



GALANTAS GOLD CORPORATION

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

**(Unaudited)
Three and Six Months Ended June 30, 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 June 30, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 395,514	\$ 2,593,265
Accounts receivable and prepaid expenses (note 4)	1,429,366	1,596,880
Inventories (note 5)	147,059	18,184
Total current assets	1,971,939	4,208,329
Non-current assets		
Property, plant and equipment (note 6)	24,371,742	23,094,171
Long-term deposit (note 8)	519,030	505,110
Exploration and evaluation assets (note 7)	5,173,442	4,776,409
Total non-current assets	30,064,214	28,375,690
Total assets	\$ 32,036,153	\$ 32,584,019
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities (notes 9 and 17)	\$ 3,250,027	\$ 3,662,842
Financing facilities (note 10)	6,839,679	6,119,308
Due to related parties (note 15)	4,566,419	5,838,256
Other liability (note 15)	-	1,187,437
Total current liabilities	14,656,125	16,807,843
Non-current liabilities		
Due to related parties (note 15)	-	638,432
Decommissioning liability (note 8)	633,767	611,452
Convertible debenture (note 11)	5,719,087	1,923,509
Derivative liability (note 11)	1,385,096	1,245,627
Total non-current liabilities	7,737,950	4,419,020
Total liabilities	22,394,075	21,226,863
Equity		
Share capital (note 12(a)(b))	71,782,203	71,809,999
Reserves	19,137,420	18,579,467
Deficit	(81,277,545)	(79,032,310)
Total equity	9,642,078	11,357,156
Total equity and liabilities	\$ 32,036,153	\$ 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
Sales of concentrate (note 14)	\$ -	\$ -	\$ -	\$ -
Cost and expenses of operations				
Cost of sales	30,318	72,881	47,650	123,096
Depreciation (note 6)	107,281	128,989	213,507	255,094
	137,599	201,870	261,157	378,190
Loss before general administrative and other income	(137,599)	(201,870)	(261,157)	(378,190)
General administrative expenses				
Management and administration wages (note 15)	150,050	160,761	260,982	284,959
Other operating expenses	38,115	55,441	73,025	150,204
Accounting and corporate	25,078	71,785	53,606	218,396
Legal and audit	70,516	46,051	103,465	89,444
Stock-based compensation (note 12(d))	256,054	116,658	285,868	300,381
Shareholder communication and investor relations	77,997	219,087	201,533	381,682
Transfer agent	39,786	44,711	61,051	51,056
Director fees (note 15)	35,000	35,000	70,000	70,000
General office	10,775	24,533	33,735	66,479
Accretion expenses (notes 8, 10, 11 and 15)	338,045	94,615	631,320	205,747
Loan interest and bank charges less deposit interest (notes 10, 11 and 15)	466,223	319,254	906,089	612,312
	1,507,639	1,187,896	2,680,674	2,430,660
Other expense (income)				
Foreign exchange loss (gain)	31,399	(34,250)	(87,728)	(59,720)
Unrealized gain on derivative fair value adjustment (note 11)	(85,018)	-	(608,868)	-
	(53,619)	(34,250)	(696,596)	(59,720)
Net loss for the period	\$ (1,591,619)	\$ (1,355,516)	\$ (2,245,235)	\$ (2,749,130)
Basic and diluted net loss per share (note 13)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted (note 13)	114,673,471	114,112,719	114,702,474	109,014,481

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		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net loss for the period	\$ (1,591,619)	\$ (1,355,516)	\$ (2,245,235)	\$ (2,749,130)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	194,751	172,343	272,085	625,917
Total comprehensive loss	\$ (1,396,868)	\$ (1,183,173)	\$ (1,973,150)	\$ (2,123,213)

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)

