GALANTAS GOLD CORPORATION

Consolidated Financial Statements
(Expressed in Canadian Dollars)

Years Ended December 31, 2025 and 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Galantas Gold Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Galantas Gold Corporation (the Company), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss, consolidated statements of comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern
We draw your attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of $10,404,561 during the year ended December 31, 2025. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Emphasis of Matter - *Material Uncertainty Related to Going Concern* section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

Deconsolidation of Subsidiaries (Flintridge Resources Limited ("Flintridge") and Omagh Minerals Limited ("Omagh")

Description of the matter
On September 23, 2025, Ocean Partners UK Ltd. ("Ocean Partners") completed the exchange of its existing loans, totalling approximately US$14 million ($19.7 million), for an 80% interest in Flintridge and Omagh, subsidiaries of Galantas that collectively own the Omagh Project. As a result of this transaction, the Company lost control over these subsidiaries and deconsolidated them effective September 30, 2025, retaining a 20%

equity interest in each.

Why the matter is a key audit matter
This matter represented an area of significant risk of material misstatement due to the significance of the transaction and the complexity involved in determining the appropriate accounting treatment under IFRS. This includes assessing whether control was lost, derecognizing the assets and liabilities of the subsidiaries, measuring any resulting gain or loss on deconsolidation, and determining the fair value of the retained investment.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter:

- We reviewed the transaction's agreements to assess the substance and terms of the arrangement;
- We tested the calculation of the gain or loss on deconsolidation, including performing audit procedures on Flintridge and Omagh financial statements as of the deconsolidation date (September 23, 2025), assessed the appropriateness of the disposal date.
- We evaluated management's assessment of loss of control in accordance with IFRS 10 – Consolidated Financial Statements;
- We assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.

Acquisition of RDL Mining Corp. ("RDL")

Description of the matter

As described in Note 5 to the consolidated financial statements, on December 31, 2025, the Company completed the acquisition of all of the issued and outstanding shares of RDL in exchange for common shares ("Galantas Shares") of Galantas.

The Company determined RDL did not meet the definition of a "Business" in accordance with IFRS 3, *Business Combinations*, and as such, accounted for the transaction as an asset acquisition.

The difference between the fair value of consideration paid, being the common shares, and net identifiable assets acquired of $9,449,568 has been presented as an "exploration property acquisition costs" in the statements of loss and comprehensive loss.

Why the matter is a key audit matter
This matter represented an area of significant risk of material misstatement given the magnitude of the transaction. In addition, Management was required to exert judgment when: determining whether RDL met the definition of a "Business" and whether the share-based-payment transaction was more reliably measured with reference to the net assets acquired or common shares issued as consideration. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter:

- We reviewed the share exchange and other related agreements to identify and assess relevant terms and conditions;

- Tested management's key assumptions in concluding the transaction was an asset acquisition; notably the lack of an organized workforce, grassroots nature of mining claims acquired and no substantive management or operational processes;
- Evaluated management's conclusion that the acquisition did not meet the definition of a business under IFRS 3 Business Combinations, including assessing whether substantially all of the fair value was concentrated in a single identifiable asset (Exploration and Evaluation Assets);
- Assessed the fair value of the consideration transferred, including the valuation of the Company's common shares issued with reference to observable market data; evaluated the DLOM applied to the consideration shares, including the valuation methodology, key assumptions (such as volatility and holding period), and the impact of escrow restrictions, with the involvement of valuation specialists;
- We assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

The engagement partner on the audit resulting in this independent auditor's report is John C. Sinclair.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 28, 2026

Galantas Gold Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents (note 17(b)(ii))	**$ 13,315,844**	$ 525,643
Accounts receivable and prepaid expenses	**228,522**	364,362
Inventories (note 9)	**-**	213,644
Total current assets	**13,544,366**	1,103,649
Non-current assets		
Investment in associates (note 10)	**5,820,725**	-
Property, plant and equipment (note 11)	**-**	28,946,456
Long-term deposit (note 13)	**-**	540,870
Exploration and evaluation assets (note 12)	**11,372,320**	5,487,196
Total non-current assets	**17,193,045**	34,974,522
Total assets	**$ 30,737,411**	$ 36,078,171
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities (notes 14 and 21)	**$ 2,070,078**	$ 3,437,002
Convertible debenture (note 16)	**908,916**	-
Due to related parties (note 21)	**1,816,584**	13,885,635
Deferred revenue (note 19)	**550,000**	-
Derivative liability (note 16)	**126,688**	-
Total current liabilities	**5,472,266**	17,322,637
Non-current liabilities		
Decommissioning liability (note 13)	**-**	666,128
Convertible debenture (note 16)	**-**	6,556,155
Derivative liability (note 16)	**-**	123,542
Total non-current liabilities	**-**	7,345,825
Total liabilities	**5,472,266**	24,668,462
Equity		
Share capital (note 17(a)(b))	**89,244,398**	71,782,203
Reserves	**25,035,020**	20,148,500
Deficit	**(89,014,273)**	(80,520,994)
Total equity	**25,265,145**	11,409,709
Total equity and liabilities	**$ 30,737,411**	$ 36,078,171

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

Incorporation and nature of operations (note 1)
Going concern (note 2)
Contingency (note 23)
Events after the reporting period (note 24)

Approved on behalf of the Board:
"Mario Stifano" , Director "Jim Clancy" , Director

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

	Year Ended December 31, 2025	Year Ended December 31, 2024
Revenues		
Sales of concentrate (note 19)	**$ -**	$ -
Cost and expenses of operations		
Cost of sales	**44,975**	112,568
Depreciation (note 11)	**274,171**	434,912
	319,146	547,480
Loss before general administrative and other expense (income)	**(319,146)**	(547,480)
General administrative expenses		
Management and administration wages (note 21)	**823,319**	564,638
Other operating expenses	**92,755**	172,801
Accounting and corporate	**110,063**	102,851
Legal and audit	**237,974**	170,784
Stock-based compensation (notes 17(d) and 21)	**159,623**	431,990
Shareholder communication and investor relations	**380,662**	288,271
Transfer agent	**57,330**	73,259
Director fees (note 21)	**140,000**	155,000
General office	**54,216**	63,512
Accretion expenses (notes 13, 16 and 21)	**635,713**	611,936
Loan interest and bank charges less deposit interest (notes 15, 16 and 21)	**1,570,964**	1,976,576
	4,262,619	4,611,618
Other expense (income)		
Foreign exchange (gain) loss	**(869,428)**	561,986
Unrealized loss (gain) on derivative fair value adjustment (note 16)	**540,582**	(1,870,422)
Loss on extinguishment of convertible debentures (note 16)	**447,424**	-
Loss on disposal of interest in subsidiaries (note 10)	**2,885,663**	-
Loss on settlement of debt (notes 16 and 17(b)(iii))	**859,495**	-
Reversal of impairment on property, plant and equipment (note 11)	**-**	(3,250,867)
Share of loss on investment in associate (note 10)	**47,778**	-
Write-down of prepaid expenses	**-**	888,889
	3,911,514	(3,670,414)
Net loss for the year	**$ (8,493,279)**	$ (1,488,684)
Basic and diluted net loss per share (note 18)	**$ (0.07)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (note 18)	**119,549,163**	114,736,787

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

GALANTAS GOLD

Galantas Gold Corporation
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2025	Year Ended December 31, 2024
Net loss for the year	**$ (8,493,279)**	$ (1,488,684)
Other comprehensive income (loss)		
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**567,843**	1,137,043
Reclassification on disposal of interest in subsidiaries (note 10)	**(2,479,125)**	-
Total comprehensive loss	**$ (10,404,561)**	$ (351,641)

