



GALLEON GOLD

GALLEON GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended May 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed an audit or review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

GALLEON GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****(Expressed in Canadian dollars)**

As at	Notes	May 31, 2021		November 30, 2020	
		(Unaudited)			
Assets					
Cash and cash equivalents	5	\$	2,534,320	\$	8,047,764
Restricted cash equivalents	5		40,000		40,000
Taxes receivable	6		346,087		386,406
Prepaid expenses			68,389		68,148
Marketable securities	7		32,500		115,261
Total current assets			3,021,296		8,657,579
Property, plant and equipment	8		121,236		140,012
Exploration and evaluation assets	9		20,911,829		16,233,495
Royalty interest	10		1		1
Reclamation bond	9		105,630		113,444
Total assets		\$	24,159,992	\$	25,144,531
Liabilities and shareholders' equity					
Current					
Account payable and accrued liabilities	11	\$	1,664,861	\$	2,306,073
Accrued penalties and part XII.6 taxes	22		1,881,698		1,881,698
Current portion of mortgage payable	12		-		150,000
Total current liabilities			3,546,559		4,337,771
Mortgage payable	12		141,452		137,397
Flow-through share premium liability	22		84,037		1,117,545
Total Liabilities			3,772,048		5,592,713
Shareholders' equity					
Share capital	14		74,503,384		73,778,988
Reserves	15		8,514,113		7,822,368
Accumulated other comprehensive income			1,379,685		1,431,033
Deficit			(64,009,238)		(63,480,571)
Total shareholders' equity			20,387,944		19,551,818
Total liabilities and shareholders' equity		\$	24,159,992	\$	25,144,531

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)**COMMITMENTS AND CONTINGENT LIABILITIES (Note 22)**

Approved on behalf of the board of directors:

"R. David Russell"
R. David Russell, Director

"Thomas S. Kofman"
Thomas Kofman, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****(Expressed in Canadian dollars)****(Unaudited)**

		Three months ended		Six months ended	
	Note	May 31, 2021	May 31, 2020	May 31, 2021	May 31, 2020
Expenses					
Administration and general	16	\$ 1,177,018	\$ 911,140	\$ 1,851,244	\$ 1,943,693
Business Development		33,454	45,081	60,956	51,702
Exploration and evaluation assets impairment loss	9	507	-	1,459	-
Operating loss		(1,210,979)	(956,221)	(1,913,659)	(1,995,395)
Other income (expenses):					
Interest income (expense)		5,587	(1,512)	9,030	(1,440)
Finance expense	12,13	(2,061)	(133,341)	(4,055)	(295,297)
Gain on exploration and evaluation properties	9	250,000	-	250,000	-
Unrealized gain (loss) on marketable securities	7	(148,236)	(2,285)	(18,980)	10,907
Realized gain on marketable securities	7	158,329	-	158,329	-
Flow-through premium income	22	470,927	-	1,033,507	-
Foreign exchange loss		(706)	2,597	(1,065)	260
Net loss for the period		\$ (477,139)	\$ (1,090,762)	\$ (486,893)	\$ (2,280,965)
Other comprehensive income (loss)					
Currency translation adjustment		(31,050)	36,486	(51,348)	40,780
Total comprehensive loss for the period		\$ (508,189)	\$ (1,054,276)	\$ (538,241)	\$ (2,240,185)
Loss per share - basic and diluted		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of shares		470,696,189	196,859,454	466,996,296	196,859,454

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****(Expressed in Canadian dollars)****(Unaudited)**

	RESERVES			Equity component of convertible debentures	Accumulated other comprehensive income	Deficit	Total shareholders' equity (deficit)
	Share Capital	Share based payments	Warrants				
Balance, November 30, 2020	\$ 73,778,988	\$ 980,602	\$ 6,841,766	\$ -	\$ 1,431,033	\$ (63,480,571)	\$ 19,551,818
Net loss	-	-	-	-	-	(486,893)	(486,893)
Shares issued for a settlement (Note 14)	701,112	-	93,150	-	-	-	794,262
Exercise of warrants (Note 14)	23,284	-	(12,148)	-	-	-	11,136
Expiry of options (Note 14)	-	(31,591)	-	-	-	31,591	-
Share-based compensation (Note 14)	-	568,969	-	-	-	-	568,969
Extension of warrants (Note 14)	-	-	73,365	-	-	(73,365)	-
Currency translation	-	-	-	-	(51,348)	-	(51,348)
Balance, May 31, 2021	\$ 74,503,384	\$ 1,517,980	\$ 6,996,133	\$ -	\$ 1,379,685	\$ (64,009,238)	\$ 20,387,944
Balance, November 30, 2019	\$ 54,073,314	\$ 45,813	\$ 74,842	\$ 684,383	\$ 1,476,246	\$ (56,740,233)	\$ (385,635)
Net loss	-	-	-	-	-	(2,280,658)	(2,280,658)
Issued on acquisition of Explor (Notes 4, 14 and 15)	5,235,924	313,346	253,364	-	-	-	5,802,634
Issued on private placements (Note 14)	2,474,627	-	1,263,891	-	-	-	3,738,518
Shares issued on conversion of debentures (Note 14)	2,917,573	-	-	(638,557)	-	-	2,279,016
Shares issued for accrued interest on debenture settlement (Note 13)	82,177	-	-	-	-	-	82,177
Shares issued for debt settlement (Note 14)	70,000	-	-	-	-	-	70,000
Share-based compensation (Note 14)	-	542,287	-	-	-	-	542,287
Forfeiture and expiry of options (Note 14)	-	(84,415)	-	-	-	84,415	-
Expiry of warrants (Note 15)	-	-	(455)	-	-	455	-
Currency translation	-	-	-	-	40,780	-	40,780
Balance, May 31, 2020	\$ 64,853,615	\$ 817,031	\$ 1,591,642	\$ 45,826	\$ 1,517,026	\$ (58,936,021)	\$ 9,889,119

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

<i>For the six months ended</i>	May 31, 2021	May 31, 2020
Operating activities		
Net loss for the period	\$ (486,893)	\$ (2,280,965)
Items not affecting cash:		
Depreciation	14,183	3,729
Finance expense	4,055	295,297
Share-based compensation	444,507	542,287
Unrealized gain (loss) on marketable securities	18,980	(10,907)
Realized gain on marketable securities	(158,329)	-
Impairment of exploration and evaluation properties	1,459	-
Flow-through premium income	(1,033,507)	-
Changes in non-cash working capital items:		
Taxes receivable	40,319	(50,706)
Prepaid expenses	(241)	14,884
Accounts payable and accrued liabilities	(16,950)	143,795
Total cash flow used in operating activities	(1,172,417)	(1,342,586)
Investing activities		
Purchase of property, plant and equipment	(2,499)	(54,164)
Addition to exploration and evaluation properties	(4,699,814)	(88,714)
Proceeds from option payment on Chester property	100,000	100,000
Proceeds from sale of exploration and evaluation assets	250,000	-
Repayment of mortgage payable	(150,000)	-
Proceeds from sale of marketable securities	250,109	-
Cash and cash equivalents received on completion of acquisition of Explor	-	73,575
Total cash flow (used in) generated from investing activities	(4,252,204)	30,697
Financing activities		
Proceeds from private placements, net of issuance costs	-	3,924,376
Proceeds from exercise of warrants	11,136	-
Total cash flow generated from financing activities	11,136	3,924,376
Currency translation adjustments	(59,959)	57,071
(Decrease) Increase in cash during the period	(5,473,444)	2,669,558
Cash and cash equivalents, beginning of the period	8,047,764	1,601,290
Cash and cash equivalents, end of the period	\$ 2,574,320	\$ 4,270,848
Cash and cash equivalents	\$ 2,534,320	\$ 4,250,848
Restricted cash equivalents	40,000	20,000
Total cash and cash equivalents	\$ 2,574,320	\$ 4,270,848

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

1. NATURE OF OPERATIONS AND GOING CONCERN

Galleon Gold Corp. (formerly Pure Nickel Inc.) (the “Company” or “Galleon Gold”) is a corporation domiciled in Canada, originally incorporated under the laws of British Columbia, Canada, and subsequently continued under the *Canada Business Corporations Act*. The address of the Company’s registered head office is TD Canada Trust Tower, 161 Bay Street, Suite 2700, Toronto, ON, M5J 2S1. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “GGO”.

