



GALANTAS GOLD CORPORATION

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

**(Unaudited)
Three Months Ended March 31, 2025**

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, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 729,387	\$ 525,643
Accounts receivable and prepaid expenses (note 4)	395,844	364,362
Inventories (note 5)	478,203	213,644
Total current assets	1,603,434	1,103,649
Non-current assets		
Property, plant and equipment (note 6)	29,920,991	28,946,456
Long-term deposit (note 8)	557,130	540,870
Exploration and evaluation assets (note 7)	5,653,061	5,487,196
Total non-current assets	36,131,182	34,974,522
Total assets	\$ 37,734,616	\$ 36,078,171
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities (notes 9 and 16)	\$ 3,361,314	\$ 3,437,002
Due to related parties (note 14)	15,516,880	13,885,635
Total current liabilities	18,878,194	17,322,637
Non-current liabilities		
Decommissioning liability (note 8)	689,086	666,128
Convertible debenture (note 10)	7,005,788	6,556,155
Derivative liability (note 10)	488,832	123,542
Total non-current liabilities	8,183,706	7,345,825
Total liabilities	27,061,900	24,668,462
Equity		
Share capital (note 11(a)(b))	71,782,203	71,782,203
Reserves	20,636,623	20,148,500
Deficit	(81,746,110)	(80,520,994)
Total equity	10,672,716	11,409,709
Total equity and liabilities	\$ 37,734,616	\$ 36,078,171

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

Incorporation and nature of operations (note 1)
Going concern (note 2)
Contingency (note 16)

Galantas Gold Corporation

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

	Three Months Ended March 31,	
	2025	2024
Revenues		
Sales of concentrate (note 13)	\$ -	\$ -
Cost and expenses of operations		
Cost of sales	14,935	17,332
Depreciation (note 6)	89,792	106,226
	104,727	123,558
Loss before general administrative and other expense (income)	(104,727)	(123,558)
General administrative expenses		
Management and administration wages (note 14)	129,782	110,932
Other operating expenses	31,016	34,910
Accounting and corporate	17,866	28,528
Legal and audit	28,684	32,949
Stock-based compensation (notes 11(d) and 14)	71,473	29,814
Shareholder communication and investor relations	59,221	123,536
Transfer agent	3,584	21,265
Director fees (note 14)	35,000	35,000
General office	7,774	22,960
Accretion expenses (notes 8, 10 and 14)	203,151	293,275
Loan interest and bank charges less deposit interest (notes 10 and 14)	499,937	439,866
	1,087,488	1,173,035
Other expense (income)		
Foreign exchange loss	(243,500)	(119,127)
Unrealized gain (loss) on derivative fair value adjustment (note 10)	365,290	(523,850)
Write-up of prepaid expenses (note 4)	(88,889)	-
	32,901	(642,977)
Net loss for the period	\$ (1,225,116)	\$ (653,616)
Basic and diluted net loss per share (note 12)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		
- basic and diluted (note 12)	114,770,587	114,732,865

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,	
	2025	2024
Net loss for the period	\$ (1,225,116)	\$ (653,616)
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	416,650	77,334
Total comprehensive loss	\$ (808,466)	\$ (576,282)

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,	
	2025	2024
Operating activities		
Net loss for the period	\$ (1,225,116)	\$ (653,616)
Adjustment for:		
Depreciation (note 6)	89,792	106,226
Stock-based compensation (note 11(d))	71,473	29,814
Accrued interest (notes 10 and 14)	675,131	423,051
Foreign exchange gain	(128,471)	(170,510)
Accretion expenses (notes 8, 10 and 14)	203,151	293,275
Unrealized gain (loss) on derivative fair value adjustment (note 10)	365,290	(523,850)
Non-cash working capital items:		
Accounts receivable and prepaid expenses	(22,348)	49,870
Inventories	(264,559)	(108,094)
Accounts payable and other liabilities	(253,301)	(272,994)
Net cash and cash equivalents used in operating activities	(488,958)	(826,828)
Investing activities		
Net purchase of property, plant and equipment	(204,606)	(532,574)
Exploration and evaluation assets	(52,743)	(134,653)
Net cash and cash equivalents used in investing activities	(257,349)	(667,227)
Financing activities		
Advances from related parties	931,474	169,852
Net cash and cash equivalents provided by financing activities	931,474	169,852
Net change in cash and cash equivalents	185,167	(1,324,203)
Effect of exchange rate changes on cash held in foreign currencies	18,577	19,138
Cash and cash equivalents, beginning of period	525,643	2,593,265
Cash and cash equivalents, end of period	\$ 729,387	\$ 1,288,200
Cash	\$ 729,387	\$ 1,288,200
Cash equivalents	-	-
Cash and cash equivalents	\$ 729,387	\$ 1,288,200