	Six Months Ended June 30,	
	2024	2023
Operating activities		
Net loss for the period	\$ (2,245,235)	\$ (2,749,130)
Adjustment for:		
Depreciation (note 6)	213,507	255,094
Stock-based compensation (note 12(d))	285,868	300,381
Accrued interest (notes 10, 11 and 15)	885,547	806,052
Foreign exchange (gain) loss	(124,049)	388,182
Accretion expenses (notes 8, 10, 11 and 15)	631,320	205,747
Gain on derivative fair value adjustment (note 11)	(608,868)	-
Non-cash working capital items:		
Accounts receivable and prepaid expenses	177,552	275,578
Inventories	(124,931)	21,218
Accounts payable and other liabilities	(484,066)	(113,387)
Net cash and cash equivalents used in operating activities	(1,393,355)	(610,265)
Investing activities		
Net purchase of property, plant and equipment	(868,853)	(1,551,447)
Exploration and evaluation assets	(307,718)	(1,658,757)
Net cash and cash equivalents used in investing activities	(1,176,571)	(3,210,204)
Financing activities		
Proceeds of private placements (note 12(b)(i))	-	2,963,142
Share issue costs	-	(204,993)
Proceeds from exercise of warrants	-	31,200
Advances from related parties	363,097	-
Repayments to related parties	-	(11,991)
Proceeds from financing facilities	-	580,392
Net cash and cash equivalents provided by financing activities	363,097	3,357,750
Net change in cash and cash equivalents	(2,206,829)	(462,719)
Effect of exchange rate changes on cash held in foreign currencies	9,078	10,540
Cash and cash equivalents, beginning of period	2,593,265	1,038,643
Cash and cash equivalents, end of period	\$ 395,514	\$ 586,464
Cash	\$ 395,514	\$ 586,464
Cash equivalents	-	-
Cash and cash equivalents	\$ 395,514	\$ 586,464

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					Deficit	Total
	Share capital	Warrants reserve	Equity settled share-based payments reserve	Foreign currency translation reserve			
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	
Shares issue for services arrangement (note 12(b)(ii))	420,000	-	-	-	-	420,000	
Shares issue for debt settlement (note 12(b)(iii))	749,020	-	-	-	-	749,020	
Warrants issued (note 12(b)(i)(iii))	(1,609,634)	1,609,634	-	-	-	-	
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))	-	-	300,381	-	-	300,381	
Exercise of warrants	40,733	(9,533)	-	-	-	31,200	
Warrants expired	-	(1,806,245)	1,806,245	-	-	-	
Exchange differences on translating foreign operations	-	-	-	625,917	-	625,917	
Net loss for the period	-	-	-	-	(2,749,130)	(2,749,130)	
Balance, June 30, 2023	\$ 71,982,149	\$ 3,819,546	\$ 13,994,304	\$ 350,340	\$ (73,213,300)	\$ 16,933,039	
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)	
Convertible debenture converted (note 11)	82,404	-	-	-	-	82,404	
Stock-based compensation (note 12(d))	-	-	285,868	-	-	285,868	
Exchange differences on translating foreign operations	-	-	-	272,085	-	272,085	
Net loss for the period	-	-	-	-	(2,245,235)	(2,245,235)	
Balance, June 30, 2024	\$ 71,782,203	\$ 3,546,313	\$ 14,631,406	\$ 959,701	\$ (81,277,545)	\$ 9,642,078	

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 and Six Months Ended June 30, 2024

(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 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's 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 June 30, 2024, the Company had a deficit of \$81,277,545 (December 31, 2023 - \$79,032,310). Comprehensive loss for the six months ended June 30, 2024 was \$1,973,150 (six months ended June 30, 2023 - \$2,123,213). 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.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

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 August 27, 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.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

4. Accounts Receivable and Prepaid Expenses

	As at June 30, 2024	As at December 31, 2023
Sales tax receivable - Canada	\$ 19,493	\$ 15,067
Valued added tax receivable - Northern Ireland	122,252	9,959
Accounts receivable	38,476	83,266
Prepaid expenses	1,249,145	1,488,588
	\$ 1,429,366	\$ 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 June 30, 2024	As at December 31, 2023
Less than 3 months	\$ 141,745	\$ 50,614
3 to 12 months	20,251	45,330
More than 12 months	18,225	12,348
Total accounts receivable	\$ 180,221	\$ 108,292