The Company is in the business of acquiring, exploring, and developing mineral properties in Canada and the United States, primarily those containing gold, silver, platinum group elements (PGEs), copper, nickel and associated base and precious metals. The Company is in the process of exploring its exploration and evaluation properties and as of the date of these condensed interim consolidated financial statements, the Company has not yet determined whether they contain reserves that are economically recoverable. Accordingly, exploration and evaluation properties are recorded at cost on a property-by-property basis, less impairment. The recoverability of the exploration and evaluation costs is dependent upon the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet obligations under various agreements, and future profitable production or, alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation resource properties.

During the six months ended May 31, 2021, the Company had a net loss of \$486,893 (2020 – \$2,280,965), negative cash flow from operations of \$1,172,417 (2020 – \$1,342,586) and working capital deficiency as at May 31, 2021 of \$525,263 (November 30, 2020 – \$4,319,808). The Company is subject to risks and challenges similar to companies in a comparable stage of exploration. As a result of these risks, there are material uncertainties which cast significant doubt as to the Company’s ability to continue as a going concern. The Company does not have any revenue generating properties or activities and will need to continue to obtain additional financing to execute exploration and development activities and discharge its day-to-day obligations. There is no assurance that the Company’s funding initiatives will be successful, and these condensed interim consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported and condensed interim consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

The COVID-19 outbreak and efforts to contain it have had a significant effect on commodity prices and global capital markets. The Company adopted certain operating protocol in response to COVID-19, including travel restrictions, use of personal protection equipment and increased sanitation. As a result, the Company has been able to continue operating safely during the pandemic. Notwithstanding the proactive and considered actions taken to maintain a safe workplace, it is possible that in the future there will be negative impacts on operations that could have a material adverse effect on the Company’s results of operations and financial position.

2. BASIS OF PREPARATION**(a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”) and do not include all the information required for full annual consolidated financial statements required by IFRS as issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies used are those the Company expects to adopt in its consolidated financial statements as at and for the year ending November 30, 2021.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual financial statements for the year ended November 30, 2020.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on July 23, 2021.

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

2. BASIS OF PREPARATION (continued)

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain investments measured at fair value.

(c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the condensed interim consolidated financial statements from the date control is obtained until the date control ceases.

Intercompany assets and liabilities, equity, income, expenses, and cash flows between the Company and its subsidiaries are eliminated on consolidation.

The principal subsidiaries of the Company as at May 31, 2021 were as follows:

Entity	Location	Ownership interest
Explor Resources Inc. ("Explor")	Canada	100%
Nevada Star Resources Corp. ("Nevada Star")	United States	100%
Neal Development Limited Partnership ("Neal LP")	United States	80%

(d) Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Explor' and Company's functional currency. The functional currency for Nevada Star Resources Corp. and Neal LP is United States (US) dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Significant accounting policies

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended November 30, 2020 and to be adopted in its consolidated financial statements as at and for the year ending November 30, 2021.

(b) Use of estimates and judgements

(i) Use of estimates

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected. The areas that require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Business combination

In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of the equity issued, assets acquired, and liabilities assumed. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. See Note 4 – Asset Acquisition.

Share-based payments and warrants valuation

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and brokers' warrants. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company's future share price, risk free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

Deferred tax

The Company recognizes a deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the deferred tax assets recorded at the statement of financial position's date could be affected. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future years from tax assets and tax losses.

At the end of each reporting year, the Company assesses whether or not there has been an impairment of the capitalized royalty interest, or if there is any indication that an impairment loss recognized in prior years for royalty interests may no longer exist or may have decreased. This requires that the Company considers observable market data, significant changes in market conditions, and evidence if the royalty's economic performance will be other than previously expected. Significant judgement required in estimating future cash flows associated with the royalty includes future commodity prices, foreign exchange rates, and production volumes.

(ii) Critical judgments

The judgments that management has applied in the application of the Company's accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are discussed below:

Exploration and evaluation properties recoverability

The Company's accounting policy for exploration costs results in certain items being capitalized according to the expected recoverability of the projects. This policy requires management to make certain assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such assumptions may change as new information becomes available. The Company considers at the end of each accounting year, whether or not there has been an impairment of the capitalized exploration and evaluation properties.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

For non-producing exploration and evaluation properties, this assessment is based on whether factors that may indicate the need for a write-down are present.

If the Company has determined that the deferred costs of non-producing properties may not be recovered based on current economics or permitting considerations, the Company would be required to write-down the recorded value of its exploration and evaluation properties which would reduce the Company's earnings and net assets.

Functional currency

The functional currency of the Company and its subsidiaries have been assessed by management based upon consideration of the currency and economic factors that influence costs, financing, and similar items. Changes to these factors may have an impact on the judgment applied in the determination of the functional currency.

(c) Recently Issued Accounting Standards

The Company does not believe any recently issued, but not yet effective IFRS standards that have been issued by the IASB, will have a material impact on the Company's financial statements.

4. ASSET ACQUISITION

Acquisition of assets from Explor

On December 23, 2019, the Company completed the amalgamation with Explor Resources Inc. ("Explor"), through the Company's wholly owned subsidiary, 2227390 Alberta Ltd., incorporated solely for the purpose of acquiring Explor. Pursuant to the terms of the amalgamation agreement, each issued and outstanding Explor common share was exchanged for 0.5 of the Company's common share ("Exchange Ratio"), resulting issuance of 95,198,612 shares to Explor shareholders.

In addition, each issued and outstanding Explor option and warrant were exchanged for 6,762,500 options and 12,387,906 warrants of the Company based on the Exchange Ratio established in the transaction with the same remaining term. The estimated fair value of 6,762,500 stock options to be issued is \$313,346, which is based on Black-Scholes option pricing model using the following assumptions: expected volatility of 140 – 255%, expected life of 0.38 – 3.74 years, risk-free interest rate of 1.66 – 1.69%, expected forfeiture of 0% and expected dividend yield of 0%.

The estimated fair value of 12,387,906 warrants to be issued is \$253,364, which is based on Black-Scholes option pricing model using the following assumptions: expected volatility of 100 – 2635%, expected life of 0.02 – 0.93 years, risk-free interest rate of 1.67 – 1.76%, expected forfeiture of 0% and expected dividend yield of 0%.

Upon completion of the amalgamation, the replacement options, replacement warrants and convertible debentures assumed will entitle the holders thereof to common shares of the Company.