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	Warrants reserve	Reserves		Deficit	Total
			Equity settled share-based payments reserve	Foreign currency translation reserve		
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 11(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
Balance, December 31, 2024	\$ 71,782,203	\$ 3,401,849	\$ 14,921,992	\$ 1,824,659	\$ (80,520,994)	\$ 11,409,709
Stock-based compensation (note 11(d))	-	-	71,473	-	-	71,473
Warrants expired	-	(1,767,545)	1,767,545	-	-	-
Exchange differences on translating foreign operations	-	-	-	416,650	-	416,650
Net loss for the period	-	-	-	-	(1,225,116)	(1,225,116)
Balance, March 31, 2025	\$ 71,782,203	\$ 1,634,304	\$ 16,761,010	\$ 2,241,309	\$ (81,746,110)	\$ 10,672,716

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

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

1. Incorporation and Nature of Operations

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

On April 8, 2014, Cavanacaw acquired Flintridge Resources Limited ("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 Resources Limited ("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.

2. Going Concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which contemplates that 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 Gairloch incorporated on November 16, 2023 and Cavanacaw. Cavanacaw has a 100% shareholding in Galántas, Flintridge who are engaged in the acquisition, exploration and development of gold properties, mainly in Omagh, Northern Ireland and Omagh who is engaged in the exploration of gold properties, mainly in the Republic of Ireland. The Omagh mine is 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.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

2. Going Concern (Continued)

The going concern assumption is dependent on forecast cash flows being met, further financing negotiations being completed successfully. 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 financing.

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, 2024, the Company raised gross proceeds of \$1.1M through loans from related parties.

As at March 31, 2025, the Company had a deficit of \$81,746,110 (December 31, 2024 - \$80,520,994). Comprehensive loss for the three months ended March 31, 2025 was \$808,466 (three months ended March 31, 2024 - \$576,282). 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 uncertainties detailed above. 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.

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, 2025 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, 2024. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2025 could result in restatement of these unaudited condensed interim consolidated financial statements.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

4. Accounts Receivable and Prepaid Expenses

	As at March 31, 2025	As at December 31, 2024
Sales tax receivable - Canada	\$ 11,435	\$ 13,225
Valued added tax receivable - Northern Ireland	38,416	61,414
Accounts receivable	72,241	69,806
Prepaid expenses	273,752	219,917
	\$ 395,844	\$ 364,362

Prepaid expenses includes advances for consumables and for construction of the passing bays in the Omagh mine. Prepaid expenses includes also \$200,000 (December 31, 2024 - \$111,111) pursuant to services agreement for the underground development at the Omagh Gold Project. During the three months ended March 31, 2025, prepaid expenses were written-up by \$88,889 (three months ended March 31, 2024 - \$nil) to reflect anticipated value of associated services to be received in future.

The following is an aged analysis of receivables:

	As at March 31, 2025	As at December 31, 2024
Less than 3 months	\$ 49,851	\$ 101,263
3 to 12 months	44,403	20,173
More than 12 months	27,838	23,009
Total accounts receivable	\$ 122,092	\$ 144,445

5. Inventories

	As at March 31, 2025	As at December 31, 2024
Concentrate inventories	\$ 478,203	\$ 213,644