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

GALANTAS GOLD

Galantas Gold Corporation

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2025	Year Ended December 31, 2024
Operating activities		
Net loss for the year	**$ (8,493,279)**	$ (1,488,684)
Adjustment for:		
Depreciation (note 11)	**274,171**	434,912
Stock-based compensation (note 17(d))	**159,623**	431,990
Accrued interest (notes 15, 16 and 21)	**1,804,129**	1,841,692
Foreign exchange loss	**275,659**	744,385
Accretion expenses (notes 13, 16 and 21)	**635,713**	611,936
Reversal of impairment of property, plant and equipment (note 11)	**-**	(3,250,867)
Unrealized loss (gain) on derivative fair value adjustment (note 16)	**540,582**	(1,870,422)
Write-down of prepaid expenses	**-**	888,889
Loss on extinguishment of convertible debentures (note 16)	**447,424**	-
Loss on disposal of interest in subsidiaries (note 10)	**2,885,663**	-
Loss on settlement of debt (notes 16 and 17(b)(iii))	**859,495**	-
Share of loss on investment in associate (note 10)	**47,778**	-
Non-cash working capital items:		
Accounts receivable and prepaid expenses	**(98,705)**	356,117
Inventories	**213,644**	(195,460)
Accounts payable and other liabilities	**(239,815)**	(412,770)
Net cash and cash equivalents used in operating activities	**(687,918)**	(1,908,282)
Investing activities		
Net purchase of property, plant and equipment	**(1,078,947)**	(769,238)
Exploration and evaluation assets	**(538,719)**	(481,338)
Cash on acquisition of RDL	**756,345**	-
Cash on disposal of interest in subsidiaries	**(151,906)**	-
Cost related to the acquisition of RDL	**(350,372)**	-
Net cash and cash equivalents used in investing activities	**(1,363,599)**	(1,250,576)
Financing activities		
Proceeds of private placements (note 17(b)(ii))	**14,900,000**	-
Share issue costs	**(1,327,541)**	-
Advances from related parties	**1,536,872**	1,069,410
Repayments to related parties	**(210,000)**	(8,749)
Net cash and cash equivalents provided by financing activities	**14,899,331**	1,060,661
Net change in cash and cash equivalents	**12,847,814**	(2,098,197)
Effect of exchange rate changes on cash held in foreign currencies	**(57,613)**	30,575
Cash and cash equivalents, beginning of year	**525,643**	2,593,265
Cash and cash equivalents, end of year	**$ 13,315,844**	$ 525,643
Cash	**$ 13,315,844**	$ 525,643
Cash equivalents	**-**	-
Cash and cash equivalents	**$ 13,315,844**	$ 525,643
Supplemental information		
Shares issued to settle accounts payable and other liabilities (note 17(b)(iii))	**$ 976,563**	$ -
Shares issued to acquire RDL (note 5)	**$ 7,788,347**	$ -

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

Galantas Gold Corporation
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital	Reserves: Warrants reserve	Reserves: Equity settled share-based payments reserve	Reserves: Foreign currency translation reserve	Deficit	Total
Balance, December 31, 2023	**$ 71,809,999**	**$ 3,546,313**	**$ 14,345,538**	**$ 687,616**	**$ (79,032,310)**	**$ 11,357,156**
Shares cancelled (note 17(b)(i))	(110,200)	-	-	-	-	(110,200)
Convertible debenture converted (note 16)	82,404	-	-	-	-	82,404
Stock-based compensation (note 17(d))	-	-	431,990	-	-	431,990
Warrants expired	-	(144,464)	144,464	-	-	-
Exchange differences on translating foreign operations	-	-	-	1,137,043	-	1,137,043
Net loss for the year	-	-	-	-	(1,488,684)	(1,488,684)
Balance, December 31, 2024	**71,782,203**	**3,401,849**	**14,921,992**	**1,824,659**	**(80,520,994)**	**11,409,709**
Shares issued in private placement (note 17(b)(ii))	14,900,000	-	-	-	-	14,900,000
Warrants issued (notes 17(b)(ii))	(5,443,150)	5,443,150	-	-	-	-
Share issue costs (note 17(b)(ii))	(2,522,570)	1,195,029	-	-	-	(1,327,541)
Shares issued for debt settlement (note 17(b)(iii))	976,563	-	-	-	-	976,563
Convertible debenture converted (note 16))	1,763,005	-	-	-	-	1,763,005
Shares issued to acquire RDL (note 5)	7,788,347	-	-	-	-	7,788,347
Stock-based compensation (note 17(d))	-	-	159,623	-	-	159,623
Warrants expired	-	(1,767,545)	1,767,545	-	-	-
Disposal of interest in subsidiaries (note 10)	-	-	-	(2,479,125)	-	(2,479,125)
Exchange differences on translating foreign operations	-	-	-	567,843	-	567,843
Net loss for the year	-	-	-	-	(8,493,279)	(8,493,279)
Balance, December 31, 2025	**$ 89,244,398**	**$ 8,272,483**	**$ 16,849,160**	**$ (86,623)**	**$ (89,014,273)**	**$ 25,265,145**

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

GALANTAS GOLD

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.

On September 23, 2025, the Company sold 80% interest in Flintridge and 80% in Omagh, subsidiaries of Galantas which together own the Omagh Project (the "Transaction"). The remaining 20% interest in Flintridge and 20% interest in Omagh will be retained by Galantas. Refer to note 10.

On December 31, 2025, the Company acquired RDL Mining Corp. (“RDL”) and its wholly-owned subsidiary Compañía Minera RDL SpA (“RDL SpA”). Refer to note 5.

The Company's operations include the consolidated results of Gairloch, Cavanacaw, RDL and its wholly-owned subsidiaries Omagh, Galántas, Flintridge and RDL SpA. For Omagh and Flintridge the results are included up to September 23, 2025 (date of loss of control) (refer to note 10).

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 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 which incorporated on November 16, 2023, Cavanacaw and RDL. Cavanacaw had 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. On September 23, 2025, Cavanacaw disposed of an 80% interest of Flintridge and Omagh (refer to note 10).

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 and copper 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 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 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. During the year ended December 31, 2025, the Company raised gross proceeds of $14.9M through the completion of a private placement.

As at December 31, 2025, the Company had a deficit of $89,014,273 (December 31, 2024 - $80,520,994). Comprehensive loss for the year ended December 31, 2025 was $10,404,561 (December 31, 2024 - $351,641). 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 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

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The Board of Directors approved the consolidated financial statements on April 27, 2026.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis with the exception of certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the year. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 3(e).

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statement of loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. An investor controls an investee if the investor has the power over the investee, has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following wholly owned companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Galantas Gold Corporation	Ontario, Canada	Parent company
Cavanacaw Corporation (1)	Ontario, Canada	Holding company
Omagh Minerals Limited (2)(3)(10)	Northern Ireland	Operating company
Galántas Irish Gold Limited (2)(4)	Northern Ireland	Dormant company
Flintridge Resources Limited (2)(5)(10)	United Kingdom	Operating company
Gairloch Resources Limited (1)(6)	United Kingdom	Operating company
RDL Mining Corp. (1)(7)	British Columbia, Canada	Holding company
Compañía Minera RDL SpA (8)(9)	Chile	Operating company

(1) 100% owned by Galantas Gold Corporation;
(2) 100% owned by Cavanacaw Corporation;
(3) Referred to as Omagh (as defined herein);
(4) Referred to as Galántas (as defined herein);
(5) Referred to as Flintridge (as defined herein);
(6) Referred to as Gairloch (as defined herein);
(7) Referred to as RDL (as defined herein);
(8) 100% owned by RDL;
(9) Referred to as RDL SpA (as defined herein); and
(10) Consolidated up to September 23, 2025, being the date on which the Company lost control. Following the Transaction described in note 10, the Company's remaining 20% interest in each entity is accounted for as an investment in associate under IAS 28.

GALANTAS GOLD

3. Basis of Preparation (Continued)

(d) Functional and presentation currency

The consolidated financial statements are presented in Canadian Dollars ("CAD"), which is the parent Company's functional currency.

Items included in the financial statements of each of the Company's operating subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of Omagh, Flintridge and Gairloch is the U.K. Pound Sterling ("GBP"). The functional currency of RDL SpA is the Chilean Peso. The functional currency of the subsidiaries Cavanacaw and RDL, is the CAD.

Assets and liabilities of entities with functional currencies other than CAD are translated at the year-end closing rate of exchange, and the results of their operations are translated at average rates of exchange for the period unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case the results of their operations are translated at the rate prevailing on the dates of the transactions. The resulting translation adjustments are recognized as a separate component of equity.

	Year Ended December 31,	
	2025	**2024**
Closing rate (GBP to CAD)	1.8428	1.8029
Average for the year	1.8545	1.7504

(e) Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are applied prospectively. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of accounts receivable that are included in the consolidated statements of financial position;
- stock-based compensation – management is required to make a number of estimates when determining the compensation expense resulting from share-based transactions, including volatility, which is an estimate based on historical price of the Company's share, the forfeiture rate and expected life of the instruments;
- warrants – management is required to make a number of estimates when determining the fair value of the warrants, including volatility and expected life of the instruments;

3. Basis of Preparation (Continued)

(e) Use of estimates and judgments (continued)

Critical accounting estimates (continued)

- convertible debenture is separated into its liability (host loan) and embedded derivative liability (conversion feature). The fair value of the embedded derivative at the time of issue is calculated by using black-scholes valuation model. Subsequent to the measurement of derivative liability, the residual value will be allocated as fair value of the host loan. The host loan will be subsequently measured at amortized cost by using an effective interest rate method (see note 16). Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and derivative components. The transaction costs incurred to obtain the convertible debenture are pro-rated between equity and debt liability;
- derivative liability – management is required to make a number of estimates when determining the fair value of the derivative liability, including volatility and expected life of the instruments;
- share issued for non-cash consideration - the Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.
- decommissioning liabilities has been created based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements and constructive obligations. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to liability on a quarterly basis. Actual decommissioning costs will ultimately depend on actual future settlement amount for the decommissioning costs which will reflect the market condition at the time the decommissioning costs are actually incurred. The final cost of the currently recognized decommissioning provisions may be higher or lower than currently provided for.