The acquisition has been accounted for as an acquisition of assets as Explor does not meet the definition of a business under IFRS 3. The transaction was recorded at the fair value of the consideration transferred of \$6,173,472 as detailed as follows:

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

4. ASSET ACQUISITION (continued)

Consideration paid

Issued shares	\$	5,235,924
Issued options		313,346
Issued warrants		253,364
Cancellation of previously held Explor shares and warrants		338,316
Transaction costs		32,522
	\$	6,173,472

Net assets acquired

Cash and cash equivalents	\$	73,575
Prepaid expenses		10,808
Taxes receivable		49,704
Property, plant and equipment		32,388
Exploration and evaluation properties		11,832,231
Accounts payable and accrued liabilities		(1,850,361)
Accrued penalties and part XII.6 taxes		(1,881,698)
Convertible debentures		(2,093,175)
	\$	6,173,472

5. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents is a total of \$1,000,000 (November 30, 2020 - \$5,500,000) funds invested in guaranteed investment certificates (“GIC”), cashable after 30 days.

Restricted cash equivalents of \$40,000 (November 30, 2020 - \$40,000) are funds invested in guaranteed investment certificates as security for corporate credit cards. The funds securing the corporate credit cards are restricted and cannot be withdrawn while the credit cards are outstanding.

6. TAXES RECEIVABLE

As at May 31, 2021 and November 30, 2020, taxes receivable consists of sales tax receivable from Canadian taxation authorities.

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

7. MARKETABLE SECURITIES

The Company's marketable securities are as follows:

	May 31, 2021	November 30, 2020
<i>FVTPL</i>		
<u>CanAlaska Uranium Limited</u>		
Nil Shares (November 30, 2020 – 300,000 shares)	\$ –	\$ 72,000
Nil Warrants (November 30, 2020 – 100,000 warrants)	–	3,261
<u>Murchison Minerals Limited</u>		
500,000 Shares (November 30, 2020 – 500,000 shares)	32,500	40,000
<u>Brunswick Resources Inc.</u>		
6,552,807 Shares (November 30, 2020 – Nil shares)	–	–
<u>Quebec Aur Ltd.</u>		
600,000 Shares (November 30, 2020 – Nil shares)	–	–
Total	\$ 32,500	\$ 115,261

The Company's marketable securities consist of common shares and warrants held in Canadian publicly traded companies, except for 600,000 shares of Quebec Aur Ltd. Fair values of shares are determined at the closing price on May 31, 2021. Warrants were valued using the Black-Scholes option pricing model and are revalued at each reporting period until exercise or expiry. The Company recorded a realized gain of \$158,329 (2020 - \$nil) and unrealized loss of \$18,980 (2020 – gain of \$10,907) for the six months ended May 31, 2021.

8. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Computer hardware	Field equipment	Vehicle	Total
Cost					
Balance as at November 30, 2019	\$ -	\$ 32,263	\$ 62,201	\$ -	\$ 94,464
Acquisition (Note 4)	75	222	32,091	-	32,388
Additions	1,000	3,408	55,522	2,648	62,578
Foreign exchange translation	-	-	(2,666)	(54)	(2,720)
Balance as at November 30, 2020	\$ 1,075	\$ 35,893	\$ 147,148	\$ 2,594	\$ 186,710
Additions	-	2,499	-	-	2,499
Foreign exchange translation	-	-	(7,925)	(180)	(8,105)
Balance as at May 31, 2021	\$ 1,075	\$ 38,392	\$ 139,223	\$ 2,414	\$ 181,104
Accumulated depreciation					
Balance as at November 30, 2019	\$ -	\$ 30,781	\$ -	\$ -	\$ 30,781
Depreciation	75	749	14,933	539	16,296
Foreign exchange translation	-	-	(359)	(20)	(379)
Balance as at November 30, 2020	\$ 75	\$ 31,530	\$ 14,574	\$ 519	\$ 46,698
Depreciation	100	954	12,928	201	14,183
Foreign exchange translation	-	-	(970)	(44)	(1,014)
Balance as at May 31, 2021	\$ 175	\$ 32,484	\$ 26,532	\$ 676	\$ 59,868
Balance as at November 30, 2019	\$ -	\$ 1,482	\$ 62,201	\$ -	\$ 63,683
Balance as at November 30, 2020	\$ 1,000	\$ 4,363	\$ 132,574	\$ 2,075	\$ 140,012
Balance as at May 31, 2021	\$ 900	\$ 5,908	\$ 112,691	\$ 1,738	\$ 121,236

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)****9. EXPLORATION AND EVALUATION PROPERTIES**

	Ontario		Manitoba	New Brunswick	Idaho	Total
	West Cache Gold	Kidd Township	William Lake	Chester	Neal	
Balance, November 30, 2020	\$ 15,397,413	\$ 1	\$ 1	\$ 200,000	\$ 636,080	\$ 16,233,495
Accommodation, meals and travel	48,211	-	-	-	-	48,211
Claims and administration	3,850	-	1,459	-	12,609	17,918
Drilling	2,653,183	-	-	-	-	2,653,183
Equipment rental and software	62,375	-	-	-	3,844	66,219
Facility and maintenance	36,656	-	-	-	-	36,656
Geological staff, field crew and consulting	850,875	-	-	-	-	850,875
Geophysical, geochemical and assays	400,689	-	-	-	-	400,689
Metallurgical	29,833	-	-	-	-	29,833
Share-based compensation	124,462	-	-	-	-	124,462
Supplies and materials	65,486	-	-	-	-	65,486
Surveying and permitting	425,585	-	-	-	-	425,585
Technical reports	67,515	-	-	-	-	67,515
Transportation	36,728	-	-	-	916	37,644
<i>Less:</i>						
Option payment received	-	-	-	(100,000)	-	(100,000)
Impairment	-	-	(1,459)	-	-	(1,459)
Foreign exchange translation	-	-	-	-	(44,483)	(44,483)
Ending balance, May 31, 2021	\$ 20,202,861	\$ 1	\$ 1	\$ 100,000	\$ 608,966	\$ 20,911,829

	Ontario		Manitoba	New Brunswick	Idaho	Total
	West Cache Gold	Kidd Township	William Lake	Chester	Neal	
Balance, November 30, 2019	\$ -	\$ -	\$ 1	\$ -	\$ 587,011	\$ 587,012
Acquisition	11,996,740	1	-	297,150	28,666	12,322,557
Accommodation, meals and travel	45,930	-	-	-	-	45,930
Claims and administration	11,549	-	4,030	2,850	13,494	31,923
Drilling	2,111,223	-	-	-	-	2,111,223
Equipment rental and software	65,889	-	-	-	(6,863)	59,026
Facility and maintenance	113,699	-	-	-	-	113,699
Geological staff, field crew and consulting	582,266	-	-	-	14,634	596,900
Geophysical, geochemical and assays	147,533	-	-	-	9,643	157,176
Share-based compensation	31,799	-	-	-	-	31,799
Supplies and materials	67,661	-	-	-	-	67,661
Surveying and permitting	177,730	-	-	-	-	177,730
Technical reports	23,237	-	-	-	-	23,237
Transportation	22,157	-	-	-	5,408	27,565
<i>Less:</i>						
Option payment received	-	-	-	(100,000)	-	(100,000)
Impairment	-	-	(4,030)	-	-	(4,030)
Foreign exchange translation	-	-	-	-	(15,913)	(15,913)
Ending balance, November 30, 2020	\$15,397,413	\$ 1	\$ 1	\$ 200,000	\$ 636,080	\$ 16,233,495

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

9. EXPLORATION AND EVALUATION PROPERTIES (continued)**(a) West Cache Gold, Ontario**

West Cache Gold project is located west of Timmins, Ontario in the Townships of Bristol and Ogden in the Timmins-Porcupine Mining Camp. The project comprises 265 unpatented mining claims and eighteen patented claims, all of which are contiguous. One hundred and ninety-one (191) of the unpatented claims and the three patented claims lie within Bristol Township and the remaining 73 are in Ogden Township. Claims are subject to a 2% or 3% NSR.

