements (note 12(b)(i))	**-**	2,963,142
Share issue costs	**-**	(204,993)
Proceeds from exercise of warrants	**-**	5,600
Advances from related parties	**169,852**	-
Repayments to related parties	**-**	(6,500)
Proceeds from financing facilities	**-**	580,392
Net cash and cash equivalents provided by financing activities	**169,852**	3,337,641
Net change in cash and cash equivalents	**(1,324,203)**	1,470,176
Effect of exchange rate changes on cash held in foreign currencies	**19,138**	8,003
Cash and cash equivalents, beginning of period	**2,593,265**	1,038,643
Cash and cash equivalents, end of period	**$ 1,288,200**	$ 2,516,822

Cash	**$ 1,288,200**	$ 2,516,822
Cash equivalents	**-**	-
Cash and cash equivalents	**$ 1,288,200**	$ 2,516,822

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)

	Share capital	Reserves: Warrants reserve	Reserves: Equity settled share-based payments reserve	Reserves: Foreign currency translation reserve	Deficit	Total
Balance, December 31, 2022	**$ 69,664,056**	**$ 3,903,004**	**$ 11,887,678**	**$ (275,577)**	**$ (70,464,170)**	**$ 14,714,991**
Shares issued in private placement (note 12(b)(i))	2,963,142	-	-	-	-	2,963,142
Warrants issued (note 12(b)(i))	(1,284,806)	1,284,806	-	-	-	-
Warrants issued	-	82,511	-	-	-	82,511
Share issue costs (note 12(b)(i))	(245,168)	40,175	-	-	-	(204,993)
Stock-based compensation (note 12(d))	-	-	183,723	-	-	183,723
Exercise of warrants	7,311	(1,711)	-	-	-	5,600
Warrants expired	-	(51,000)	51,000	-	-	-
Exchange differences on translating foreign operations	-	-	-	453,574	-	453,574
Net loss for the period	-	-	-	-	(1,393,614)	(1,393,614)
Balance, March 31, 2023	**$ 71,104,535**	**$ 5,257,785**	**$ 12,122,401**	**$ 177,997**	**$ (71,857,784)**	**$ 16,804,934**
Balance, December 31, 2023	**$ 71,809,999**	**$ 3,546,313**	**$ 14,345,538**	**$ 687,616**	**$ (79,032,310)**	**$ 11,357,156**
Shares cancelled	(110,200)	-	-	-	-	(110,200)
Stock-based compensation (note 12(d))	-	-	29,814	-	-	29,814
Exchange differences on translating foreign operations	-	-	-	77,334	-	77,334
Net loss for the period	-	-	-	-	(653,616)	(653,616)
Balance, March 31, 2024	**$ 71,699,799**	**$ 3,546,313**	**$ 14,375,352**	**$ 764,950**	**$ (79,685,926)**	**$ 10,700,488**

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

GALANTAS GOLD

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 subsidiaries Gairloch Resources Limited ("Gairloch") incorporated on November 16, 2023 and Cavanacaw Corporation ("Cavanacaw"). Cavanacaw has a 100% shareholding in Galántas Irish Gold Limited ("Galántas"), 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 on forecast cash flows being met, further financing negotiations being completed together. Management' assumptions in relation to future financing, 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.

Based on the financial projections which have been prepared for a five-year period and using assumptions which management believes to be prudent, alongside ongoing negotiations with both current and prospective investors and creditors, management believes it is appropriate to prepare the unaudited condensed interim consolidated financial statements on the going concern basis.

Should the Company be unsuccessful in securing the above, there would be significant uncertainty over the Company's ability to continue as a going concern. The unaudited condensed interim consolidated financial statements do not include any adjustments that would result if forecast cash flows were not achieved, if the existing creditors withdrew their support or if further financing could not be raised from current or potential investors.

During the year ended December 31, 2023, the Company raised gross proceeds of $3M through the issuance of shares to investors and $3.5M through the issuance of convertible debentures.

As at March 31, 2024, the Company had a deficit of $79,685,926 (December 31, 2023 - $79,032,310). Comprehensive loss for the three months ended March 31, 2024 was $576,282 (three months ended March 31, 2023 - $940,040). These conditions raise material uncertainties which may cast significant doubt as to whether the Company will be able to continue as a going concern. However, management believes 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. 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 November 16, 2023, Gairloch was incorporated.