5. Inventories

	As at June 30, 2024	As at December 31, 2023
Concentrate inventories	\$ 147,059	\$ 18,184

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended March 31, 2024

(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)	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	-	-	-	-	1,321,893	-	1,321,893
Transfer	-	27,682	-	-	-	(27,682)	-
Cash receipts from concentrate sales (note 14)	-	-	-	-	(453,040)	-	(453,040)
Foreign exchange adjustment	64,021	246,977	6,279	6,141	563,778	743	887,939
Balance, June 30, 2024	\$ 2,387,132	\$ 9,270,585	\$ 234,114	\$ 228,986	\$ 22,072,697	\$ -	\$ 34,193,514

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	1,619	200,198	6,861	4,829	-	-	213,507
Foreign exchange adjustment	61,193	195,036	5,049	4,436	-	-	265,714
Balance, June 30, 2024	\$ 2,002,221	\$ 7,457,090	\$ 193,451	\$ 169,010	\$ -	\$ -	\$ 9,821,772

Carrying value

Balance, December 31, 2023	\$ 383,702	\$ 1,934,070	\$ 46,294	\$ 63,100	\$ 20,640,066	\$ 26,939	\$ 23,094,171
Balance, June 30, 2024	\$ 384,911	\$ 1,813,495	\$ 40,663	\$ 59,976	\$ 22,072,697	\$ -	\$ 24,371,742

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

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

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	-	307,718	307,718
Foreign exchange adjustment	-	89,315	89,315
Balance, June 30, 2024	\$ 1,140,115	\$ 4,033,327	\$ 5,173,442

Carrying value

Balance, December 31, 2023	\$ 1,140,115	\$ 3,636,294	\$ 4,776,409
Balance, June 30, 2024	\$ 1,140,115	\$ 4,033,327	\$ 5,173,442

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 June 30, 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 June 30, 2024, the estimated fair value of the liability is \$633,767 (December 31, 2023 - \$611,452). Changes in the provision during the six months ended June 30, 2024 are as follows:

	As at June 30, 2024	As at December 31, 2023
Decommissioning liability, beginning of period	\$ 611,452	\$ 582,441
Accretion	5,426	10,601
Foreign exchange	16,889	18,410
Decommissioning liability, end of period	\$ 633,767	\$ 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 June 30, 2024 (GBP 300,000 was funded as of December 31, 2023) and reported as long-term deposit of \$519,030 (December 31, 2023 - \$505,110).

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
 Three and Six Months Ended June 30, 2024
 (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 June 30, 2024	As at December 31, 2023
Accounts payable	\$ 2,072,741	\$ 2,131,257
Accrued liabilities	1,177,286	1,531,585
Total accounts payable and other liabilities	\$ 3,250,027	\$ 3,662,842

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

	As at June 30, 2024	As at December 31, 2023
Less than 3 months	\$ 450,619	\$ 1,672,744
3 to 12 months	1,574,273	807,338
12 to 24 months	453,035	474,290
More than 24 months (see also note 17)	772,100	708,470
Total accounts payable and other liabilities	\$ 3,250,027	\$ 3,662,842

10. Financing Facilities

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

	As at June 30, 2024	As at December 31, 2023
G&F Phelps		
Financing facility, beginning of period	\$ 6,119,308	\$ 4,836,267
Accretion	-	259,354
Interest	548,045	961,722
Shares for debt settlement	-	(100,000)
Foreign exchange adjustment	172,326	161,965
	6,839,679	6,119,308
Less current portion	(6,839,679)	(6,119,308)
Financing facilities - non-current portion	\$ -	\$ -

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

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 expired 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.

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.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

11. Convertible Debentures (Continued)

(i) (continued) 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 June 30, 2024, the fair value of the derivative liability was revalued at \$673,653 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 4.02% and an expected average life of 2.47 years.

During the three and six months ended June 30, 2024, the Company recorded accretion expense of \$185,698 and \$368,722, respectively and interest expense of \$89,863 and \$178,432, respectively as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss.