On June 25, 2020, the Company signed a purchase agreement to acquire 8 patented claims located in the Ogden Township, contiguous to the eastern boundary of the West Cache property for \$450,000. Pursuant to the purchase agreement, the Company paid \$150,000 and assumed the vendor take back an interest-free mortgage of \$300,000 to be paid in two equal installments of \$150,000 on each of the two anniversaries of closing. During the six months ended May 31, 2021, the Company paid the first instalment of the mortgage of \$150,000. The Company granted a 2% NSR to the vendor and has an option to purchase a 2.0 % NSR for \$2,000,000.

(b) Neal, Idaho, USA

The Neal project is located southeast of Boise, Idaho and has access via 20 kilometers of improved gravel and dirt roads from Interstate-84. The project consists of five private patented mining claims and another seven unpatented lode claims located on U.S. Forest Service administered public lands.

On May 13, 2019, the Company issued 10,221,732 common shares valued at \$204,235 to acquire 102 units, representing 70% of ownership and controlling interest, in the Neal LP and the right to enter into a lease agreement with the landowner of five patented claims known as Neal Property ("Neal Lease"). In addition, the Company assumed liabilities totalling \$60,000 which has been included in the initial consideration capitalized to the exploration and evaluation property, bringing the total to \$264,235.

On May 15, 2019, the Company entered into the Neal Lease for a period of five years which may be extended for 1-year terms thereafter. Annual lease payment consists of a \$3 per dry ton for all material it removes from the property and a 3% net smelter return royalty, with a minimum annual payment of US\$10,000. Pursuant to the Neal LP agreement, the Company is fully responsible for all expenditures related to the exploration, development, and operation of the Neal property. Upon achievement of production, the unit holders have rights to the net profits or losses relative to their ownership percentage. Since the Neal property is currently not in production, no amounts have been attributed to the unit holders who represent the non-controlling interest in Neal LP.

The Company was required to purchase a reclamation bond of \$105,630 (US\$87,500) (November 30, 2020 - \$113,444) in respect of its expected site reclamation and closure obligations of the Neal Property as required by the State of Idaho's Department of Lands. The reclamation bond represents collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company, which will be released once the property is restored to satisfactory condition, or as released under the surety bond agreement.

On June 3, 2020, the Company issued 500,000 common shares valued at \$30,000 to a minority interest owner, increasing the Company's total ownership in the Neal LP to 80%.

(c) Chester, New Brunswick

The Chester property is located Northumberland County, New Brunswick. The property comprises 114 contiguous claims and is subject to 1% and 2% NSR.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

The Company has an option agreement dated January 17, 2019 with Puma Exploration Inc. ("Puma") to grant sole an exclusive right and option to acquire 100% of the property over a three-year period, for the following considerations:

- (i) An aggregate payment of \$300,000 in cash, payable \$100,000 per year; and
- (ii) Puma shall complete a work program of \$1,100,000 on the property, with a minimum of \$250,000 during the first year of the option agreement, \$350,000 the second year and \$500,000 on the third year.

Upon the completion of these conditions over a period of three years, Puma will have acquired a 100% interest in the Property and the Company will retain a 2% NSR on the property. Puma has an option to redeem 1% of NSR for \$1,000,000.

During the six months ended May 31, 2021, the Company received \$100,000, bringing an aggregate total of \$200,000 payment in cash received to date pursuant to the option agreement with Puma. The option payment received was recorded as a reduction against the cost of the mineral property.

(d) Other properties in Canada**(i) Manitoba****William Lake**

The William Lake property is located in central Manitoba. An extensive exploration program was conducted on this nickel and platinum group element (PGE) property during 2008. A re-assay program was completed in 2012 and preliminary target modelling was completed in 2013. The William Lake Property was written down to \$1 in 2015 as no substantive exploration expenditures are planned or budgeted for. The costs to maintain the claims on this property are minimal as the Company has banked work credits that will be used at renewal. The Company purchased the property rights from Falconbridge Limited ("Xstrata") subject to a 2% net smelter return royalty. In addition, Xstrata has a one-time right to repurchase a 50% working interest in William Lake property if certain conditions are met. Xstrata also has the right to purchase 100% of the ore produced at market prices.

(ii) Ontario**Kidd Township**

Kidd Township property comprises 204 claims and four patented claims located in the Kidd, Carnegie, Wark, Prosser and Murphy Townships, Mining Division of Porcupine, in Ontario. The property is subject to 1% and 2% NSR.

(iii) Quebec**East Bay, Destor and Nelligan**

The Company sold its interest in the East Bay, Destor and Nelligan ("Quebec properties") located in Quebec to a private company, Quebec Aur Ltd. ("Quebec Aur") in May 2021. Pursuant to the terms of the agreement, Quebec Aur paid \$250,000 and issued 600,000 common shares of Quebec Aur, to obtain 100% ownership of the Quebec properties. Quebec Aur has entered into a letter of intent with a publicly listed TSXV company ("PublicCo") whereby Quebec Aur will be acquired by PublicCo, and each Quebec Aur share will be exchanged for one share of PublicCo. If the acquisition of Quebec Aur is not completed by September 15, 2021, Quebec Aur shall, at its election, pay \$150,000 to the Company or transfer the Quebec properties back to the Company. Quebec Aur has granted a 1% net smelter returns royalty (the "NSR") on any of the Quebec properties' claims that do not have an existing royalty. The NSR can be repurchased by Quebec Aur for \$1,000,000. In connection with the sale, the Company recognized a gain on exploration and evaluation properties of \$250,000.

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

10. ROYALTY INTEREST

Milford Copper Property

The Company holds a 1% net smelter royalty (the “Royalty”) on the Milford Copper Property located in Utah. The Milford Copper Property was previously owned by CS Mining LLC (“CS Mining”) and is now owned by Tamra Mining Company, LLC (“Tamra”) as of August 29, 2018. The royalty is shared with another party on a pro-rata basis, with the Company’s royalty capped at US\$5,000,000 (\$6,036,000) and the other party’s royalty capped at US\$3,000,000 (\$3,621,600).

Since late 2018, the operation, including the processing of ore, at the Milford Copper Property has been suspended pending new financing partners. Given the uncertainty of future operations and collection of the royalty payments, the royalty had been written down to \$1. As at May 31, 2021, the Company has received a total of \$773,317 (US\$609,631) (November 30, 2020 - \$790,387) in royalty payments, and the maximum royalty remaining balance was US\$4,390,369 (November 30, 2020 – US\$4,390,369) or \$5,300,053 (November 30, 2020 - \$5,692,113).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2021	November 30, 2020
Accounts payable	\$ 297,614	\$ 288,711
Accrued liabilities	1,367,247	2,017,362
Total	\$ 1,664,861	\$ 2,306,073

12. MORTGAGE PAYABLE

On June 25, 2020, the Company acquired 8 patented claims located in the Ogden Township, contiguous to the eastern boundary of the West Cache property for \$450,000 (Note 9 (a)). Pursuant to the purchase agreement, the Company assumed an interest-free vendor take-back mortgage of \$300,000 to be paid in two equal installments of \$150,000 in each of the two anniversaries of closing. The Company had estimated the fair value of the mortgage payable at \$283,499 using an interest rate of 6% (5.87% effective interest rate) which reflects management’s best estimate of the interest rate that would apply on a comparable loan. During the six months ended May 31, 2021, the Company paid the first instalment of the mortgage of \$150,000. The Company recognized a total of finance expense of \$4,055 (2020 - \$Nil) in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2021.