Critical accounting judgments

- functional currency – the functional currency for the parent entity and each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined primary economic environment;
- exploration and evaluation assets - the determination of the demonstration of technical feasibility and commercial viability is subject to a significant degree of judgment and assessment of all relevant factors;
- income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements;
- going concern assumption – Going concern presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due; and
- whether there are any indicators that the Company's exploration and evaluation assets are impaired. Where an indicator of impairment exists for its non-current assets, the Company performs an analysis to estimate the recoverable amount, which includes various key estimates and assumptions as discussed above.

4. Material Accounting Policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the operations at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising in retranslation are recognized in the consolidated statements of loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive loss. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

(b) Financial instruments

Under IFRS 9 - Financial Instruments ("IFRS 9"), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement bases of our financial instruments.

Financial instruments	Classification under IFRS 9
Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Long-term deposit	Amortized cost
Accounts payable and other liabilities	Amortized cost
Financing facilities	Amortized cost
Due to related parties	Amortized cost
Convertible debenture (host loan)	Amortized cost
Derivative liability	FVTPL

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

The Company’s cash and cash equivalents is classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company’s business model for these financial assets is to collect their contractual cash flows; and 2) the asset’s contractual cash flows represent "solely payments of principal and interest".

The Company’s accounts receivable and long-term deposit are classified as financial assets measured at amortized cost.

4. Material Accounting Policies (Continued)

(b) Financial instruments (continued)

Financial assets (continued)

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and other liabilities, financing facilities, due to related parties and convertible debenture (host loan) do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above. The Company's derivative liability is measured at FVTPL.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive loss.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4. Material Accounting Policies (Continued)

(b) Financial instruments (continued)

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(c) Impairment of non-financial assets

When events or circumstances indicate that the carrying value may not be recoverable, the Company reviews the carrying amounts of its non-financial assets to determine whether events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The estimated recoverable amount is determined on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, in which case the recoverable amount is estimated at the CGU level.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of comprehensive loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased up to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years.

Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques.

These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and pricing models.

Financial instruments that are measured subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

4. Material Accounting Policies (Continued)

(c) Impairment of non-financial assets (continued)

Fair values (continued)

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liabilities that are not based on observable market data (unobservable inputs)

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(e) Investment in associate

The Company's investment in an associate is accounted for using the equity method of accounting. An associate is an entity over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Under the equity method, the investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and its share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from the associate reduce the carrying amount of the investment.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables from the associate, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of the associate or the Company is contractually required to fund these additional losses.

The carrying amount of the investment in associate is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If impaired, the carrying amount of the investment is written down to its recoverable amount.

Unrealized gains and losses resulting from transactions between the Company and an associate are eliminated to the extent of the Company's interest in the associate.

The Company's share of its associate's post-acquisition results is shown on the face of the consolidated statement of loss and other comprehensive loss, and its share of movements in reserves is recognized directly in equity.

4. Material Accounting Policies (Continued)

(f) Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of property, plant and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Buildings	20%	Declining balance
Plant and machinery	20%	Declining balance
Motor vehicles	25%	Declining balance
Office equipment	15%	Declining balance
Development assets		No depreciation
Assets under construction		No depreciation

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

(g) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

4. Material Accounting Policies (Continued)

(h) Exploration and evaluation assets

These assets relate to the exploration and evaluation expenditures incurred in respect to resource projects that are in the exploration and evaluation stage.

Exploration and evaluation expenditures include costs which are directly attributable to acquisition, exploration and evaluation activities, assessing technical feasibility and commercial viability. These expenditures are capitalized using the full cost method until the technical feasibility and commercial viability of extracting the mineral resource of a project are demonstrable. During the exploration period, exploration and evaluation assets are not amortized.

Exploration and evaluation assets are allocated to CGU for the purpose of assessing such assets for impairment. At the end of each reporting period, the asset is reviewed for impairment indicators in accordance with IFRS 6.20:

(i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
(ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
(iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
(iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If such indicators exist, the asset is tested for impairment and the recoverable amount of the asset is estimated. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in consolidated statements of loss.

Once the technical feasibility and commercial viability of extracting a mineral resource of a project are demonstrable, the relevant exploration and evaluation asset is assessed for impairment, and any impairment loss recognized, prior to the balance being reclassified as a development asset in property, plant and equipment.

The determination of the demonstration of technical feasibility and commercial viability is subject to a significant degree of judgment and assessment of all relevant factors. In general, technical feasibility may be demonstrable once a positive feasibility study is completed. When determining the commercial viability of a project, in addition to the receipt of a feasibility study, the Company also considers factors such as the availability of project financing, the existence of markets and/or long term contracts for the product, and the ability of obtaining the relevant operating permits.

All subsequent expenditures to ready the property for production are capitalized within development assets, other than those costs related to the construction of property, plant and equipment. However, until the mine reaches the commencement of commercial production, the net proceeds from concentrate sales will be offset against development assets.

Once production has commenced, all costs included in development assets are reclassified to mine development costs.

Exploration and evaluation expenditures incurred prior to the Company obtaining mineral rights related to the property being explored are recorded as expense in the period in which they are incurred.

4. Material Accounting Policies (Continued)

(i) Stripping costs

Till stripping costs involving the removal of overburden are capitalized where the underlying ore will be extracted in future periods. The Company defers these till stripping costs and amortizes them on a unit-of-production basis as the underlying ore is extracted.

(j) Inventories

Inventories are comprised of finished goods, concentrate inventory and work-in-process amounts.

All inventories are recorded at the lower of production costs on a first-in, first-out basis, and net realizable value. Production costs include costs related to mining, crushing, mill processing, as well as depreciation on production assets and certain allocations of mine-site overhead expenses attributable to the manufacturing process.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Revenue recognition

Revenue from sales of finished goods is recognized at the time of shipment when significant risks and rewards of ownership are considered to be transferred, the terms are fixed or determinable, collection is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably.

Revenue from sales of metal concentrate is recognized at the time of shipment when title passes and significant risks and benefits of ownership are considered to be transferred and the amount of revenue to be receivable by the Company is known or could be accurately estimated. The final revenue figure at the end of any given period is subject to adjustment at the date of ultimate settlement as a result of final assay agreement and metal prices changes.

Streaming arrangements

From time to time, the Company enters into arrangements pursuant to which the Company receives consideration in advance of the delivery of metals.

Under streaming arrangements, the Company receives advanced consideration against the delivery of a portion of future metal production referenced to the mine(s) of the Company specified in the contract. In addition to the advanced consideration, the Company may also receive a cash payment as metals are delivered to the customer.

The Company recognizes the advanced consideration as deferred revenue and recognizes the amounts in revenue as it satisfies its performance obligations to deliver metal to the customer over the life of the contract.

(l) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

4. Material Accounting Policies (Continued)

(m) Share-based compensation transactions

Share-based compensation transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, such as share-based payments to employees, they are measured at fair value of the share-based payment.

Share-based payments to employees of the subsidiaries are recognized as cash settled share-based compensation transactions.

Equity-settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in "equity settled share-based payments reserve".

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options (if any) is reflected as additional dilution in the computation of loss per share.

Cash-settled transactions
The cost of cash-settled transactions is measured initially at fair value. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

4. Material Accounting Policies (Continued)

(n) Income taxes

Income tax on the consolidated statements of loss for the years presented comprises current and deferred tax. Income tax is recognized in the consolidated statements of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Convertible debentures

The convertible debenture is convertible into units in US$ and the Company’s functional currency is the Canadian Dollars. As a result the instrument contains an embedded derivative liability.

The proceeds received on issuance of the Company's convertible debenture are allocated to the host debt and derivative liability component. The fair value of the component is determined based on the residual method.

At the time of issue, the derivative liability feature was measured using the Black-Scholes option pricing model. The residual value was allocated as fair value of the host debt component. The derivative liability is fair valued at each statement of financial position date using the Black-Scholes option pricing model.

The host debt component accretes up to the principal balance at maturity with the accretion expense included in the consolidated statements of loss. The derivative liability component will be reclassified to share capital on conversion.

Transaction costs are apportioned to the debt liability and derivative liability component in proportion to the allocation of proceeds.

4. Material Accounting Policies (Continued)

(p) Decommissioning liability

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, when there is a present obligation, as a result of a past event, it is probable to be settled by a future outflow of resources and a reliable estimate can be made of the obligation. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against the consolidated statements of loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits and/or inventories as extraction progresses.

(q) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the years. Options and warrants are anti-dilutive and, therefore, have not been taken into account in the per share calculation.

(r) Accounting standards issued but not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18, which will replace IAS 1. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the statement of profit or loss, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company is assessing the impact of this standard on its disclosures.