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

6. Property, Plant and Equipment

Cost	Freehold land and buildings	Plant and machinery	Motor vehicles	Office equipment	Development assets	Assets under construction	Total
Balance, December 31, 2023	\$ 2,323,111	\$ 8,995,926	\$ 227,835	\$ 222,845	\$ 20,640,066	\$ 26,939	\$ 32,436,722
Additions	-	-	-	-	2,555,601	-	2,555,601
Transfer	-	28,928	-	-	-	(28,928)	-
Cash receipts from concentrate sales	-	-	-	-	(1,228,232)	-	(1,228,232)
Reversal of impairment	-	-	-	-	3,250,867	-	3,250,867
Foreign exchange adjustment	164,468	634,400	16,130	15,776	1,548,305	1,989	2,381,068
Balance, December 31, 2024	2,487,579	9,659,254	243,965	238,621	26,766,607	-	39,396,026
Additions	-	-	-	-	204,606	-	204,606
Foreign exchange adjustment	74,782	289,366	7,334	7,174	796,635	-	1,175,291
Balance, March 31, 2025	\$ 2,562,361	\$ 9,948,620	\$ 251,299	\$ 245,795	\$ 27,767,848	\$ -	\$ 40,775,923

Accumulated depreciation

Balance, December 31, 2023	\$ 1,939,409	\$ 7,061,856	\$ 181,541	\$ 159,745	\$ -	\$ -	\$ 9,342,551
Depreciation	3,298	407,802	13,975	9,837	-	-	434,912
Foreign exchange adjustment	137,399	509,830	13,272	11,606	-	-	672,107
Balance, December 31, 2024	2,080,106	7,979,488	208,788	181,188	-	-	10,449,570
Depreciation	682	84,242	2,707	2,161	-	-	89,792
Foreign exchange adjustment	62,553	241,161	6,351	5,505	-	-	315,570
Balance, March 31, 2025	\$ 2,143,341	\$ 8,304,891	\$ 217,846	\$ 188,854	\$ -	\$ -	\$ 10,854,932

Carrying value

Balance, December 31, 2024	\$ 407,473	\$ 1,679,766	\$ 35,177	\$ 57,433	\$ 26,766,607	\$ -	\$ 28,946,456
Balance, March 31, 2025	\$ 419,020	\$ 1,643,729	\$ 33,453	\$ 56,941	\$ 27,767,848	\$ -	\$ 29,920,991

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

7. Exploration and Evaluation Assets

Cost	Acquisition costs	Exploration costs	Total
Balance, December 31, 2023	\$ 1,140,115	\$ 3,636,294	\$ 4,776,409
Additions	-	481,338	481,338
Foreign exchange adjustment	-	229,449	229,449
Balance, December 31, 2024	1,140,115	4,347,081	5,487,196
Additions	-	52,743	52,743
Foreign exchange adjustment	-	113,122	113,122
Balance, March 31, 2025	\$ 1,140,115	\$ 4,512,946	\$ 5,653,061

Carrying value

Balance, December 31, 2024	\$ 1,140,115	\$ 4,347,081	\$ 5,487,196
Balance, March 31, 2025	\$ 1,140,115	\$ 4,512,946	\$ 5,653,061

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, 2025 based on a risk-free discount rate of 1% (December 31, 2024 - 1%) and an inflation rate of 1.50% (December 31, 2024 - 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, 2025, the estimated fair value of the liability is \$689,086 (December 31, 2024 - \$666,128). Changes in the provision during the three months ended March 31, 2025 are as follows:

	As at March 31, 2025	As at December 31, 2024
Decommissioning liability, beginning of period	\$ 666,128	\$ 611,452
Accretion	2,855	11,056
Foreign exchange	20,103	43,620
Decommissioning liability, end of period	\$ 689,086	\$ 666,128

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, 2024 - GBP 300,000), of which GBP 300,000 was funded as of March 31, 2025 (GBP 300,000 was funded as of December 31, 2024) and reported as long-term deposit of \$557,130 (December 31, 2024 - \$540,870).

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

9. Accounts Payable and Other Liabilities

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

	As at March 31, 2025	As at December 31, 2024
Accounts payable	\$ 2,122,190	\$ 2,015,836
Accrued liabilities	1,239,124	1,421,166
Total accounts payable and other liabilities	\$ 3,361,314	\$ 3,437,002

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

	As at March 31, 2025	As at December 31, 2024
Less than 3 months	\$ 509,479	\$ 496,691
3 to 12 months	531,716	555,504
12 to 24 months	968,239	1,304,549
More than 24 months (see also note 16)	1,351,880	1,080,258
Total accounts payable and other liabilities	\$ 3,361,314	\$ 3,437,002

10. 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.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

10. Convertible Debentures (Continued)

(i) (continued) 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 \$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 - 3.94% and an expected average life of 3 years.