13. CONVERTIBLE DEBENTURES

	September 2019	October 2019	December 2019		Total
	Note 13 (i)	Note 13 (ii)	Note 13 (iii)(b)	Note 13 (iii)(a)	
Balance, November 30, 2019	2,295,103	256,946	–	–	2,552,049
Convertible debentures on acquisition of Explor (Note 4)	–	–	883,807	1,209,368	2,093,175
Conversion	(2,279,016)	(284,789)	(945,655)	(1,341,043)	(4,850,503)
Finance and interest paid	(16,087)	27,843	61,848	131,675	205,279
Balance, November 30, 2020	–	–	–	–	–
Less: Current portion	–	–	–	–	–
	\$ –	\$ –	\$ –	\$ –	\$ –

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

13. CONVERTIBLE DEBENTURES (continued)

- (i) On September 5, 2019, the Company issued a convertible debenture (the "Debenture") for gross proceeds of \$3,000,000 to 2176423 Ontario Ltd. The Debenture has a term of two years, bears interest at a rate of 8% per annum and is convertible into common shares at a price of \$0.05 per share for the first 12 months, and \$0.10 per share thereafter until maturity.

On January 17, 2020, the convertible debenture holder converted a total of \$3,000,000 principal amount of convertible debenture at \$0.05 resulting in the issuance of 60,000,000 shares. Additionally, the Company settled the interest due on the debenture of \$82,177 by issuance of 1,027,218 common shares at a price of \$0.08 per share on January 22, 2020.

A total of finance expense of \$66,120 related to the debenture has been recognized in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2020.

- (ii) On October 24, 2019, the Company issued 300 units convertible debenture (the "Debenture Units") at a price of \$1,000 per Debenture Unit for gross proceeds of \$300,000. The Debenture has a term of one year, bears interest at a rate of 8% per annum and is convertible into common shares at a price of \$0.05 per share.

A total of finance expense of \$17,167 related to the debenture has been recognized in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2020.

All the holders of the convertible debentures have converted their debenture into the Company's common shares as of November 30, 2020.

- (iii) Upon completion of acquisition of Explor (Note 4) on December 23, 2019, the Company assumed two secured convertible debentures as follows:

- (a) Secured convertible debentures with the principal amount of \$1,300,000. The debenture expires on November 28, 2020, bears interest at a rate of 8% per annum and is convertible into the Company's common shares at a price of \$0.10 per share.

A total of finance expense of \$53,259 related to the debenture has been recognized in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2020.

- (b) Secured convertible debentures with the principal amount of \$945,212. The debenture expires on July 3, 2020, bears interest at a rate of 8% per annum and is convertible into the Company's common shares at a price of \$0.10 per share.

A total of finance expense of \$25,410 related to the debenture has been recognized in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2020.

On June 1, 2020, the Company reached agreement with debenture holders for early retirement of 8% convertible debentures with the outstanding principal amount of \$1,300,000 and \$945,212 due on November 28, 2020 and July 3, 2020, respectively. Pursuant to terms of the agreement, the Company settled the outstanding principal and accrued interest plus interest payable to maturity of \$2,555,453 through issuance of 42,590,884 units of the Company (the "Settlement Units"), with each Settlement Unit being comprised of one common share of the Company and three quarters (3/4) of one common share purchase warrant ("Settlement Warrant"). Each Settlement Warrant is exercisable at a price of \$0.075 per common share and expired 30 months from the closing date. In connection with the settlement, the Company paid a work fee of \$60,000 and restructuring fees of \$540,000, settled through the issuance of 10,000,000 common shares.

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

14. SHARE CAPITAL

Share capital consists of unlimited authorized common shares without par value.

	Number of shares	Amount
Balance November 30, 2019	86,493,339	\$ 54,073,314
Issued on acquisition of Explor (i)	95,198,612	5,235,924
Issued on private placement, net (ii)	12,500,000	549,055
Issued on private placement, net (v)	61,084,377	1,925,572
Issued on private placement, net (viii)	24,655,636	771,937
Issued on private placement, net (xi)	57,691,987	3,057,498
Issued on conversion of debentures (iii)	66,000,000	3,248,188
Issued for accrued interest on debenture settlement (iii)	1,027,218	82,177
Issued on early conversion of debentures (vi)	52,590,886	4,066,220
Issued for Neal property (ix)	500,000	30,000
Issued for debt settlements (iv) (vii) (x)	6,166,667	695,000
Issued on warrants exercise	422,727	44,103
Balance November 30, 2020	464,331,449	\$ 73,778,988
Issued for a settlement (xii)	6,311,479	701,112
Issued on warrants exercise	222,727	23,284
Balance, May 31, 2021	470,865,655	\$ 74,503,384

- (i) On December 23, 2019, the Company completed the acquisition of Explor (Note 4). As part of the consideration for the acquisition, the Company issued 0.5 common shares for each common share of former Explor's shareholders held, resulting in issuance of 95,198,612 common shares of the Company.
- (ii) On December 30, 2019, the Company closed a private placement 12,500,000 flow-through units at a price of \$0.08 per unit for gross proceeds of \$1,000,000. Each unit consists of one flow-through common share and one-half of one common share purchase warrant, each warrant entitling the holder to purchase one additional common share at an exercise price of \$0.12 for a period of two years after closing. The proceeds of the private placement have been allocated as \$694,586 to share capital, and \$305,414 to the warrant reserve (Note 15). The Company paid a total of \$71,340 of issuance costs and issued 875,000 compensation warrants, exercisable into one common share at a price of \$0.08 for a period of 2 years, with estimated fair value of \$47,273.

The Company recognized a flow-through premium liability of \$90,909 from this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred. As of December 31, 2020, the Company has spent all of the flow-through funds related to this private placement and recognized flow-through premium income of \$90,909 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

- (iii) On January 9, 2020, 2176423 Ontario Ltd., converted the Debenture (Note 13 (i)), in the principal amount of \$3,000,000, into 60,000,000 common shares. Additionally, the Company closed a debt settlement agreement to settle the interest due on the Debenture of \$82,177 by issuance of 1,027,218 common shares at a price of \$0.08 per share on January 22, 2020.

During the six months ended May 31, 2021, all the holders of 8% Debenture with a principal amount of \$300,000 (Note 13 (ii)) have converted their debenture into 6,000,000 common shares.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

14. SHARE CAPITAL (continued)

- (iv) On February 25, 2020, the Company settled an aggregate amount of \$70,000 for interest owed on a convertible debenture assumed through the amalgamation with Explor (Note 4). The debt was settled by the issuance of 1,000,000 common shares at a price of \$0.07 per share.
- (v) On May 25, 2020, the Company closed a first tranche of non-brokered private placement for aggregate gross proceeds of \$3,196,440 of (a) 32,640,100 units of the Company at a price of \$0.05 per unit and (a) 28,444,277 flow-through ("FT") units at a price of \$0.055 per FT unit.