The Company's operations include the consolidated results of Gairloch, 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. On September 1, 2021, the Company's common shares started trading under the symbol GALKF on the OTCQX in the United States. 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 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 28, 2024 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, 2023. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

4. Accounts Receivable and Prepaid Expenses

	As at March 31, 2024	As at December 31, 2023
Sales tax receivable - Canada	**$ 55,700**	$ 15,067
Valued added tax receivable - Northern Ireland	**67,913**	9,959
Accounts receivable	**362,332**	83,266
Prepaid expenses	**1,062,544**	1,488,588
	$ 1,548,489	$ 1,596,880

Prepaid expenses includes advances for consumables and for construction of the passing bays in the Omagh mine. Prepaid expenses includes also $1,000,000 pursuant to services agreement for the underground development at the Omagh Gold Project.

The following is an aged analysis of receivables:

	As at March 31, 2024	As at December 31, 2023
Less than 3 months	**$ 401,252**	$ 50,614
3 to 12 months	**66,666**	45,330
More than 12 months	**18,027**	12,348
Total accounts receivable	**$ 485,945**	$ 108,292

5. Inventories

	As at March 31, 2024	As at December 31, 2023
Concentrate inventories	**$ 128,355**	$ 18,184

(Expressed in Canadian Dollars)

6. Property, Plant and Equipment

Cost	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Development assets (i)	Assets under construction	Total
Balance, December 31, 2022	$ 2,252,053	$ 8,721,798	$ 220,866	$ 216,029	$ 21,402,040	$ -	**$ 32,812,786**
Additions	-	-	-	-	3,423,820	26,939	**3,450,759**
Cash receipts from concentrate sales	-	-	-	-	(1,491,453)	-	**(1,491,453)**
Impairment	-	-	-	-	(3,353,077)	-	**(3,353,077)**
Foreign exchange adjustment	71,058	274,128	6,969	6,816	658,736	-	**1,017,707**
Balance, December 31, 2023	2,323,111	8,995,926	227,835	222,845	20,640,066	26,939	**32,436,722**
Additions	-	-	-	-	532,574	-	**532,574**
Transfer	-	27,382	-	-	-	(27,382)	**-**
Foreign exchange adjustment	38,220	147,439	3,748	3,666	336,565	443	**530,081**
Balance, March 31, 2024	$ 2,361,331	$ 9,170,747	$ 231,583	$ 226,511	$ 21,509,205	$ -	**$ 33,499,377**
Accumulated depreciation							
Balance, December 31, 2022	$ 1,876,242	$ 6,378,013	$ 158,615	$ 144,067	$ -	$ -	**$ 8,556,937**
Depreciation	3,954	482,088	17,864	11,097	-	-	**515,003**
Foreign exchange adjustment	59,213	201,755	5,062	4,581	-	-	**270,611**
Balance, December 31, 2023	1,939,409	7,061,856	181,541	159,745	-	-	**9,342,551**
Depreciation	805	99,605	3,413	2,403	-	-	**106,226**
Foreign exchange adjustment	35,732	115,707	2,990	2,631	-	-	**157,060**
Balance, March 31, 2024	$ 1,975,946	$ 7,277,168	$ 187,944	$ 164,779	$ -	$ -	**$ 9,605,837**
Carrying value							
Balance, December 31, 2023	$ 383,702	$ 1,934,070	$ 46,294	$ 63,100	$ 20,640,066	$ 26,939	**$ 23,094,171**
Balance, March 31, 2024	$ 385,385	$ 1,893,579	$ 43,639	$ 61,732	$ 21,509,205	$ -	**$ 23,893,540**

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

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets

Cost	Acquisition costs	Exploration costs	Total
Balance, December 31, 2022	$ -	$ 2,665,313	**$ 2,665,313**
Additions	1,140,115	1,162,710	**2,302,825**
Impairment	-	(282,493)	**(282,493)**
Foreign exchange adjustment	-	90,764	**90,764**
Balance, December 31, 2023	1,140,115	3,636,294	**4,776,409**
Additions	-	134,653	**134,653**
Foreign exchange adjustment	-	53,319	**53,319**
Balance, March 31, 2024	$ 1,140,115	$ 3,824,266	**$ 4,964,381**
Carrying value			
Balance, December 31, 2023	$ 1,140,115	$ 3,636,294	**$ 4,776,409**
Balance, March 31, 2024	$ 1,140,115	$ 3,824,266	**$ 4,964,381**