During the six month ended June 30, 2024, \$82,404 (US\$60,000) of convertible debenture was converted into 235,294 common shares of the Company.

(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 June 30, 2024, the fair value of the derivative liability was revalued at \$711,443 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 4.02% and an expected average life of 2.47 years.

During the three and six months ended June 30, 2024, the Company recorded accretion expense of \$147,497 and \$252,925, respectively and interest expense of \$92,764 and \$159,070, respectively as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

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
Convertible debenture converted (i)	(82,404)	-
Interest expense (i)(ii)	337,502	-
Accretion expense (i)(ii)	621,647	-
Change in fair value (i)(ii)	-	(608,868)
Balance, June 30, 2024	\$ 5,719,087	\$ 1,385,096

12. Share Capital and Reserves

a) Authorized share capital

At June 30, 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 June 30, 2024, the issued share capital amounted to \$71,782,203. 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
Shares issued for services arrangement (ii)	933,334	420,000
Shares issued for debt settlement (iii)	2,080,609	749,020
Warrants issued (i)(iii)	-	(1,609,634)
Share issue costs (i)	-	(245,168)
Exercise of warrants	78,000	40,733
Balance, June 30, 2023	114,841,403	\$ 71,982,149



Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

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)
Convertible debenture converted (note 11(i))	235,294	82,404
Balance, June 30, 2024	114,770,587	\$ 71,782,203

(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.

(ii) The Company has entered into an agreement to acquire the historical Gairloch drill and exploration database for (i) a payment of \$420,000 (approximately GBP 252,153), to be satisfied through the issuance of common shares of the Company based on the 5-day volume weighted average price at the time of signing (subject to the approval of the TSXV) and (ii) GBP 50,000 in cash. On April 13, 2023, the Company issued 933,334 common shares per terms of the agreement.

(iii) On April 26, 2023, the Company agreed to the terms of a proposed shares-for-debt transaction with several arm's length creditors of the Company and agreed to settle a total of approximately \$749,020 of indebtedness through the issuance of an aggregate of 2,080,609 units at a deemed price of \$0.36 per unit. 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 April 26, 2028. The fair value of the 2,080,609 warrants was estimated at \$324,828 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 126.25%, risk-free interest rate - 2.98% and an expected average life of 5 years.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

12. Share Capital and Reserves (Continued)

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)(iii) and 15(a)(vi))	11,148,722	0.54
Exercised	(78,000)	0.40
Expired	(14,582,231)	0.40
Balance, June 30, 2023	20,540,391	\$ 0.53
Balance, December 31, 2023 and June 30, 2024	19,658,904	\$ 0.54

The following table reflects the actual warrants issued and outstanding as of June 30, 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

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

12. 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, 2022	6,152,500	\$ 0.78
Expired	(25,000)	1.10
Cancelled (i)	(340,000)	0.76
Balance, June 30, 2023	5,787,500	\$ 0.78
Balance, December 31, 2023	5,862,500	\$ 0.78
Granted (ii)	3,175,000	0.23
Expired	(185,000)	0.90
Cancelled (i)	(162,500)	0.61
Balance, June 30, 2024	8,690,000	\$ 0.58

(i) The portion of the estimated fair value of options granted in the current and prior periods and vested during the three and six months ended June 30, 2024, amounted to \$256,054 and \$285,868, respectively (three and six months ended June 30, 2023 - \$116,658 and \$300,381, respectively). In addition, during the three and six months ended June 30, 2024, 162,500 options granted in the current and prior years were cancelled (three and six months ended June 30, 2023 - 162,500 and 340,000 options cancelled).

(ii) 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. The fair value attributed to these options was \$589,000 and the vested portion was expensed in the unaudited condensed interim consolidated statements of loss and credited to equity settled share-based payments reserve.