Each unit and FT units consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.075 for a period of 24 months following the closing of the private placement.

The proceeds of the private placement have been allocated as \$2,206,191 and \$990,250 to warrant reserve (Note 15). The Company paid a total of \$153,451 of issuance costs and issued 1,728,153 finder's warrants with estimated fair value of \$110,902. Each finder's warrant is exercisable to purchase one common Share at a price of \$0.05 for a period of 24 months from the issue date.

The Company recognized a flow-through premium liability of \$142,221 from this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred.

Certain insiders, directors and officers of the Company subscribed for an aggregate of 3,640,000 units and 463,650 FT units under the private placement.

As of December 31, 2020, the Company has spent all of flow-through funds related to this private placement and recognized flow-through premium income of \$142,221 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020.

- (vi) On June 1, 2020, the Company reached agreement with debenture holders for the early retirement of 8% convertible debentures with the outstanding principal amount of \$1,300,000 and \$945,212 (Note 13), respectively. Pursuant to terms of the agreement, the Company settled the outstanding principal and accrued interest plus interest payable to maturity of \$2,555,453 through issuance of 42,590,884 units of the Company (the "Settlement Units"), with each Settlement Unit being comprised of one common share of the Company and three quarters (3/4) of one common share purchase warrant ("Settlement Warrant"). Each Settlement Warrant is exercisable at a price of \$0.075 per common share and expired 30 months from the closing date.
- (vii) On June 9, 2020, the Company issued 666,667 shares to settle \$67,100 of debt assumed through the amalgamation with Explor (Note 4). The fair value of the shares was determined based on the share price on settlement and a gain of \$27,100 was recognized as a result of this debt settlement.
- (viii) On June 11, 2020, the Company closed a second and final tranche of non-brokered private placement for aggregate gross proceeds of \$1,328,060 of (i) 5,600,000 Units at a price of \$0.05 per Unit and (ii) 19,055,636 FT Units at a price of \$0.055 per FT Unit.

Each Unit and FT Units consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.075 for a period of 24 months following the closing of the Offering.

In connection to the private placement, the Company issued to the finder's warrants equal to 7% of the Units and FT Units sold on certain orders. Each Finder's Warrant is exercisable to purchase one common Share at a price of \$0.05 for a period of 24 months from the issue date.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

14. SHARE CAPITAL (continued)

The proceeds of the private placement have been allocated as \$914,446 and \$413,614 to warrant reserve (Note 15). The Company paid a total of \$58,603 of issuance costs and issued 977,454 finder's warrants with estimated fair value of \$53,308. Each finder's warrant is exercisable to purchase one common Share at a price of \$0.05 for a period of 24 months from the issue date.

The Company recognized a flow-through premium liability of \$142,221 related to this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred.

As of May 31, 2021, the Company has spent all of flow-through funds related to this private placement and recognized flow-through premium income of \$54,595 in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2020, and \$40,583 in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2021.

Certain insiders, directors and officers of the Company subscribed for an aggregate of 5,200,000 Units and 46,545 FT Units under the private placement.

- (ix) On June 3, 2020, the Company issued 500,000 common shares valued at \$30,000 to a minority interest owner to acquire an additional 2% of ownership interest in the Neal LP (Note 9 (b)).
- (x) On July 13, 2020, the Company settled \$428,067 of debt originating from the amalgamation with Explor (Note 4) through the issuance of 4,500,000 shares and \$230,639 (US\$170,000) in cash. The fair value of the shares was determined based on the share price on settlement and a loss of \$387,572 was recognized as a result of this debt settlement.
- (xi) On October 14, 2020, the Company closed a private placement for total gross proceeds of \$8,000,000 consisting of 28,870,667 units of the Company (the "Units") at a price of C\$0.12 per Unit; 10,402,987 flow-through units of the Company (the "FT Units") at a price of C\$0.135 per FT Unit; and 18,418,333 FT Units sold to charitable flow-through purchasers at a price of C\$0.17 per FT Unit (the "Offering"). Each Unit issued consists of one common share in the capital of the Company and one common share purchase warrant. Each FT Unit consists of one common share of the Company and one warrant. Each warrant shall entitle the holder to purchase one additional common share at a price of \$0.18 at any time on or before 36 months after the closing date.

In connection with the Offering, the Company paid issuance costs of a combined total of \$638,777 and issued 3,411,519 compensation options, each entitling the holders to purchase one Unit of the Company at a price of \$0.12 per Unit until October 14, 2022, consisting of one common share of the Company and one compensation warrants. Each compensation warrants shall entitle the holder to purchase one additional common share at a price of \$0.18 at any time on or before 36 months after the closing date. The estimated fair value of 3,411,519 compensation options is \$364,429. The proceeds of the private placement have been allocated as \$1,465,221 and \$1,397,410 to warrant reserve (Note 15).

The Company recognized a flow-through premium liability of \$1,076,961 related to this private placement. A pro-rata reduction of flow-through premium liability will be recognized as flow-through income as the required expenditures are incurred.

As of May 31, 2021, the Company has spent \$4,181,606 of flow-through funds related to this private placement and recognized flow-through premium income of \$992,924 in the condensed interim consolidated statements of loss and comprehensive loss for the six months ended May 31, 2021.

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

14. SHARE CAPITAL (continued)

- (xii) On January 8, 2021, the Company entered into a settlement agreement (the “Settlement”) to settle a claim for damages filed with the Superior Court of Québec against Explor and its former officer and directors of approximately \$690,000. A total of \$794,262 was included in accrued liabilities as of November 30, 2020. Pursuant to the Settlement, the Company issued 6,311,479 common shares and 908,853 warrants for a release of any claims, demands and future actions. Each warrant entitles the holder to purchase one common share at a price of \$0.18 with expiry date of January 8, 2024.

15. RESERVES

Reserves include (i) the accumulated fair value of stock options recognized as share-based compensation, and (ii) the fair value of warrants issued in private placements and for share issue costs. Reserves are increased by the fair value of these items as they vest and are reduced by corresponding amounts when the options or warrants expire or are exercised or cancelled.

SHARE-BASED COMPENSATION

The Company has a common share 10% Rolling Plan (the “Plan”) for designated directors, officers, employees, and consultants. Pursuant to the Plan, option awards are recommended by the Compensation Committee of the Board and then reviewed by the Board of Directors. Under the Plan, options on common shares may be issued for up to a cumulative amount that may not exceed 10% of shares outstanding at any given time. As at May 31, 2021, the Company had 25,264,292 options reserved on common shares.

The exercise price for each option granted under the Plan is based upon the five-day weighted average market price at the date of the grant but shall not be lower than the discounted market price, as defined by the TSX Venture Exchange Corporate Finance Manual. The term may not exceed ten years from the date of the grant of the option. The specific terms including vesting year and term of the option are set by the board of directors.

Stock option activity is presented below:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2019	4,600,000	0.05
Issued on acquisition of Explor (Note 4)	6,762,500	0.16
Issued	12,600,000	0.06
Forfeited	(1,700,000)	0.18
Expired	(462,500)	0.15
Outstanding, November 30, 2020	21,800,000	0.08
Issued	6,400,000	0.09
Expired	(850,000)	0.30
Outstanding, May 31, 2021	27,350,000	0.07

In connection with the acquisition of Explor (Note 4), as part of the consideration for the acquisition, the Company issued replacement options with the same remaining term, adjusting the number of options and exercise price equal to Exchange Ratio. On December 23, 2019, a total of 6,762,500 of options were issued to the former Explor option holders with exercise price ranges from \$0.10 to \$0.30.