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, 2024 based on a risk-free discount rate of 1% (December 31, 2023 - 1%) and an inflation rate of 1.50% (December 31, 2023 - 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, 2024, the estimated fair value of the liability is $624,214 (December 31, 2023 - $611,452). Changes in the provision during the three months ended March 31, 2024 are as follows:

	As at March 31, 2024	As at December 31, 2023
Decommissioning liability, beginning of period	**$ 611,452**	$ 582,441
Accretion	**2,700**	10,601
Foreign exchange	**10,062**	18,410
Decommissioning liability, end of period	**$ 624,214**	$ 611,452

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, 2023 - GBP 300,000), of which GBP 300,000 was funded as of March 31, 2024 (GBP 300,000 was funded as of December 31, 2023) and reported as long-term deposit of $513,420 (December 31, 2023 - $505,110).

(Expressed in Canadian Dollars)

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, 2024	As at December 31, 2023
Accounts payable	**$ 2,271,977**	$ 2,131,257
Accrued liabilities	**1,163,163**	1,531,585
Total accounts payable and other liabilities	**$ 3,435,140**	$ 3,662,842

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

	As at March 31, 2024	As at December 31, 2023
Less than 3 months	**$ 1,165,947**	$ 1,672,744
3 to 12 months	**910,566**	807,338
12 to 24 months	**606,431**	474,290
More than 24 months (see also note 17)	**752,196**	708,470
Total accounts payable and other liabilities	**$ 3,435,140**	$ 3,662,842

10. Financing Facilities

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

	As at March 31, 2024	As at December 31, 2023
G&F Phelps		
Financing facility, beginning of period	**$ 6,119,308**	$ 4,836,267
Accretion	**-**	259,354
Interest	**268,176**	961,722
Shares for debt settlement	**-**	(100,000)
Foreign exchange adjustment	**100,878**	161,965
	6,488,362	6,119,308
Less current portion	**(6,488,362)**	(6,119,308)
Financing facilities - non-current portion	**$ -**	$ -

11. Convertible Debentures

(i) On December 20, 2023, the Company closed a $3,502,054 (US$ 2,627,000) convertible debenture. The convertible debenture is unsecured, is for a term of three year commencing on the date that it is issued, carries a coupon of 10% per annum and is convertible into common shares of the Company. Each debenture consists of US$1,000 principal amount of unsecured convertible debentures. The convertible debentures have a term of 36 months from the date of issuance with a conversion price of US$0.255 being the equivalent of a conversion price of $0.35 per conversion share. A four month hold period will apply to common shares converted through the convertible debenture. The hold period will expire on April 21, 2024.

In accordance with the terms of the convertible debentures, if, at any time following the issuance of the convertible debentures, the closing price of the common shares of the Company on the TSXV equals or exceeds $0.70 per common share for 10 consecutive trading days or more, the Company may elect to convert all but not less than all of the outstanding principal amount of the convertible debentures into conversion shares at the conversion price, upon giving the holders of the convertible debentures not less than 30 calendar days advance written notice. On December 20, 2026, any outstanding principal amount of convertible debentures plus any accrued and unpaid interest thereon shall be repaid by the Company in cash.

Interest on the principal amount outstanding under each convertible debenture shall accrue during the period commencing on December 20, 2023 until December 20, 2026 and shall be payable in cash on an annual basis on December 31st of each year (each, an "Interest Payment Date"); provided, however, that the first interest payment date shall be December 31, 2024. Each convertible debenture shall bear interest at a minimum interest rate of 10% per annum (the "Base Interest Rate"). During each interest period (an "Interest Period"), being the period commencing on December 20, 2023 to but excluding the first Interest Payment Date and thereafter the period from and including an Interest Payment Date to but excluding the next Interest Payment Date or other applicable payment date, the Base Interest Rate will be adjusted based on a gold price of US$2,000 per ounce, with the Base Interest Rate being increased by 1% per annum for each US$100 in which the average gold price for such Interest Period exceeds US$2,000 per ounce, up to a maximum interest rate of 30% per annum; provided, however, that, without the prior acceptance of the TSXV, the average interest rate shall not exceed 24% per annum during the term of the convertible debentures. Any adjustment to the Base Interest Rate in respect of an Interest Period shall be calculated based on the average gold price quoted by the London Bullion Market Association, being the LBMA Gold Price PM, in respect of the Interest Period ending on December 31, 2024, from December 20, 2023 to and including December 15, 2024, and for each subsequent Interest Period, from January 1st to and including December 15th of that year or 15 days prior to the applicable payment date.