The following table reflects the actual stock options issued and outstanding as of June 30, 2024:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
May 19, 2026	0.86	1.88	3,560,000	3,560,000	-
June 21, 2026	0.73	1.98	425,000	425,000	-
August 27, 2026	0.86	2.16	20,000	20,000	-
May 3, 2027	0.60	2.84	1,560,000	1,560,000	-
April 29, 2029	0.23	4.83	3,125,000	1,041,667	2,083,333
	0.58	3.12	8,690,000	6,606,667	2,083,333

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

13. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2024 was based on the loss attributable to common shareholders of \$1,591,619 and \$2,245,235, respectively (three and six months ended June 30, 2023 - \$1,355,516 and \$2,749,130, respectively) and the weighted average number of common shares outstanding of 114,673,471 and 114,702,474, respectively (three and six months ended June 30, 2023 - 114,112,719 and 109,014,481, respectively) for basic and diluted loss per share. Diluted loss did not include the effect of 19,658,904 warrants (three and six months ended June 30, 2023 - 20,540,391) and 8,690,000 options (three and six months ended June 30, 2023 - 5,787,500) for the three and six months ended June 30, 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 and six months ended June 30, 2024 totalled approximately US\$124,000 (CAD\$169,719) and US\$331,000 (CAD\$453,040), respectively (three and six months ended June 30, 2023 - US\$255,000 (CAD\$419,000) and US\$516,000 (CAD\$851,000), respectively). However, until the mine reaches the commencement of commercial production, the net proceeds from concentrate sales will be offset against Development assets.

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		Six Months Ended	
			June 30,		June 30,	
			2024	2023	2024	2023
Interest on related party loans	(i)	\$	153,799	\$ 175,506	\$ 297,106	\$ 349,171

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

(ii) Refer to note 12(b).

(iii) Refer to note 11.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

15. Related Party Disclosures (Continued)

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

(iv) As at June 30, 2024, the Company owes Ocean Partners \$3,585,748 (December 31, 2023 - \$5,673,150) which is recorded as due to related parties on the unaudited condensed interim consolidated statement of financial position.

	June 30, 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	256,339	729,033
Foreign exchange adjustment	231,641	(125,786)
Balance, end of period	3,585,748	5,673,150
Less current balance	(3,585,748)	(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 June 30, 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).

(vi)

	June 30, 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	4,245	7,077
Interest	40,767	64,095
Foreign exchange adjustment	18,086	3,852
Balance, end of period	701,530	638,432
Less current portion	(701,530)	-
Due to related parties - non-current balance	\$ -	\$ 638,432

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

15. Related Party Disclosures (Continued)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Salaries and benefits ⁽¹⁾	\$ 128,193	\$ 111,315	\$ 220,314	\$ 224,649
Stock-based compensation	174,127	80,117	195,696	221,348
	\$ 302,320	\$ 191,432	\$ 416,010	\$ 445,997

⁽¹⁾ Salaries and benefits include director fees. As at June 30, 2024, due to directors for fees amounted to \$140,000 (December 31, 2023 - \$140,000) and due to officers, mainly for salaries and benefits accrued amounted to \$139,141 (December 31, 2023 - \$25,106), and is included with due to related parties.

(c) As at June 30, 2024, the issued shares of Galantas total 114,841,403. 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 24.5% 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.

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:

June 30, 2024	United Kingdom	Canada	Total
Current assets	\$ 639,744	\$ 1,332,195	\$ 1,971,939
Non-current assets	\$ 28,270,723	\$ 1,793,491	\$ 30,064,214
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	\$ -	\$ -	\$ -

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

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 \$526,452 (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 July 10, 2024, the Company announced that it agreed in principle to a proposal from G&F Phelps to develop a solar power facility at the Cavanacaw Gold Mine at the Omagh Project. The two-megawatt facility, with battery storage, is expected to significantly boost power generation on site and provide lower cost power than existing diesel generation, at a significantly lower carbon footprint. The proposal anticipates G&F Phelps renting rehabilitated land comprised of former tailings cells and a filled southern section of the former open pit. G&F Phelps is expected to provide the majority of capital required for the project, recouping the cost from the power generated. The proposal is subject to a detailed cost study, impact assessment and planning permission from regulatory authorities. Surplus power from the solar facility is expected to be exported to the local grid.