On March 31, 2020, the Company granted a total of 10,850,000 options to employees, consultants, and directors of the Company. The options are exercisable at a price of \$0.05 per common shares, for a term of 5 years from issuance and vested immediately.

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

15. RESERVES (continued)

On June 29, 2020, the Company granted a total of 550,000 options to consultants of the Company. The options are exercisable at a price of \$0.06 per common shares, for a term of 3 years from issuance and vested immediately.

On September 14, 2020, the Company granted 600,000 options to a newly appointed director with an exercise price of \$0.12. The options have a term of 5 years and vest immediately.

On November 24, 2020, the Company granted 600,000 options to a newly appointed director with an exercise price of \$0.105. The options have a term of 5 years and vest immediately.

On March 30, 2021, the Company granted a total of 6,400,000 options to employees, consultants, and directors of the Company. The options are exercisable at a price of \$0.09 per common shares, for a term of 5 years from issuance and vested immediately.

The fair value of the options granted or issued was estimated on the date of the grant using the Black-Scholes option pricing model, with the following assumptions:

	For the six months ended May 31, 2021	For the year ended November 30, 2020
Volatility	223%	139-317%
Expected life	5 years	0.38-5 years
Risk-free interest rate	0.97%	0.31-1.69%
Forfeiture rate	0%	0%
Expected dividend yield	0%	0%

The following stock options are outstanding and exercisable at May 31, 2021:

Options outstanding and exercisable			
Exercise price \$	Number of options	Weighted average remaining contractual life in years	Weighted average exercise price \$
0.05	4,600,000	2.83	0.05
0.16	1,700,000	1.22	0.16
0.10	2,050,000	2.30	0.10
0.05	10,850,000	3.84	0.05
0.06	550,000	2.08	0.06
0.12	600,000	4.29	0.12
0.105	600,000	4.49	0.105
0.09	6,400,000	4.83	0.09
	27,350,000	3.61	0.07

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

15. RESERVES (continued)

WARRANTS

Warrants activity is presented below:

	Number of Warrants	Weighted average exercise price \$
Outstanding, November 30, 2019	2,416,667	0.12
Issued on acquisition of Explor (Note 4)	12,387,906	0.20
Issued on private placements (Note 14 (ii) (v) (viii) (xi))	113,804,116	0.13
Issued on early conversion debenture (Note 13 (iii))	31,943,165	0.075
Forfeited warrants (Note 13 (iii))	(11,226,000)	0.20
Expired warrants	(1,161,906)	0.18
Exercised warrants	(422,727)	0.06
Outstanding, November 30, 2020	147,741,221	0.12
Issued for a settlement (Note 14 (xii))	908,853	0.18
Exercised warrants	(222,727)	0.05
Outstanding, May 31, 2021	148,427,347	0.12

In connection with the acquisition of Explor (Note 4), as part of the consideration for the acquisition, the Company issued replacement options with the same remaining term, adjusting the number of warrants and exercise price equal to Exchange Ratio. On December 23, 2019, a total of 12,387,906 of warrants were issued to the former Explor warrant holders with exercise price ranges from \$0.12 to \$0.20.

On May 28, 2021, the Company extended the expiry term of a total of 1,416,667 warrants by one year, all of which are exercisable at \$0.12 per share. The warrants were issued pursuant to a private placement which closed over two tranches in June and July 2019 as follows:

- (i) For 1,166,667 warrants issued on June 17, 2019, the expiry term is extended to June 17, 2022; and
- (ii) For 250,000 warrants issued on July 22, 2019, the expiry term is extended to July 22, 2022.

The total cost of the warrant extension is \$73,365 which has been recorded under warrants and the offsetting entry is recorded in the deficit. The fair value of the warrants' extension was estimated using the Black-Scholes model calculated for the difference between the extended period and the remaining period when the decision was taken to extend the warrants. The assumptions used were as follow: no expected dividend yield, 59.11 - 140.95% expected volatility, 0.08-0.31% risk-free interest rate and 0.1-1.2 years warrant expected life. A total of 250,000 warrants are held by a director of the Company.

The fair values of the warrants were calculated using the Black-Scholes option pricing model with the following assumptions:

	For the six months ended May 31, 2021	For the year ended November 30, 2020
Volatility	59.11-216%	141-263%
Expected life	0.1-3 years	0.01-3 years
Risk-free interest rate	0.08-0.31%	0.27-1.76%
Forfeiture rate	0%	0%
Expected dividend yield	0%	0%

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

15. RESERVES (continued)

The following warrants are outstanding and exercisable at May 31, 2021:

Warrants outstanding and exercisable			
Exercise price \$	Number of Warrants	Weighted average remaining contractual life in years	Weighted average exercise price \$
0.12	1,166,667	1.05	0.12
0.12	250,000	1.14	0.12
0.12	1,000,000	0.32	0.12
0.12	6,250,000	1.58	0.12
0.08	875,000	0.58	0.08
0.075	16,120,050	0.98	0.075
0.075	14,222,136	0.98	0.075
0.05	1,728,153	0.98	0.05
0.075	2,800,000	1.03	0.075
0.075	9,527,817	1.03	0.075
0.05	532,000	1.03	0.05
0.075	31,943,165	1.53	0.075
0.18	28,870,667	2.37	0.18
0.18	10,402,987	2.37	0.18
0.18	18,418,333	2.37	0.18
0.12	3,411,519*	1.37	0.12
0.18	908,853	2.61	0.18
	148,427,347	1.68	0.12

* Each entitles the holders to purchase one unit of the Company at a price of 0.12 per unit until October 14, 2022, consisting of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.18 until October 14, 2023.

16. ADMINISTRATION AND GENERAL EXPENSES

Included in administration and general expenses are the following:

	May 31, 2021	May 31, 2020
Consulting	\$ 833,320	\$ 893,261
Depreciation	14,183	3,729
Directors' fees	-	5,187
Investor relations	87,599	35,359
Occupancy costs	12,677	16,631
Office and miscellaneous	68,631	42,200
Permit and taxes	5,581	5,519
Professional services	47,074	86,951
Promotion and advertising	36,498	59,830
Regulatory, filing and transfer agent fees	47,010	22,556
Salaries and benefits	234,609	190,883
Share-based compensation	444,505	542,287
Travel	19,557	39,300
Total	\$ 1,851,244	\$ 1,943,693

GALLEON GOLD CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS
ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian dollars)
(Unaudited)

17. LOSS PER SHARE

The weighted average number of shares outstanding used in the computation of loss per share for the six months ended May 31, 2021 was 466,996,296 (2020 – 196,859,454).

For the six months ended	May 31, 2021	May 31, 2020
Loss attributable to common shareholders	\$ (486,893)	\$ (2,280,965)
Weighted average number of common shares outstanding	466,996,296	196,859,454
Loss per share basic and diluted	\$ (0.00)	\$ (0.01)

The outstanding and exercisable 27,350,000 options and 148,427,347 warrants (Note 15) were excluded from the computation of diluted weighted average shares outstanding for the six months ended May 31, 2021 (11,362,500 and 21,089,096, respectively, for the six months ended May 31, 2020), as their effect would be anti-dilutive.