Melquart, an insider and control person of the Company (as defined by the TSXV), subscribed for US$875,000. Ocean Partners, which has a common director with the Company, acquired US$875,000 aggregate principal amount of convertible debentures.

The Company paid a cash finder's fee of US$40,500 (CAD$53,990) and issued 158,823 non-transferable finder's warrants to Canaccord Genuity Corp. in consideration for providing certain finder services to the Company under the offering. Each finder warrant is exercisable to acquire one common share in the capital of the Company at an exercise price of $0.35 per common share at any time on or before December 20, 2026. The fair value of the 158,823 finder warrants was estimated at $24,670 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 107.02%, risk-free interest rate - 3.71% and an expected average life of 3 years.

The debentures consist of the liability component and conversion feature. Due to the convertible debenture being denominated in US$, the conversion feature has been presented as a non-cash derivative liability.

11. Convertible Debenture (Continued)

(i) (continued) On the date of issuance, the fair value of the derivative liability was estimated to be $1,495,208 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 95.0%, risk-free interest rate - 3.94% and an expected average life of 3 years.

As at December 31, 2023, the fair value of the derivative liability was revalued at $1,245,627 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 94.9%, risk-free interest rate - 3.91% and an expected average life of 2.97 years.

On issuance the fair value of the liability component was recorded at $2,006,846, discounted at an effective interest rate of 37%.

The Company incurred transaction costs of $153,481 which was allocated pro-rata on the value of the conversion feature and the liability component.

During the year ended December 31, 2023, the Company recorded accretion expense of $33,265 and interest expense of $29,184 as loan interest and bank charges less deposit interest in the consolidated statement of loss.

As at March 31, 2024, the fair value of the derivative liability was revalued at $830,639 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 95%, risk-free interest rate - 4.20% and an expected average life of 2.72 years.

During the three months ended March 31, 2024, the Company recorded accretion expense of $183,024 and interest expense of $88,569 as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss.

(ii) On February 5, 2024, the Company announced that it closed a debt settlement transaction, pursuant to which the Company settled US$2,711,000 of indebtedness owing to Ocean Partners through the issuance of US$2,711,000 aggregate principal amount of unsecured convertible debentures of the Company.

The convertible debenture issued in connection with the debt settlement were issued on substantially the same terms as the unsecured convertible debentures closed on December 20, 2023. The convertible debentures issued pursuant to the debt settlement are subject to a four-month hold period which will expire on June 6, 2024.

The debentures consist of the liability component and conversion feature. Due to the convertible debenture being denominated in US$, the conversion feature has been presented as a non-cash derivative liability.

On the date of issuance, the fair value of the derivative liability was estimated to be $748,337 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 95.0%, risk-free interest rate - 4.28% and an expected average life of 2.87 years.

The fair value of the liability component was recorded at $2,918,833, discounted at an effective interest rate of 20%.

As at March 31, 2024, the fair value of the derivative liability was revalued at $639,475 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 95%, risk-free interest rate - 4.20% and an expected average life of 2.72 years.

During the three months ended March 31, 2024, the Company recorded accretion expense of $105,428 and interest expense of $66,306 as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss.

(Expressed in Canadian Dollars)

11. Convertible Debenture (Continued)

	Convertible debenture	Derivative liability
Balance, December 31, 2022	**$ -**	**$ -**
Principal amount (i)	3,502,054	-
Derivative liability component (i)	(1,495,208)	1,495,208
Transaction costs (i)	(153,481)	-
Transaction costs allocated to derivative liability component (i)	7,695	(7,695)
Interest expense (i)	29,184	-
Accretion expense (i)	33,265	-
Change in fair value (i)	-	(241,886)
Balance, December 31, 2023	**1,923,509**	**1,245,627**
Principal amount (ii)	3,667,170	-
Derivative liability component (ii)	(748,337)	748,337
Interest expense (i)(ii)	154,875	-
Accretion expense (i)(ii)	288,452	-
Change in fair value (i)(ii)	-	(523,850)
Balance, March 31, 2024	**$ 5,285,669**	**$ 1,470,114**

12. Share Capital and Reserves

a) Authorized share capital

At March 31, 2024, 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, 2024, the issued share capital amounted to $71,699,799. The continuity of issued share capital for the periods presented is as follows:

	Number of common shares	Amount
Balance, December 31, 2022	**103,518,509**	**$ 69,664,056**
Shares issued in private placement (i)	8,230,951	2,963,142
Warrants issued (i)	-	(1,284,806)
Share issue costs (i)	-	(245,168)
Exercise of warrants	14,000	7,311
Balance, March 31, 2023	**111,763,460**	**$ 71,104,535**

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (Continued)

b) Common shares issued (continued)

	Number of common shares	Amount
Balance, December 31, 2023	**114,841,403**	**$ 71,809,999**
Shares cancelled	(306,110)	(110,200)
Balance, March 31, 2024	**114,535,293**	**$ 71,699,799**

(i) On March 27, 2023, the Company closed a non-brokered private placement of 8,230,951 units at a price of $0.36 per unit for gross proceeds of $2,963,142. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase an additional common share at a price of $0.55 per share until March 27, 2028. The fair value of the 8,230,951 warrants was estimated at $1,284,806 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 126.22%, risk-free interest rate - 2.96% and an expected average life of 5 years.

The Company paid the agents a cash commission equal to $130,966 and issued 237,162 non-transferable broker warrants of the Company. Each broker warrant is exercisable to acquire one common share at an exercise price of $0.36 until March 27, 2025. The fair value of the 237,162 warrants was estimated at $40,175 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 99.18%, risk-free interest rate - 3.61% and an expected average life of 2 years.

Ocean Partners acquired 691,666 units for consideration of $249,000 and Brendan Morris, an officer of the Company, acquired 468,416 units for consideration of $168,630.

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, 2022	**24,051,900**	**$ 0.45**
Issued (notes 12(b)(i) and 15(a)(vi))	9,068,113	0.54
Exercised	(14,000)	0.40
Expired	(250,000)	0.50
Balance, March 31, 2023	**32,856,013**	**$ 0.47**
Balance, December 31, 2023 and March 31, 2024	**19,658,904**	**$ 0.54**

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (Continued)

c) Warrant reserve (continued)

The following table reflects the actual warrants issued and outstanding as of March 31, 2024:

Expiry date	Number of warrants	Grant date fair value ($)	Exercise price ($)
August 30, 2024	820,000	144,464	0.45
January 31, 2025	500,000	65,527	0.55
February 13, 2025	100,000	16,984	0.41
February 28, 2025	7,666,669	1,644,859	0.55
March 27, 2025	407,962	40,175	0.36
December 20, 2026	158,823	24,670	0.35
March 27, 2028	7,924,841	1,284,806	0.55
April 26, 2028	2,080,609	324,828	0.55
	19,658,904	3,546,313	0.54

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, 2022	**6,152,500**	**$ 0.78**
Cancelled (i)	(177,500)	0.71
Balance, March 31, 2023	**5,975,000**	**$ 0.78**
Balance, December 31, 2023	**5,862,500**	**$ 0.78**
Expired	(85,000)	0.90
Balance, March 31, 2024	**5,777,500**	**$ 0.78**

(i) The portion of the estimated fair value of options granted in the current and prior periods and vested during the three months ended March 31, 2024, amounted to $29,814 (three months ended March 31, 2023 - $183,723). In addition, during the three months ended March 31, 2024, nil options granted in the prior years were cancelled (three months ended March 31, 2023 - 177,500 options cancelled).

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (Continued)

d) Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of March 31, 2024:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
June 27, 2024	0.90	0.24	100,000	100,000	-
May 19, 2026	0.86	2.13	3,635,000	3,635,000	-
June 21, 2026	0.73	2.22	425,000	425,000	-
August 27, 2026	0.86	2.41	20,000	20,000	-
May 3, 2027	0.60	3.09	1,597,500	1,065,000	532,500
	0.78	2.37	5,777,500	5,245,000	532,500

13. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2024 was based on the loss attributable to common shareholders of $653,616 (three months ended March 31, 2023 - $1,393,614) and the weighted average number of common shares outstanding of 114,732,865 (three months ended March 31, 2023 - 103,893,399) for basic and diluted loss per share. Diluted loss did not include the effect of 19,658,904 warrants (three months ended March 31, 2023 - 32,856,013) and 5,777,500 options (three months ended March 31, 2023 - 5,975,000) for the three months ended March 31, 2024, as they are anti-dilutive.