On issuance the fair value of the liability component was recorded at \$2,918,833, 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.

As at December 31, 2024, the fair value of the derivative liability was revalued at \$60,086 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 2.92% and an expected average life of 1.97 years.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

10. Convertible Debentures (Continued)

(i) (continued) During the year ended December 31, 2024, the Company recorded accretion expense of \$389,379 and interest expense of \$454,248 as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss. During the year ended December 31, 2024, \$151,301 of the interest expense was related to the convertible debenture subscribed by Melquart. During the year ended December 31, 2024, \$151,301 of the interest expense was related to the convertible debenture subscribed by Ocean Partners.

During the year ended December 31, 2024, \$82,404 (US\$60,000) of convertible debenture was converted into 235,294 common shares of the Company.

During the year ended December 31, 2024, the Company paid interest of \$157,422 (US\$109,411).

As at March 31, 2025, the fair value of the derivative liability was revalued at \$237,748 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 117%, risk-free interest rate - 2.47% and an expected average life of 1.72 years.

During the three months ended March 31, 2025, the Company recorded accretion expense of \$134,026 and interest expense of \$119,735 as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss. During the three months ended March 31, 2025, \$39,881 of the interest expense was related to the convertible debenture subscribed by Melquart. During the three months ended March 31, 2025, \$39,881 of the interest expense was related to the convertible debenture subscribed by Ocean Partners.

(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 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 December 31, 2024, the fair value of the derivative liability was revalued at \$63,456 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 100%, risk-free interest rate - 2.92% and an expected average life of 1.97 years.

During the year ended December 31, 2024, the Company recorded accretion expense of \$203,009 and interest expense of \$482,978 as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss.

As at March 31, 2025, the fair value of the derivative liability was revalued at \$251,084 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 117%, risk-free interest rate - 2.47% and an expected average life of 1.72 years.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

10. Convertible Debentures (Continued)

(ii) (continued) During the three months ended March 31, 2025, the Company recorded accretion expense of \$64,855 and interest expense of \$136,179 as loan interest and bank charges less deposit interest in the unaudited condensed interim consolidated statement of loss.

	Convertible debenture	Derivative liability
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 payment (i)	(157,422)	-
Interest expense (i)(ii)	937,226	-
Accretion expense (i)(ii)	592,388	-
Change in fair value (i)(ii)	-	(1,870,422)
Foreign exchange adjustment	424,025	-
Balance, December 31, 2024	6,556,155	123,542
Interest expense (i)(ii)	255,914	-
Accretion expense (i)(ii)	198,881	-
Change in fair value (i)(ii)	-	365,290
Foreign exchange adjustment	(5,162)	-
Balance, March 31, 2025	\$ 7,005,788	\$ 488,832

11. Share Capital and Reserves

a) Authorized share capital

At March 31, 2025, 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, 2025, 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, 2023	114,841,403	\$ 71,809,999
Shares cancelled	(306,110)	(110,200)
Balance, March 31, 2024	114,535,293	\$ 71,699,799

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2025
(Expressed in Canadian Dollars)
(Unaudited)

11. Share Capital and Reserves (Continued)

b) Common shares issued (continued)

	Number of common shares	Amount
Balance, December 31, 2024 and March 31, 2025	114,770,587	\$ 71,782,203

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, 2023 and March 31, 2024	19,658,904	\$ 0.54
Balance, December 31, 2024	18,838,904	\$ 0.54
Expired	(8,674,631)	0.54
Balance, March 31, 2025	10,164,273	\$ 0.55

The following table reflects the actual warrants issued and outstanding as of March 31, 2025:

Expiry date	Number of warrants	Grant date fair value (\$)	Exercise price (\$)
December 20, 2026	158,823	24,670	0.35
March 27, 2028	7,924,841	1,237,009	0.55
April 26, 2028	2,080,609	324,828	0.55
	10,164,273	1,586,507	0.55

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

11. Share Capital and Reserves (Continued)

d) Stock options

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

	Number of options	Weighted average exercise price
Balance, December 31, 2023	5,862,500	\$ 0.78
Expired	(85,000)	0.90
Balance, March 31, 2024	5,777,500	\$ 0.78

Balance, December 31, 2024 and March 31, 2025	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 months ended March 31, 2025, amounted to \$71,473 (three months ended March 31, 2024 - \$29,814).