4. Material Accounting Policies (Continued)

(r) Accounting standards issued but not yet adopted (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures ("IFRS 1")

In May 2024, the IASB issued IFRS 19, which is effective for annual reporting periods on or after January 1, 2027, with earlier application permitted. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for the disclosure requirements. Instead, these entities apply the requirements in IFRS 19. The Company is assessing the impact of this standard on its disclosures.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The IASB issued amendments to IFRS 9 and IFRS 7 in May 2024 to clarify classification, measurement, derecognition, and disclosure requirements, effective for annual periods beginning on or after January 1, 2026. The Company is assessing the impact of this standard on its disclosures.

5. Acquisition of RDL

On December 31, 2025, the Company completed the acquisition of all of the issued and outstanding shares of RDL in exchange for common shares ("Galantas Shares") of Galantas. The acquisition of RDL provides Galantas with an option (the "Option") to acquire a 100% interest in the Indiana gold/copper project located in Chile (the "Indiana Project"), by meeting certain conditions, pursuant to an option agreement between RDL SpA, a wholly-owned subsidiary of RDL, and Minería Indiana Limitada dated October 30, 2025.

RDL transaction terms
As consideration for the acquisition of RDL, each RDL shareholder (being Lawrence Roulston, Robert Sedgemore and Dorian L. Nicol (the "RDL Shareholders")) received approximately 44 million Galantas Shares (the "RDL Shares"), for an aggregate of 132,400,635 Galantas Shares. Each RDL Shareholder holds Galantas Shares representing approximately 10% of the issued and outstanding Galantas Shares following the completion of the Transaction and private placement completed on December 31, 2025. Additionally, each RDL Shareholder was granted a 0.66% net smelter returns ("NSR") royalty payable by Galantas in respect of the Indiana Project, for an aggregate NSR royalty of approximately 2%.

In connection with the acquisition of RDL, Robert Sedgemore was appointed as Senior Vice President, Operations, of Galantas.

5. Acquisition of RDL (Continued)

The Acquisition did not meet the definition of a business combination under IFRS 3, Business Combination. Accordingly, the acquisition was accounted for as an asset acquisition. The Company recorded a total of $9,449,568 in exploration and evaluation assets to the consolidated statement of financial position which is the excess of the consideration paid over the fair value of the identifiable net assets.

The following table summarizes the fair value of the purchase price and the allocation to net assets acquired:

Purchase Price Consideration	
132,400,635 common shares issued (i)	$ 7,788,347
Cost related to the acquisition	350,372
	$ 8,138,719

Net Assets Acquired (Fair Value)	
Cash and cash equivalents	$ 756,345
Accounts receivable and prepaid expenses	44,088
Exploration and evaluation assets	9,449,568
Accounts payable and other liabilities	(698,006)
Payable to Galantas	(863,276)
Deferred revenue	(550,000)
	$ 8,138,719

(i) Fair value was calculated using the closing price of $0.125 on the date of issuance with consideration for the lack of marketability. Discount for Lack of Marketability ("DLOM") is based on the risk arising from the restrict holding period set out on the Acquisition.

6. Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit which at December 31, 2025 totaled $25,265,145 (December 31, 2024 - $11,409,709). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on future sales revenues, operating expenditures, and other investing and financing activities. The forecast is updated based on its operating and exploration activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2025. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

7. Financial and Property Risk Management

Property risk

The Company's significant projects are the Indiana Project and the Gairloch Project. Unless the Company acquires or develops additional significant projects, the Company will be solely dependent upon the Indiana and Gairloch Projects. If no additional projects are acquired by the Company, any adverse development affecting the Indiana and Gairloch Projects would have a material effect on the Company's consolidated financial condition and results of operations.

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk and sales concentration, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk and sales concentration

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash is held with financial institutions and the United Kingdom Crown, respectively, from which management believes the risk of loss to be minimal. Sales tax receivable is collectable from government authorities in Canada.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company manages liquidity risk by monitoring maturities of financial commitments and maintaining adequate cash reserves and available borrowing facilities to meet these commitments as they come due. As at December 31, 2025, the Company had working capital of $8,072,100 (December 31, 2024 - working capital deficit of $16,218,988). All of the Company's financial liabilities have contractual maturities of less than 30 days other than certain related party loans and the financing liabilities.

7. Financial and Property Risk Management (Continued)

Financial risk (continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rate risk, foreign exchange rate risk and commodity price risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances, significant interest-bearing debt due to related parties. The Company is exposed to interest rate risk on certain related party loans and third party loans which bear interest at variable rates.

(b) Foreign currency risk

Certain of the Company's assets, liabilities are designated in GBP and certain expenses are incurred in GBP which is the currency of Northern Ireland and the United Kingdom while the Company's primary revenues are received in the currency of United States and are therefore subject to gains and losses due to fluctuations in these currencies against the functional currency. The loan from convertible debentures and loan from third party is designated in US dollars.

(c) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as it relates to gold/copper to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) Certain related party loans, a loan facility with a third party and convertible debentures are subject to interest rate risk. As at December 31, 2025, if interest rates had decreased/increased by 1% with all other variables held constant, the net loss for the year ended December 31, 2025, would have been approximately $9,000 lower/higher respectively, as a result of lower/higher interest rates from certain related party loans, a loan facility and convertible debentures. Similarly, as at December 31, 2025, shareholders' equity would have been approximately $9,000 higher/lower as a result of a 1% decrease/increase in interest rates from certain related party loans, a loan facility and convertible debentures.

7. Financial and Property Risk Management (Continued)

Sensitivity analysis (continued)

(ii) The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, accounts receivable, long-term deposit, accounts payable and other liabilities and due to related parties that are denominated in GBP as well as convertible debentures that are denominated in US$. As at December 31, 2025, had the GBP and US$ weakened/strengthened by 5% against the CAD with all other variables held constant, the Company's consolidated comprehensive loss for the year ended December 31, 2025 would have been approximately $142,000 higher/lower as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments. Similarly, as at December 31, 2025, shareholders' equity would have been approximately $142,000 higher/lower had the GBP and US$ weakened/strengthened by 5% against the CAD as a result of foreign exchange losses/gains on translation of non-CAD denominated financial instruments.

(iii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of gold and copper. Gold and copper prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of gold and copper may be produced in the future, a profitable market will exist for them. A decline in the market price of gold and copper may also require the Company to reduce production of its mineral resources, which could have a material and adverse effect on the Company's value. Management believes that the impact would be immaterial for the year ended December 31, 2025.

8. Categories of Financial Instruments

As at December 31,	2025	2024
Financial assets:		
FVTPL		
Cash and cash equivalents	**$ 13,315,844**	$ 525,643
Amortized cost		
Accounts receivable	**68,158**	144,445
Long-term deposit	**-**	540,870
Financial liabilities:		
FVTPL		
Derivative liability	**126,688**	123,542
Amortized cost		
Accounts payable and other liabilities	**2,070,078**	3,437,002
Due to related parties	**1,816,584**	13,885,635
Convertible debenture	**908,916**	6,556,155

9. Inventories

	As at December 31, 2025	As at December 31, 2024
Concentrate inventories	**$ -**	$ 213,644

10. Investment in associates

On September 23, 2025, Ocean Partners UK Ltd. ("Ocean Partners") completed the exchange of its existing loans, totalling approximately US$14 million ($19.7 million), for an 80% interest in Flintridge and Omagh, subsidiaries of Galantas that collectively own the Omagh Project. As a result, Galantas retains a 20% interest in each subsidiary.

As part of the transaction, Ocean Partners has provided an initial capital investment of US$3 million ($4,176,300). These funds are allocated toward exploration, restart planning, and general and administrative costs during the first phase of the joint venture, referred to as the Initial Term. Galantas is free carried during this period. Ocean Partners has also confirmed its option to provide an additional US$5 million ($6,853,000) in a second phase (the "Second Term"), which will be directed toward further exploration and the commissioning of a development program. Galantas retains the option to participate pro-rata in this future funding.

In connection with the Transaction, a shareholders' agreement has been executed, appointing Ocean Partners as operator of the Omagh Project. The Board of Directors of Flintridge will consist of four representatives nominated by Ocean Partners and one representative nominated by Galantas, for so long as Galantas maintains at least a 10% interest in Flintridge.

During the Initial Term, Galantas holds the right to convert its 20% equity interest in Flintridge into a 3.00% NSR royalty. Half of this royalty would be subject to buy-back by Flintridge for US$8 million ($11,319,606). If Galantas does not exercise this option and its ownership in Flintridge is subsequently diluted below 10%, its equity interest will automatically convert into a 1.50% NSR, with half of that amount subject to buy-back for US$4 million ($5,482,400).

The Company assessed that it no longer had control of Flintridge as of the closing date but retained significant influence. The Company is accounting for the retained investment as an investment in associate in accordance with IAS 28, Investments in Associates and Joint Ventures. In accordance with IAS 28, the fair value of the retained investment is the deemed cost of the investment in associate as at the closing date. A loss has been recognized in the consolidated statement of loss and comprehensive loss, which is calculated as the difference between the closing date fair value of the retained investment and the carrying amount of the former subsidiaries net assets. On loss of control of Flintridge and Omagh, the cumulative foreign currency translation differences relating to these foreign operations were reclassified from the foreign currency translation reserve in equity to profit or loss in accordance with IAS 21.