14. 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, 2024 totalled approximately US$207,000 (CAD$279,897) (three months ended March 31, 2023 - US$255,000 (CAD$419,169). However, until the mine reaches the commencement of commercial production, the net proceeds from concentrate sales will be offset against Development assets.

(Expressed in Canadian Dollars)

15. Related Party Disclosures

Related parties pursuant to IFRS 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 exchange amount 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:

		Three Months Ended March 31, 2024	2023
Interest on related party loans	(i)	**$ 143,307**	$ 173,665

(i) Refer to note 15(a)(iv).

(ii) Refer to note 12(b).

(iii) Refer to note 11.

(iv) As at March 31, 2024, the Company owes Ocean Partners $3,422,239 (December 31, 2023 - $5,673,150) which is recorded as due to related parties on the unaudited condensed interim consolidated statement of financial position.

	March 31, 2024	December 31, 2023
Balance, beginning of period	**$ 5,673,150**	$ 4,978,069
Converted to convertible debentures (note 11)	**(2,575,382)**	-
Repayment	**-**	(24,735)
Accretion	**-**	116,569
Interest	**123,338**	729,033
Foreign exchange adjustment	**201,133**	(125,786)
Balance, end of period	**3,422,239**	5,673,150
Less current balance	**(3,422,239)**	(5,673,150)
Due to related parties - non-current balance	**$ -**	$ -

(v) In February 2024, the loan balance due to Ocean Partner was converted to convertible debentures. Refer to note 11. As at March 31, 2024, balance related to the loan is recorded as other liability on the unaudited condensed interim consolidated statement of financial position is $Nil (December 31, 2023 - $1,187,437).

(Expressed in Canadian Dollars)

15. Related Party Disclosures (Continued)

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

(vi) (continued)

		March 31, 2024		December 31, 2023
Melquart Limited				
Financing facilities, beginning of period	$	**638,432**	$	-
Financing facility received		**-**		580,392
Less bonus warrants issued		**-**		(16,984)
Accretion		**2,123**		7,077
Interest		**19,969**		64,095
Foreign exchange adjustment		**10,666**		3,852
Balance, end of period		**671,190**		638,432
Less current portion		**(671,190)**		-
Due to related parties - non-current balance	$	**-**	$	638,432

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

	Three Months Ended March 31,			
		2024		2023
Salaries and benefits [(1)]	$	**92,121**	$	113,334
Stock-based compensation		**21,569**		141,231
	$	**113,690**	$	254,565

[(1)] Salaries and benefits include director fees. As at March 31, 2024, due to directors for fees amounted to $105,000 (December 31, 2023 - $140,000) and due to officers, mainly for salaries and benefits accrued amounted to $133,969 (December 31, 2023 - $25,106), and is included with due to related parties.

(c) As at March 31, 2024, the issued shares of Galantas total 114,535,293. Ross Beaty owns 3,744,747 common shares of the Company or approximately 3.3% of the outstanding common shares. Premier Miton owns 4,848,243 common shares of the Company or approximately 4.2%. Melquart owns, directly and indirectly, 28,140,195 common shares of the Company or approximately 24.6% of the outstanding common shares of the Company. G&F Phelps owns 5,353,818 common shares of the Company or approximately 4.7%. Eric Sprott owns 10,166,667 common shares of the Company or approximately 8.9%. Mike Gentile owns 6,217,222 common shares of the Company or approximately 5.4%.

Excluding the Melquart Ltd, Premier Miton, Mr. Beaty, Mr. Phelps, Mr. Sprott and Mr. Gentile shareholdings discussed above, the remaining 49% 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 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)

16. 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, 2024	United Kingdom	Canada	Total
Current assets	$ 687,365	$ 2,277,679	**$ 2,965,044**
Non-current assets	$ 27,638,714	$ 1,732,558	**$ 29,371,272**
Revenues	$ -	$ -	**$ -**

December 31, 2023	United Kingdom	Canada	Total
Current assets	$ 1,831,473	$ 2,376,856	**$ 4,208,329**
Non-current assets	$ 26,702,212	$ 1,673,478	**$ 28,375,690**
Revenues	$ -	$ -	**$ -**

17. 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 $520,762 (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 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.

18. Event After the Reporting Period

On April 29, 2024, the Company granted 3,175,000 stock options to directors, officers, employees and consultants of the Company to purchase common shares at $0.23 per share until April 29, 2029. The options will vest as to one third immediately and one third on each of April 29, 2025 and April 29, 2026.