The following table reflects the actual stock options issued and outstanding as of March 31, 2025:

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	1.13	3,560,000	3,560,000	-
June 21, 2026	0.73	1.22	425,000	425,000	-
August 27, 2026	0.86	1.41	20,000	20,000	-
May 3, 2027	0.60	2.09	1,560,000	1,560,000	-
April 29, 2029	0.23	4.08	3,125,000	1,041,667	2,083,333
	0.58	2.37	8,690,000	6,606,667	2,083,333

12. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2025 was based on the loss attributable to common shareholders of \$1,225,116 (three months ended March 31, 2024 - \$653,616) and the weighted average number of common shares outstanding of 114,770,587 (three months ended March 31, 2024 - 114,732,865) for basic and diluted loss per share. Diluted loss did not include the effect of 10,164,273 warrants (three months ended March 31, 2024 - 19,658,904) and 8,690,000 options (three months ended March 31, 2024 - 5,777,500) for the three months ended March 31, 2025, as they are anti-dilutive.

13. Revenues

Shipments of concentrate under the off-take arrangements commenced during the second quarter of 2019. Concentrate sales provisional revenues during the three months ended March 31, 2025 totalled approximately US\$nil (CAD\$nil) (three months ended March 31, 2024 - US\$207,000 (CAD\$279,897). However, until the mine reaches the commencement of commercial production, the net proceeds from concentrate sales will be offset against Development assets.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

14. 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,	
		2025	2024
Interest on related party loans	(i)	\$ 419,217	\$ 143,307

(i) Refer to note 14(a)(iii)(iv).

(ii) Refer to note 10.

(iii) As at March 31, 2025, the Company owes Ocean Partners \$14,152,033 (December 31, 2024 - \$12,613,719) which is recorded as due to related parties on the unaudited condensed interim consolidated statement of financial position. The loan bears interest at an annual rate of 12% compounded monthly.

	March 31, 2025	December 31, 2024
Balance, beginning of period	\$ 12,613,719	\$ 5,673,150
Converted to convertible debentures (note 10)	-	(2,457,358)
Loans transferred to Ocean Partners	-	7,096,775
Advance	904,050	931,474
Repayment	-	(8,749)
Interest	390,394	897,886
Foreign exchange adjustment	243,870	480,541
Balance, end of period	\$ 14,152,033	\$ 12,613,719

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

14. Related Party Disclosures (Continued)

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

(iv)

	March 31, 2025	December 31, 2024
Melquart Limited		
Financing facilities, beginning of period	\$ 922,030	\$ 638,432
Financing facility received	-	137,936
Accretion	1,415	8,492
Interest	28,823	88,567
Foreign exchange adjustment	27,762	48,603
Balance, end of period	\$ 980,030	\$ 922,030

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

	Three Months Ended March 31,	
	2025	2024
Salaries and benefits ⁽¹⁾	\$ 120,491	\$ 92,121
Stock-based compensation	49,173	21,569
	\$ 169,664	\$ 113,690

⁽¹⁾ Salaries and benefits include director fees. As at March 31, 2025, due to directors for fees amounted to \$245,000 (December 31, 2024 - \$210,000) and due to officers, mainly for salaries and benefits accrued amounted to \$139,817 (December 31, 2024 - \$139,886), and is included with due to related parties.

(c) As at March 31, 2025, the issued shares of Galantas total 114,770,587. 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%. Ocean Partners owns 5,269,477 common shares of the Company and approximately 4.6%.

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.

Galantas Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

15. Segment Disclosure

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

March 31, 2025	United Kingdom	Canada	Total
Current assets	\$ 732,011	\$ 871,423	\$ 1,603,434
Non-current assets	\$ 34,276,266	\$ 1,854,916	\$ 36,131,182
Revenues	\$ -	\$ -	\$ -

December 31, 2024	United Kingdom	Canada	Total
Current assets	\$ 838,421	\$ 265,228	\$ 1,103,649
Non-current assets	\$ 33,115,564	\$ 1,858,958	\$ 34,974,522
Revenues	\$ -	\$ -	\$ -

16. Contingency

During the year ended December 31, 2010, the Company's subsidiary Omagh received a payment demand from Her Majesty's Revenue and Customs ("HMRC") in the amount of \$565,097 (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.