	As at December 31, 2025	**As at December 31, 2024**
Fair value of retained investment	**$ 5,954,818**	$ -
Carrying amount of former subsidiaries net assets (notes 11, 12, 13 and 21)	**(11,319,606)**	-
Reclassification of foreign currency translation reserve	**2,479,125**	-
Loss on disposal of interest in subsidiaries	**$ (2,885,663)**	$ -

Investment in associates	
Balance, December 31, 2024	**$ -**
Additions (fair value of retained investment)	5,954,818
Share of loss in associate	(47,778)
Foreign exchange adjustment	(86,315)
Balance, December 31, 2025	**$ 5,820,725**

GALANTAS GOLD

10. Investment in associates (continued)

The following is a summary of the financial information of Flintridge and Omagh based on the latest available information. The numbers have not been pro-rated for the Company's ownership interest.

As at December 31, 2025	Flintridge	Omagh	Total
Total current assets	$ 4,816,064	$ 6,529	**$ 4,822,593**
Total non-current assets	34,427,024	-	**34,427,024**
Total current liabilities	2,851,392	1,665,018	**4,516,410**
Total non-current liabilities	677,500	-	**677,500**
Net loss (3 months ended)	233,218	5,673	**238,891**
Proportionate share of net loss	46,644	1,134	**47,778**

11. 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 (note 19)	-	-	-	-	(1,228,232)	-	**(1,228,232)**
Reversal of impairment (ii)	-	-	-	-	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	-	-	-	-	1,866,876	-	**1,866,876**
Cash receipts from concentrate sales (note 19)	-	-	-	-	(787,929)	-	**(787,929)**
Disposals of interest in subsidiaries (note 10)	(2,580,299)	(9,984,217)	(253,058)	(247,515)	(28,651,230)	-	**(41,716,319)**
Foreign exchange adjustment	92,720	324,963	9,093	8,894	805,676	-	**1,241,346**
Balance, December 31, 2025	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
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	2,079	257,249	8,254	6,589	-	-	**274,171**
Disposal of interest in subsidiaries (note 10)	(2,159,755)	(8,503,607)	(224,969)	(194,646)	-	-	**(11,082,977)**
Foreign exchange adjustment	77,570	266,870	7,927	6,869	-	-	**359,236**
Balance, December 31, 2025	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Carrying value							
Balance, December 31, 2024	$ 407,473	$ 1,679,766	$ 35,177	$ 57,433	$ 26,766,607	$ -	**$ 28,946,456**
Balance, December 31, 2025	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**

11. Property, Plant and Equipment (Continued)

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

(ii) The Company conducts impairment testing on an annual basis. The cash generating unit for the purpose of impairment testing is the Omagh Mine. The basis on which the recoverable amount is assessed is its value in use. The cash flow forecast employed for the value in use computation is for a five year period discounted at a rate reflective of market conditions.

A critical assumption for the value in use calculation was the granting of planning permission for the development of an underground mine. Planning permission was granted but was the subject of a judicial review which found in favour of the Company in September 2017. The judicial review decision was then appealed by a third party to the Court of Appeal in relation to the positive judicial review judgment. This appeal was completed in February 2018 and later in 2018 the Court of Appeal delivered its judgement in regard to an appeal against the Company's planning consent. The Court determined that the appeal had failed and thus the planning consent is confirmed.

As at December 31, 2024, the Company performed an assessment of the carrying values of its development assets in accordance with IAS 36, "Impairment of Assets." Based on the results of this assessment, the Company recognized a portion of reversal of previously recorded impairments amounting to $3,250,867.

The impairment reversal was determined based on a five year value-in-use discounted cash flow forecast utilizing a discount rate of 15% and an average gold price assumption of US$2,042 per ounce over the forecast period.

Key Assumptions	
Forecast Period	5 years
Average Gold Price	US$2,042/oz
Discount Rate	15%

Management considers these assumptions to be reasonable based on prevailing market conditions and internal forecasts.

(iii) On September 23, 2025, the Company sold 80% interest in Flintridge and 80% in Omagh to Ocean Partners as part of the Transaction and as a result, the property, plant and equipment was derecognized. Refer to note 10.

12. Exploration and Evaluation Assets

Year Ended December 31, 2025	Gairloch Project	Omagh Gold Project	Indiana Project	Total
Acquisitions costs				
Balance, December 31, 2023 and December 31, 2024	$ 1,140,115	$ -	$ -	$ 1,140,115
Acquisition of RDL (note 5)	-	-	9,449,568	9,449,568
Balance, December 31, 2025	1,140,115	-	9,449,568	10,589,683
Exploration costs				
Balance, December 31, 2024	584,155	3,762,926	-	4,347,081
Additions	198,482	340,237	-	538,719
Disposal of interest in subsidiaries (note 10)	-	(4,243,418)	-	(4,243,418)
Foreign exchange adjustment	-	140,255	-	140,255
Balance, December 31, 2025	782,637	-	-	782,637
Total	**$ 1,922,752**	**$ -**	**$ 9,449,568**	**$ 11,372,320**

Year Ended December 31, 2024	Gairloch Project	Omagh Gold Project	Indiana Project	Total
Acquisitions costs				
Balance, December 31, 2023 and December 31, 2024	$ 1,140,115	$ -	$ -	$ 1,140,115
Exploration costs				
Balance, December 31, 2023	395,353	3,240,941	-	3,636,294
Additions	188,802	292,536	-	481,338
Foreign exchange adjustment	-	229,449	-	229,449
Balance, December 31, 2024	584,155	3,762,926	-	4,347,081
Total	**$ 1,724,270**	**$ 3,762,926**	**$ -**	**$ 5,487,196**

Gairloch Project

On January 26, 2023, the Company announced that it entered into an agreement to acquire a 100% interest and the exclusive rights to explore and develop the Gairloch Project from the owners of the Gairloch Estate lands. The Company has acquired exploration and developments rights for an initial payment of GBP 347,000 and annual payments of GBP 69,000 beginning in year 6.

The lease agreement will continue for 30 years and will be renewable at the election of Galantas, upon 90 days' prior written notice and upon the approval of the lessor, not to be unreasonably withheld, for a further 20-year period, assuming all conditions of this agreement have been met satisfactorily according to the Lessor, acting reasonably, in respect of the Galantas' conduct and operations. Galantas may terminate the agreement with 18 months' notice.

Galantas made a payment of $580,392 (GBP 347,000) representing payment for the first five years of the lease. If the exploration phase continues past the fifth anniversary of the effective date of the agreement, Galantas will pay the lessor GBP 69,400 index linked per lease year for each such lease year following the fifth anniversary of the effective date, with such payment to be made at the commencement of each such lease year.

12. Exploration and Evaluation Assets (Continued)

Gairloch Project (continued)

During any mining phase, Galantas will pay the lessor GBP 50,000 index linked per lease year, with such payment to be made at the commencement of each such lease year. Galantas will grant a 5% net profits interest royalty (the “NPI”), calculated according to standard industry terms and practices with the option by the Lessor to convert the NPI to a 2% net smelter returns royalty, calculated according to standard industry terms and practices.

Omagh Gold Project

On September 23, 2025, the Company sold 80% interest in Flintridge and 80% in Omagh to Ocean Partners as part of the Transaction and as a result, the Omagh Gold Project was derecognized. Refer to note 10.

Indiana Project

The Indiana Project sits within the rich copper-gold-silver belt of the coastal cordillera of the Atacama Region, Chile. The Indiana Project is an operating gold and copper mine, which is ready for immediate expansion. It comprises mineral concessions covering 923 hectares. It is currently 100% owned by Minería Activa SpA (“Activa"), subject to the Option.

In order to exercise the Option, RDL must make payments totaling US$15 million ($20.9 million) to Activa over a period of five years (the “Option Period”). An initial payment of US$500,000 was made. Of this amount, US$450,000 ($625,000) was paid by Ocean Partners as an advance to Galantas and paid to Activa in the fourth quarter of 2025 (the “Ocean Payment”). The Ocean Payment was repaid by Galantas on December 31, 2025. Refer to note 17(b)(iii)). The remaining payments consist of US$1 million ($1.4 million) in years one and two, US$2 million ($2.8 million) in years three and four and a final payment of US$8.5 million ($11.8 million) in year five (together, the “Option Payments”).

RDL has committed to spend a minimum of US$1 million ($1.4 million) per year during the Option Period on exploration and development activities within the Indiana Project. In addition, RDL has committed to (i) excavate a minimum of five hundred linear metres of exploration drifts, (ii) complete a minimum of 2,500 metres of exploration drilling, or (iii) a combination thereof using an equivalence ratio of one metre of drifts for every five metres of drilling.