18. RELATED PARTY TRANSACTIONS

The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors for the six months ended May 31, 2021

For the six months ended	May 31, 2021	May 31, 2020
Salaries, consulting, and other benefits	\$ 1,019,947	\$ 884,493
Share based compensation	422,282	244,904
Directors' fees	–	5,187
Total	\$ 1,442,229	\$ 1,134,584

Included in the accounts payable and accrued liabilities as of May 31, 2021, was \$664,105 (November 30, 2020 - \$106,891) due to officers of the Company.

19. SEGMENTED INFORMATION

The Company operates in one segment being the acquisition, exploration and development of exploration and evaluation properties. The Company has exploration and evaluation properties located in two geographical areas, Canada, and the United States of America.

As at May 31, 2021	Canada	United States	Total
Current assets	\$ 2,970,182	\$ 51,114	\$ 3,021,296
Property, plant and equipment	29,914	91,322	121,236
Royalty interest	–	1	1
Exploration and evaluation properties	20,302,873	608,956	20,911,829
Reclamation bond	–	105,630	105,630
	\$ 23,302,969	\$ 857,023	\$ 24,159,992
Current liabilities	\$ 3,161,016	\$ 385,544	\$ 3,546,560
Long-term liabilities	225,489	–	225,489
	\$ 3,386,505	\$ 385,544	\$ 3,772,049

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)****19. SEGMENTED INFORMATION (continued)**

As at November 30, 2020	Canada	United States	Total
Current assets	\$ 8,553,676	\$ 103,902	\$ 8,657,578
Property, plant and equipment	31,036	108,976	140,012
Royalty interest	–	1	1
Exploration and evaluation properties	15,597,414	636,081	16,233,495
Reclamation bond	–	113,444	113,444
	\$ 24,182,126	\$ 962,404	\$ 25,144,530
Current liabilities	\$ 4,283,353	\$ 54,418	\$ 4,337,771
Long-term liabilities	1,254,942	–	1,254,942
	\$ 5,538,295	\$ 54,418	\$ 5,592,713

20. FINANCIAL INSTRUMENTS**(a) Classification of financial instruments**

Financial assets and liabilities in the statements of financial position are as follows:

May 31, 2021	Financial assets at fair value through profit of loss	Financial assets at amortized cost	Financial liabilities at amortized cost
Cash and cash equivalents	\$ –	\$ 2,534,320	\$ –
Restricted cash equivalents	–	40,000	–
Marketable securities	32,500	–	–
Reclamation bond	–	105,630	–
Accounts payable and accrued liabilities	–	–	1,664,861
Accrued penalties and Part XII.6 taxes	–	–	1,881,698
Mortgage payable	–	–	141,452

November 30, 2020	Financial assets at fair value through profit of loss	Financial assets at amortized cost	Financial liabilities at amortized cost
Cash and cash equivalents	\$ –	\$ 8,047,764	\$ –
Restricted cash equivalents	–	40,000	–
Marketable securities	115,261	–	–
Reclamation bond	–	113,444	–
Accounts payable and accrued liabilities	–	–	2,395,860
Accrued penalties and Part XII.6 taxes	–	–	1,791,911
Mortgage payable	–	–	287,397

20. FINANCIAL INSTRUMENTS (continued)

(b) Fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between arm's length market participants at the measurement date.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company designated its marketable securities as fair value through profit and loss, which is measured at fair value and classified as level 1, except for marketable securities – warrants, which is classified as level 3. The carrying value of the marketable securities - warrants is determined using the Black-Scholes option pricing model.

(c) Credit risk

The Company has no trade accounts. The exposure credit risk for cash and cash equivalents is considered immaterial. The Company maintains all of its cash and cash equivalents invested in guaranteed investment certificate at a major Canadian financial institution. The Company believes that exposure to credit risk is low.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. 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 as a result of conditions specific to the Company. As at May 31, 2021, the Company had cash and cash equivalents of \$2,534,320 (November 30, 2020 - \$8,047,764) to settle current liabilities of \$3,546,559 (November 30, 2020 - \$4,337,771).

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's debentures have fixed interest rates and accrued penalties bear interest at the rate prescribed by CRA, which is revised quarterly. As at May 31, 2021, the Company had no hedging agreements in place with respect to floating interest rates.

(f) Currency risk

As the Company operates in the United States, some of the Company's assets, liabilities, and transactions are denominated in United States funds. Fluctuation in the exchange rates between the United States dollar and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations.

As at May 31, 2021, the Company had net monetary liabilities denominated in United States funds of approximately \$216,000 (US\$179,000). Based upon the balance as at May 31, 2021, an increase of 15% in the U.S. to Canadian dollar exchange would result in a decrease in the net loss and comprehensive loss of \$32,300, and a reduction of 15% would result in an increase in the net loss and comprehensive loss of \$32,300. Management believes that it is not likely, but it is possible that the exchange rate could fluctuate by more than 15% within the next 12 months.

GALLEON GOLD CORP.**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS****ENDED MAY 31, 2021 AND 2020****(Expressed in Canadian dollars)****(Unaudited)**

21. CAPITAL MANAGEMENT

The Company considers all of the components of shareholders' equity to be capital, the balance of which is \$20,387,944 (November 30, 2020 – \$19,551,818). The Company's objectives in managing capital are to safeguard its ability to operate as a going concern and to generate a superior return to shareholders. The Company expects to finance exploration activity through joint ventures, sales of property interests, entering into debt financing and by raising additional share capital when market conditions are suitable. The Company and its subsidiaries are not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

22. COMMITMENTS AND CONTINGENT LIABILITIES**Flow-through obligations**

As a result of the amalgamation with Explor (Note 4), the Company has assumed certain liabilities and contingent liabilities and is exposed to a lawsuit. Canada Revenue Agency ("CRA") has disallowed the eligibility of certain Canadian Exploration Expenses ("CEE") previously renounced and reassessed a shortfall of CEE spending obligations of approximately \$3,800,000 and \$2,300,000 on flow-through financings completed in 2011–2013 calendar years ("2011-2013 FT") and 2016–2017 calendar years ("2016-2017 FT"), respectively. As a result, CRA has assessed a combined associated penalties and taxes of approximately \$2,600,000, of which \$764,000 has been paid to CRA. As of May 31, 2021, the objection filed with CRA with respect to 2011-2013 FT is still under review, and the Company plans to file an objection with regards to the 2016-2017 FT within the prescribed time frame.

As of the May 31, 2021, the Company has the following flow-through funds to be spent:

Closing Date of Financing	Province	Deadline for spending	Remaining Flow-through funds
December 30, 2019	Ontario	December 31, 2020	\$ –
May 25, 2020	Ontario	December 31, 2021	–
June 11, 2020	Ontario	December 31, 2021	–
October 14, 2020	Ontario	December 31, 2021	84,037
Total			\$ 84,037

First Nations Agreements

The Company has Memorandum of Understanding ("MOU") with various parties pertaining to exploration of certain properties as follows:

- (i) MOU with the Flying Post First Nation and Mattagami First Nation (collectively "West Cache First Nations") pursuant to which the Company will pay 2% of all direct exploration costs incurred on the West Cache Gold property to West Cache First Nations; and
- (ii) MOU with the Matachewan First Nation and Mattagami First Nation (collectively "Kidd First Nations") pursuant to which the Company will pay 2% of all direct exploration costs incurred on the Kidd Township property to Kidd First Nations.