Until RDL has exercised the Option, RDL will be leasing the Indiana Project for a 10% NSR royalty payable to Activa. Until the Indiana Project goes into commercial production, the NSR royalty will be paid as a rent payment, which will not be less than 25% of the Option Payment corresponding to that year. Once the Indiana Project goes into commercial production, the NSR royalty will not be greater than 50% of the Option Payment corresponding to that year.

There is an existing NSR royalty of 2.5% payable to an underlying property owner, which covers approximately 40% of the present concessions comprising the Indiana Project and which will be payable by RDL, including after exercise of the Option.

13. 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 December 31, 2024 based on a risk-free discount rate of 1% and an inflation rate of 1.50%. At December 31, 2024, the expected undiscounted future obligations allowing for inflation are GBP 330,000 and based on management's best estimate the decommissioning was expected to occur over the next 5 to 10 years. On September 23, 2025, the Company sold 80% interest in Flintridge and 80% in Omagh to Ocean Partners as part of the Transaction and as a result, the decommissioning liability is not included in the consolidated financial statements anymore (refer to note 10). Changes in the provision during the year ended December 31, 2025 are as follows:

	As at December 31, 2025	As at December 31, 2024
Decommissioning liability, beginning of year	**$ 666,128**	$ 611,452
Accretion	**8,706**	11,056
Foreign exchange	**24,944**	43,620
Disposal of interest in subsidiaries (note 10)	**(699,778)**	-
Decommissioning liability, end of year	**$ -**	$ 666,128

As at December 31, 2024, as required by the Crown in Northern Ireland, the Company was required to provide a bond for reclamation related to the Omagh mine in the amount of GBP 300,000, of which GBP 300,000 was funded as of December 31, 2024 and reported as long-term deposit of $540,870. On September 23, 2025, the Company sold 80% interest in Flintridge and 80% in Omagh to Ocean Partners as part of the Transaction and as a result, the long-term deposit is not included in the consolidated financial statements anymore (refer to note 10).

14. 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 December 31, 2025	As at December 31, 2024
Accounts payable	**$ 1,578,605**	$ 2,015,836
Accrued liabilities	**491,473**	1,421,166
Total accounts payable and other liabilities	**$ 2,070,078**	$ 3,437,002

15. Financing Facilities

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

	As at December 31, 2025	As at December 31, 2024
G&F Phelps		
Financing facility, beginning of period	$ -	$ 6,119,308
Financing facility transferred to due to related parties (i)	-	(7,096,775)
Interest (i)	-	633,566
Foreign exchange adjustment	-	343,901
Financing facilities	$ -	$ -

(i) As at December 31, 2025, G&F Phelps Ltd. ("G&F Phelps") had amalgamated loans to the Company of $nil (GBP nil) (December 31, 2024 - $nil - GBP nil) included with financing facilities bearing interest at 2% above UK base rates, repayable on demand and secured by a mortgage debenture on all the Company's assets. In April 2018, the interest increased to 6.75% + US$ 12 month LIBOR. Interest accrued on G&F Phelps loan is included with financing facilities. As at December 31, 2025, the amount of interest accrued is $nil (GBP nil) (December 31, 2024 - $nil - GBP nil).

The G&F Phelps loans expired on December 31, 2023 and are being rolled forward on a month to month basis. Interest may be deferred and added to the balance outstanding until March 31, 2022, at which point interest will be paid monthly. In consideration for extending the G&F loan and deferring interest, G&F Phelps has received 1,700,000 warrants exercisable into one common share at an exercise price of $0.33, with said warrants expiring on December 31, 2023. The fair value of the 1,700,000 warrants was estimated at $670,000 using the following Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 123.98% to 144.48%, risk-free interest rate - 0.32% and an expected average life of 2.63 years.

During the year ended December 31, 2025, the Company recorded interest expense of $nil in the consolidated statements of loss in regards with this loan facility (year ended December 31, 2024 - $633,566).

During the year ended December 31, 2024, the G&F Phelps loans were transferred to Ocean Partners with the same terms (note 16).

16. 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 Limited ("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.

16. Convertible Debentures (Continued)

(i) (continued) 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.

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.

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.

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 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. Refer to note 17(b).

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

On September 23, 2025, Melquart converted $1,210,300 (US$875,000) of its convertible debenture and accrued interest of $252,853 (US$182,803) into 17,630,050 common shares of the Company. Refer to note 17(b). The fair value of the shares issued was $1,763,005, resulting in a loss on settlement of debt of $507,932.

On September 23, 2025, the Company and Ocean Partners reached a debt settlement agreement as part of the Transaction (note 10) and $1,210,300 (US$875,000) of its convertible debenture and accrued interest of $347,660 (US$251,345) was satisfied in full. The settlement resulted in the derecognition of the convertible debenture and accrued interest. The difference between the carrying amount of the extinguished obligations and the fair value of the liability was recognized in the consolidated statement of loss as a loss on extinguishment of convertible debentures of $302,888.

As at December 31, 2025, the fair value of the derivative liability was revalued at $126,649 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 151%, risk-free interest rate - 2.55% and an expected average life of 0.97 years.

During the year ended December 31, 2025, the Company recorded accretion expense of $440,733 and interest expense of $418,007 as loan interest and bank charges less deposit interest in the consolidated statement of loss. During the year ended December 31, 2025, $91,440 of the interest expense was related to the convertible debenture subscribed by Melquart. During the year ended December 31, 2025, $187,335 of the interest expense was related to the convertible debenture subscribed by Ocean Partners.

During the year ended December 31, 2025, the Company paid interest of $289,639 (US$210,480).

16. Convertible Debentures (Continued)

(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 consolidated statement of loss.

During the year ended December 31, 2025, the Company recorded accretion expense of $184,859, respectively and interest expense of $426,434 as loan interest and bank charges less deposit interest in the consolidated statement of loss.

On September 23, 2025, the Company and Ocean Partners reached a debt settlement agreement as part of the Transaction and $3,749,855 (US$2,711,000) of its convertible debenture and accrued interest of $1,049,874 (US$759,018) was satisfied in full. Refer to note 10 for details of the Transaction. The settlement resulted in the derecognition of the convertible debenture and accrued interest. The difference between the carrying amount of the extinguished obligations and the fair value of the liability was recognized in the consolidated as a loss on extinguishment of convertible debentures of $144,537.

16. Convertible Debentures (Continued)

	Convertible debentures	Derivative liabilities
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**
Convertible debenture converted (i)	(1,657,582)	(105,423)
Extinguishment of convertible debentures (i)(ii)	(5,928,478)	(432,013)
Loss on extinguishment of convertible debentures (i)(ii)	447,424	-
Loss on settlement of debt (i)	507,932	-
Interest payment (i)	(289,639)	-
Interest expense (i)(ii)	844,441	-
Accretion expense (i)(ii)	625,592	-
Change in fair value (i)(ii)	-	540,582
Foreign exchange adjustment	(196,929)	-
Balance, December 31, 2025	**$ 908,916**	**$ 126,688**

17. Share Capital and Reserves

a) Authorized share capital

At December 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.

17. Share Capital and Reserves (Continued)

b) Common shares issued

At December 31, 2025, the issued share capital amounted to $89,244,398. The continuity of issued share capital for the years presented is as follows:

	Number of common shares	Amount
Balance, December 31, 2023	**114,841,403**	**$ 71,809,999**
Shares cancelled (i)	(306,110)	(110,200)
Convertible debenture converted (note 16(i))	235,294	82,404
Balance, December 31, 2024	**114,770,587**	**71,782,203**
Shares issued in private placement (ii)	186,250,000	14,900,000
Warrants issued (ii)	-	(5,443,150)
Share issue costs (ii)	-	(2,522,570)
Shares issued to acquire RDL (note 5)	132,400,635	7,788,347
Convertible debenture converted (note 16(i))	17,630,050	1,763,005
Shares issued for debt settlement (iii)	7,812,500	976,563
Balance, December 31, 2025	**458,863,772**	**$ 89,244,398**

(i) On February 27, 2024, total of 306,110 units issued to consultants in the debt settlement transaction were canceled.

(ii) On December 31, 2025, the Company closed a non-brokered private placement of 186,250,000 units at a price of $0.08 per unit for gross proceeds of $14,900,000. 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 $0.12 per share until December 31, 2028. The fair value of the 186,250,000 warrants was estimated at $5,443,150 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility -120.17%, risk-free interest rate - 2.57% and an expected average life of 3 years.

The Company paid the agents a cash commission equal to $1,042,750 and issued 13,034,375 broker warrants of the Company. Each broker warrant is exercisable to acquire one common share at an exercise price of $0.08 until December 31, 2027. The fair value of the 13,034,375 broker warrants was estimated at $1,195,029 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 132.72%, risk-free interest rate - 2.58% and an expected average life of 2 years. Other cash costs amounted to $284,791.

There is a 4-month hold period on the trading of securities issued in connection with this offering.

Ocean Partners acquired 35,937,500 units for consideration of $2,875,000.

(iii) On December 31, 2025, the Company issued 7,812,500 common shares of the Company to Ocean Partners to settle a balance payable of $625,000. Refer to note 12. The fair value of the shares issued was $976,563, resulting in a loss on settlement of debt of $351,563.

17. Share Capital and Reserves (Continued)

c) Warrant reserve

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

	Number of warrants		Weighted average exercise price
Balance, December 31, 2023	**19,658,904**	**$**	**0.54**
Expired	(820,000)		0.45
Balance, December 31, 2024	**18,838,904**		**0.54**
Issued (notes 17(b)(ii))	199,284,375		0.12
Expired	(8,674,631)		0.54
Balance, December 31, 2025	**209,448,648**	**$**	**0.14**

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

Expiry date	Number of warrants	Grant date fair value ($)	Exercise price ($)
December 20, 2026	158,823	24,670	0.35
December 31, 2027	13,034,375	1,195,029	0.08
March 27, 2028	7,924,841	1,284,806	0.55
April 26, 2028	2,080,609	324,828	0.55
December 31, 2028	186,250,000	5,443,150	0.12
	209,448,648	8,272,483	0.14

d) Stock options

The Company has a stock option plan (the "Plan"), the purpose of which is to attract, retain and compensate qualified persons as directors, senior officers and employees of, and consultants to the Company and its affiliates and subsidiaries by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Company. The number of shares reserved for issuance under the Plan cannot be more than a maximum of 10% of the issued and outstanding shares at the time of any grant of options. The period for exercising an option shall not extend beyond a period of five years following the date the option is granted.

Insiders of the Company are restricted on an individual basis from holding options which when exercised would entitle them to receive more than 5% of the total issued and outstanding shares at the time the option is granted. The exercise price of options granted in accordance with the Plan must not be lower than the closing price of the shares on the TSXV immediately preceding the date on which the option is granted and in no circumstances may it be less than the permissible discounting in accordance with the Corporate Finance Policies of the TSXV.

The Company records a charge to the consolidated statements of loss using the Black-Scholes option pricing model. The valuation is dependent on a number of inputs and estimates, including the strike price, exercise price, risk-free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price at the date of issue.

17. Share Capital and Reserves (Continued)

d) Stock options (continued)

Option pricing models require the inputs including the expected price volatility. Changes in the inputs can materially affect the fair value estimate.

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

	Number of options	Weighted average exercise price
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, December 31, 2024 and December 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 year ended December 31, 2025, amounted to $159,623 (year ended December 31, 2024 - $431,990). In addition, during the year ended December 31, 2025, nil options granted in the current and prior years were cancelled (year ended December 31, 2024 - 162,500 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 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 123.07%, risk-free interest rate - 3.81% and an expected average life of 5 years. The vested portion was expensed in the 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 December 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	0.38	3,560,000	3,560,000	-
June 21, 2026	0.73	0.47	425,000	425,000	-
August 27, 2026	0.86	0.65	20,000	20,000	-
May 3, 2027	0.60	1.34	1,560,000	1,560,000	-
April 29, 2029	0.23	3.33	3,125,000	2,083,333	1,041,667
	0.58	1.62	8,690,000	7,648,333	1,041,667

18. Net Loss per Common Share

The calculation of basic and diluted loss per share for the year ended December 31, 2025 was based on the loss attributable to common shareholders of $8,493,279 (year ended December 31, 2024 - $1,488,684) and the weighted average number of common shares outstanding of 119,549,163 (year ended December 31, 2024 - 114,736,787) for basic and diluted loss per share. Diluted loss did not include the effect of 209,448,648 warrants (year ended December 31, 2024 - 18,838,904) and 8,690,000 options (year ended December 31, 2024 - 8,690,000) for the year ended December 31, 2025, as they are anti-dilutive.

19. Revenues

Shipments of concentrate under the off-take arrangements commenced during the second quarter of 2019. Concentrate sales provisional revenues during the year ended December 31, 2025 totalled approximately US$566,000 ($787,929) (year ended December 31, 2024 - US$853,591 (CAD$1,228,232). However, until the mine reaches the commencement of commercial production, the net proceeds from concentrate sales will be offset against Development assets. On September 23, 2025, the Company sold 80% interest in Flintridge and 80% in Omagh to Ocean Partners as part of the Transaction (refer to note 10).

Deferred revenue

On September 3, 2025, RDL entered into an agreement granting a stream on a portion of the copper production to 1555070 BC Ltd. (“BC Ltd”). In return for an upfront purchase price of $550,000 ($200,000 received in September 2025; $150,000 received in October 2025; $200,000 received in November 2025), BC Ltd will be entitled to purchase 6% of the copper produced by the Indiana Project until 2,000,000 pounds of copper have been delivered, after which the delivery amount will drop to 3%. The purchase price is set at 20% of the spot copper price at the time of delivery.

20. Taxation

(a) Provision for income taxes

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

Year Ended December 31,	2025	2024
Loss before income taxes	**$ (8,493,279)**	$ (1,488,684)
Expected tax recovery at statutory rate of 26.5% (2024 - 26.5%)	**(2,250,719)**	(394,501)
Difference resulting from:		
Foreign tax rate differential	**(632,350)**	(105,240)
Stock-based compensation	**42,300**	114,477
Share issue costs directly in equity	**(353,632)**	(165,481)
Permanent differences and other	**(12,521)**	(2,494,137)
Change in deferred income tax assets not recognized	**3,206,922**	3,044,882
	$ -	$ -

20. Taxation (Continued)

(b) Deferred tax balances

The temporary differences and unused tax losses that give rise to deferred income tax balances are presented below:

As at December 31,	2025	2024
Deferred income tax assets (liabilities)		
Losses carried forward	**$ 23,148,204**	$ 20,490,890
Share issue costs and other	**355,037**	166,885
Non-current assets	**(2,700,559)**	(3,062,016)
Deferred tax assets not recognized	**(20,802,682)**	(17,595,759)
	$ -	$ -

(c) Losses carried forward

As at December 31, 2025, the Company had non-capital losses carried forward, available to offset future taxable income for income tax purposes as follows:

Expires	2026	$ 1,064,484
	2027	598,595
	2029	373,962
	2030	440,512
	2031	993,770
	2032	600,689
	2033	1,100,268
	2034	906,488
	2035	884,526
	2036	901,063
	2037	772,787
	2038	891,330
	2039	1,027,232
	2040	1,321,064
	2041	1,409,070
	2042	2,173,044
	2043	2,147,833
	2044	2,784,747
	2045	3,396,361
Indefinite		67,257,449
		$ 91,045,274

At December 31, 2025, the potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these consolidated financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

21. 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:

		Year Ended December 31,	
		2025	**2024**
Interest on related party loans	(i)	**$ 1,249,327**	$ 986,453

(i) Refer to note 21(a)(iv)(vii).

(ii) Refer to note 16.

(iii) Refer to note 17(b)(ii)(iii).

(iv) As at December 31, 2025, the Company owes Ocean Partners $205,590 (December 31, 2024 - $12,613,719) which is recorded as due to related parties on the consolidated statement of financial position. The loan bears interest at an annual rate of 12% compounded monthly.

	December 31, 2025	December 31, 2024
Balance, beginning of year	**$ 12,613,719**	$ 5,673,150
Converted to convertible debentures (note 16(i))	**-**	(2,457,358)
Loans transferred to Ocean Partners	**-**	7,096,775
Advance	**1,145,179**	931,474
Repayment	**-**	(8,749)
Interest	**1,112,172**	897,886
Foreign exchange adjustment	**(26,672)**	480,541
Disposal of interest in subsidiaries (note 10)	**(14,638,808)**	-
Balance, end of year	**$ 205,590**	$ 12,613,719

(v) In February 2024, a portion of the loan balance due to Ocean Partner was converted to convertible debentures. Refer to note 16(i).

(vi) On December 31, 2025, the Company issued 7,812,500 common shares of the Company to Ocean Partner to settle a balance payable of $625,000. Refer to notes 12 and 17(b)(iii).

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21. Related Party Disclosures (Continued)

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

(vii) On February 13, 2023, the Company announced that it entered into a loan agreement for $580,392 (GBP 347,000) with London-based family office Melquart, an insider and control person of the Company (as defined by the TSXV). The loan is to be used for the initial lease payment for the Gairloch Project in Scotland (refer to note 12). The loan is payable 24 months from the date of the loan agreement and will bear interest at an annual rate of 12% payable upon repayment of the loan. The Company granted to Melquart a security interest in the lease for the Gairloch Project.

During the year ended December 31, 2024, Melquart advanced an additional $184,850 (GBP 100,000) to the Company with the same terms (December 31, 2024 - $137,936 (GBP 76,965).

As at December 31, 2025, the amount of interest accrued is $298,703 (GBP 162,092) (December 31, 2024 - $159,079 (GBP 88,235).

During the year ended December 31, 2025, the Company recorded accretion expense of $1,415 (year ended December 31, 2024 - $8,492) in the consolidated statements of loss in regards with this loan facility.

During the year ended December 31, 2025, the Company recorded interest expense of $137,155 (year ended December 31, 2024 - $88,567) in the consolidated statements of loss in regards with this loan facility.

	December 31, 2025	December 31, 2024
Melquart Limited		
Financing facilities, beginning of year	**$ 922,030**	$ 638,432
Financing facility received	**184,850**	137,936
Accretion	**1,415**	8,492
Interest	**137,155**	88,567
Foreign exchange adjustment	**18,815**	48,603
Balance, end of year	**$ 1,264,265**	$ 922,030

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

	Year Ended December 31, 2025	Year Ended December 31, 2024
Salaries and benefits [1]	**$ 764,100**	$ 482,713
Stock-based compensation	**109,820**	286,097
	$ 873,920	$ 768,810

[1] Salaries and benefits include director fees. As at December 31, 2025, due to directors for fees amounted to $nil (December 31, 2024 - $210,000) and due to officers, mainly for salaries and benefits accrued amounted to $346,729 (December 31, 2024 - $139,886), and is included with due to related parties.

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21. Related Party Disclosures (Continued)

(c) As at December 31, 2025, the issued shares of Galantas total 458,863,772. Melquart owns, directly and indirectly, 57,372,977 common shares of the Company or approximately 12.5% of the outstanding common shares of the Company.

Excluding the Melquart shareholdings discussed above, the remaining 88% 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.

(d) Additional disclosures required for Alternate Investment Market ("AIM") reporting:

Pursuant to the AIM Rules for Companies (the “AIM Rules”), a related party is any person who is; a director of an AIM company, a substantial shareholder (any person who has a shareholding greater than 10%), their associates, or any person who was a director of an AIM company or a substantial shareholder within the twelve months preceding the date of the transaction.

1. As described in note 17(b)(ii), Ocean Partners [i] participated in the private placement in December 2025.
2. Related party balances Loan accounts – owed to related parties

		December 31, 2025	December 31, 2024
Melquart	(i)	**$ 1,264,265**	$ 922,030
Ocean Partners	(ii)	**205,590**	12,613,719
Total		**$ 1,469,855**	$ 13,535,749

(i) Pursuant to the AIM Rules, Melquart is deemed to be a related party of the Company by virtue of being a substantial shareholder in the Company.
(ii) Pursuant to IFRS, Ocean Partners are deemed to be a related of the Company as they have a common director.

Salaries and benefits	**Year Ended December 31, 2025**	**Year Ended December 31, 2024**
Mario Stifano, CEO	**$ 374,992**	$ 189,583
Alan Buckley, CFO	**249,108**	153,130
Brent Omland, director	**30,000**	30,000
David Cather, director	**30,000**	30,000
James B. Clancy, director	**30,000**	30,000
Roisin Magee, Chairperson	**50,000**	50,000
	$ 764,100	$ 482,713

21. Related Party Disclosures (Continued)

(d) Additional disclosures required for Alternate Investment Market ("AIM") reporting (continued):

The Company awarded incentive stock options on the Company's common shares to directors and officers in accordance with the terms of the Company's incentive Stock Option Plan as set out in the below table. The table also shows the fair value of stock received during the year using the Black-Scholes option pricing model.

	Notes	Number of options Year Ended December 31, 2025	Number of options Year Ended December 31, 2024	Share-based compensation Year Ended December 31, 2025	Share-based compensation Year Ended December 31, 2024
Mario Stifano, CEO	17(d)	-	1,000,000	$ -	$ 138,857
Alan Buckley, CFO	17(d)	-	250,000	-	34,714
Brendan Morris, COO	17(d)	-	250,000	-	34,714
Brent Omland, director	17(d)	-	125,000	-	15,544
David Cather, director	17(d)	-	125,000	-	17,357
James B. Clancy, director	17(d)	-	125,000	-	17,357
Roisin Magee, director	17(d)	-	200,000	-	27,554
		-	2,075,000	$ -	$ 286,097

22. Segment Disclosure

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

	Chile	United Kingdom	Canada	Total
As at December 31, 2025				
Current assets	$ 70,791	$ -	$ 13,473,575	**$ 13,544,366**
Non-current assets	9,449,568	7,743,477	-	**17,193,045**
Total assets	9,520,359	7,743,477	13,473,575	**30,737,411**
Total liabilities	42,676	-	5,429,590	**5,472,266**
Year Ended December 31, 2025				
Net loss	$ -	$ (5,955,558)	$ (2,537,721)	**$ (8,493,279)**

	United Kingdom	Canada	Total
December 31, 2024			
Current assets	$ 838,421	$ 265,228	**$ 1,103,649**
Non-current assets	$ 33,115,564	$ 1,858,958	**$ 34,974,522**
Total assets	$ 33,953,985	$ 2,124,186	**$ 36,078,171**
Total liabilities	$ 16,103,791	$ 8,564,671	**$ 24,668,462**
Year Ended December 31, 2024			
Net loss	$ 967,466	$ (2,456,150)	**$ (1,488,684)**

23. 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 $560,746 (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. As at December 31, 2024, a provision has been included in the consolidated financial statements in respect of the aggregates levy plus interest and penalty.

On September 23, 2025, the Company sold 80% interest in Flintridge and 80% in Omagh to Ocean Partners as part of the Transaction and as a result, the provision is no longer included in the consolidated financial statements. Refer to note 10.

24. Events After the Reporting Period

(i) On January 6, 2026, the Company entered into a share purchase agreement (the "Agreement") to acquire a 100% ownership interest in the Andacollo Oro Gold Project (the "Andacollo Project"), located in the Coquimbo Region of central Chile (the "Andacollo Transaction"). The Andacollo Transaction represents a significant strategic step for Galantas and is expected to constitute a Fundamental Acquisition under the policies of the TSXV.

The Andacollo Transaction will be effected by way of the Agreement, pursuant to which Galantas will acquire 100% of the shares of Sol de Oro Mining Ltd. ("Sol"), which in turn owns 100% of Compañía Minera OXI SpA ("OXI"). OXI has purchased 100% of the shares of Compañía Minera e Inmobiliaria Dragones SpA ("Dragones"), the owner of the Andacollo Project, pursuant to certain share purchase agreements dated January 6, 2026 with the former Dragones shareholders (the "Dragones Agreements"). All former Dragones shareholders are arm's length to OXI, Sol and Galantas. If the payments described below are not completed to the former Dragones shareholders, such shares will be transferred back to the former shareholders with any partial payments forfeited. Sol and OXI were established as dedicated transaction vehicles to consolidate ownership and facilitate the acquisition of the Andacollo Project.

Sol is owned 100% by Robert Sedgemore, who is an executive officer of Galantas and is a Non-Arm's Length Party as defined in the TSXV policies in relation to Galantas. The Transaction has received full Board approval and will be subject to all required regulatory approvals.

Subject to TSXV approval, the total cash consideration payable under the Agreement and the Dragones Agreements is US$32.0 million, structured as staged payments over four years to align with development planning and capital discipline.

The consideration is payable as follows:

- On closing of the Andacollo Transaction (the "Closing"): US$4.5 million, comprised of:
  - the assumption of debts held by OXI and Sol, which is approximately US$3.0 million; and
  - US$1.5 million payable to the Sol shareholder, Robert Sedgemore, as consideration for 100% of the shares of Sol (the "Sol Payment").
- On December 31, 2026: US$3.5 million payable to the Dragones shareholders.
- On December 31, 2027: US$4.0 million payable to the Dragones shareholders.
- On December 31, 2028: US$6.0 million payable to the Dragones shareholders.
- On December 31, 2029: US$14.0 million payable to the Dragones shareholders.

24. Events After the Reporting Period (Continued)

(i) (continued) In addition to the cash consideration, on Closing, Luis Catril, the controlling shareholder of Dragones, will receive 91,313,890 common shares of Galantas (representing 19.9% of the issued and outstanding common shares of Galantas as of January 6, 2026), subject to TSXV approval and Galantas shareholder approval, excluding Robert Sedgemore as a connected party to the Andacollo Transaction.

The common shares to be issued to Mr. Catril will be issued at a deemed price equal to the market price on the day prior to closing of the transaction of the Company's shares in accordance with TSXV policies and are expected to be subject to applicable resale restrictions and escrow requirements, if any, as determined by the TSXV.

K2 Resources Inc. ("K2") and ExGen Resources Inc. ("ExGen") hold silver streams on the Andacollo Project, each requiring delivery of 33.4% and 66.6%, respectively, of each payable ounce of silver produced at the Property to K2 and ExGen until the payment of 333,334 ounces of silver to K2 and 666,667 of silver to ExGen is complete, and after which 16.7% and 33.3%, respectively, of each ounce of payable silver produced at the Andacollo Project will be delivered to each of K2 and ExGen.

(ii) Since December 31, 2025 there has been 3 exercises of warrants totalling 42,237,0000 common shares at $0.12 per common share.